

ERADICATING POVERTY EFFECTIVELY: CONCISE, STRATEGIC DATA TO TACKLE THE GREATEST GLOBAL CHALLENGE

Sabina Alkire

KEY MESSAGES

- Data can make a transformational contribution to eradicating poverty. The Second World Summit on Social Development (WSSD2) presents an opportunity to act on that potential. It should prioritise core dimensions of poverty, rather than contain a garland of aims.
- Multidimensional poverty indices (MPIs) provide a summary measure that showcase interconnected non-monetary deprivations and give actionable high-resolution information that actors can use to create real impact and improve the cost effectiveness of interventions to eradicate poverty.
- A four-part poverty lens comprising national and global monetary and multidimensional poverty indices could be used as concise, pragmatic, feasible and easy-to-understand measures of global poverty.
- Poverty targets should go beyond relative reduction ("cutting poverty by half" which is easiest for the least poor contexts) to include absolute reduction in poverty levels (where the least-developed and poorest countries often excel) and in the number of people experiencing poverty, so that country progress is visible.
- To empower subnational actors and track ethical initiatives that leave no one behind, poverty metrics must be disaggregated and indicator information used to design high-impact policy sequences and show change.
- We need to invest in communicating poverty facts to inform public action by actors old and new. Poverty data needs a new visual interface so non-experts can identify clear, evidence-based priorities.

In 2015, the United Nations' 2030 Agenda for Sustainable Development referred to poverty eradication as our "greatest global challenge". It remains so. According to the <u>Global Multidimensional Poverty Index</u>, 2024, 1.1 billion people live in acute multidimensional poverty in over 100 countries, meaning they are immersed in a critical mass of deprivations affecting their health, education and living standards. Conflict, climate change and disasters, the lingering effects of the global pandemic, low global growth prospects, and, most recently, announcements of significant reductions in Official Development Assistance (ODA) and abrupt changes in institutions, financial structures and forms of development assistance are all likely to aggravate poverty. If services in education and health care are cut, if safety nets and provisions for persons in vulnerable situations ebb, and if financial markets, AI or new technologies displace lower-skilled workers without creating new decent jobs, then multidimensional and monetary poverty levels are likely to surge.

Data and metrics are the lifeblood of action. Information about impoverished persons and the interconnected deprivations they experience function like a bloodstream in poverty eradication systems – circulating to nourish and refresh activities with tangible and up to date information. The right data can make a transformational contribution to eradicating poverty even (and

Author: Sabina Alkire is Director of the Oxford Poverty and Human Development Initiative (OPHI), an economic research centre within the Oxford Department of International Development at the University of Oxford, England; and a member of the Committee for Development Policy (CDP). Disclaimer: The views expressed in this publication do not necessarily reflect the opinions and policies of the United Nations. especially) in the context of rising and compounding challenges. And data show when and where to celebrate and learn from significant poverty reductions. Multidimensional poverty data in particular has great potential to improve the cost-effectiveness of interventions to eradicate poverty. The Second World Summit on Social Development (WSSD2) which will take place this year in November presents an opportunity to act on this potential.

FIVE LESSONS TO GUIDE THE NEXT ERA OF MEASUREMENT BEYOND GDP

There is a growing understanding that the post-2030 era requires a broader strategic approach to capturing the complex facets of sustainable development that goes 'beyond GDP'. Measuring poverty needs to be a central element in this endeavour. This is reflected in the <u>zero</u> <u>draft of the WSSD2 Political Declaration</u>, and builds on a public consensus on the overriding importance of addressing poverty in all its forms, while engaging and empowering the protagonists both as beneficiaries and as primary agents of change in their own lives and communities. Yet there are a number of challenges to overcome, for which past experiences provide lessons.

- 1. Maintaining focus: In the first World Summit for Sustainable Development, in 1995, a signal aim was to address poverty with the same intensity of political will, tactical acuteness, and resource base that had hitherto been used to address Cold War security issues. If such clarity of focus is realised at WSSD2, a step change could be made. But if poverty statements seem to prioritise a large and eclectic list of topics, they may become too broad to be actionable and will diffuse efforts. A focused poverty agenda is essential. Measures that provide such focus, like the multidimensional poverty indices (MPI) (see Box 1), provide actionable insights grounded in solid data.
- 2. Both tailoring to context and comparing contexts: Poverty takes different shapes in different contexts, and appropriate poverty emphases vary. National measures tailor the definition of poverty to each national context. Hence, nationally customised poverty statistics reflecting national priorities, like National MPIs or monetary measures, should be used alongside globally comparable metrics, like the global MPI or the World Bank's \$2.15/day monetary measure, that address priority areas going forward, as both add value.
- **3.** Addressing poverty and vulnerability together: People may be vulnerable because they are near to poverty, or because they simultaneously experience climate crises, or because they inhabit small states where catastrophic rises of sea levels affect a large proportion of lives. Going forward, multidimensional poverty and vulnerabilities need to be analysed and addressed in tandem.

4. Improving cost-effectiveness: Given the reduction of development assistance and lower growth prospects, governments and international institutions need to find ways to reduce poverty more cost-effectively, and design interventions that bring lasting change. Investing in long-term active data systems on poverty creates impactful pathways for fiscally constrained budgets to generate maximum effect. Supplementing ongoing transfers with sustainable structural transformations may become pivotally important.

BOX 1

What are Multidimensional Poverty Indices (MPIs)

Multidimensional poverty measures identify a person as poor if they experience a critical mass of different deprivations at the same time.

The Global MPI has been co-published by the Oxford Poverty and Human Development Initiative (OPHI) at the University of Oxford and the Human Development Report Office of the United Nations Development Programme (UNDP) since 2010. The 2024 edition compares 112 countries and 6.3 billion people using the same 3 dimensions of health, education and living standards, and ten standardized indicators, and is extensively disaggregated. It is a rigorous, comparable, well-documented and freely accessible international poverty resource. Other cutoffs identify the severely poor and the vulnerable; a linked measure assesses destitution. All data are available (national. disaggregated, and indicator-specific for every group) here. National data are also available both here (UNDP) and in the World Development Indicators database (World Bank). The global MPI is used to monitor the 3rd United Nations Decade for the Eradication of Poverty, and is engaged in both the 2019 and 2024 Global Sustainable Development Reports by the Independent Group of Scientists appointed by the Secretary-General. A Middle-income global MPI is under development.

National MPIs are published by each government as official permanent statistics of poverty that use the dimensions and indicators that are available in their datasets and that reflect multidimensional poverty in their context. They are developed through extensive consultations, often led by national statistical offices in collaboration with planning ministries, poverty reduction agencies, and technical partners. Their development and use are supported by a broad coalition of actors, including OPHI, UNDP, UNICEF, the World Bank, and others. This collective engagement ensures that MPIs are technically sound, policy-relevant, and locally owned. OPHI collates National MPI data. To date, National MPIs have 3 to 8 dimensions (average 4) and 7-24 indicators (average 14). They are extensively disaggregated and analysed to improve social protection and policies including multi-sectoral or integrated policies and pro-poorest programmes. National MPIs are primarily used for interventions such as targeting, budget allocation, policy/ programme design, monitoring, coordination, and evaluation. National MPIs are also reported in the global SDG database as SDG indicator 1.2.2, although disaggregations cannot yet be reported in that databank.

5. Addressing the challenge of factfulness: Many assume that poverty data are obvious. But <u>Hans Ros</u>ling's book Factfulness (2018) found this assumption

to be incorrect. In an experiment he conducted, even highly educated people, including Nobel laureates and medical researchers, had such a poor knowledge of poverty trends that they were outperformed by chimpanzees randomly picking options. Proactively communicating reliable poverty data (monetary and multidimensional) is crucial using visualisations and messaging that people understand; otherwise, well-intentioned efforts may not be accurately deployed. And this matters, especially when resources are limited.

RELEVANCE OF MULTIDIMENSIONAL POVERTY INDICES (MPIS) FOR WSSD2'S FOCI

Echoing the <u>Copenhagen Declaration of 1995</u>, the <u>resolu-</u> <u>tion that convened WSSD2</u> recognises that "the three **core themes of social development, namely, poverty eradication, full and productive employment and decent work for all and social integration**, are interrelated and mutually reinforcing, and that an enabling environment therefore needs to be created so that all three objectives can be pursued simultaneously." By including interconnected deprivations, multidimensional poverty indices (MPIs) (see Box 1) can track progress in all three core themes together. They should be part of the enabling environment referred to in the resolution. They already are in two pivotal ways.

First, by **including indicators of work and social integration**. Most national MPIs include indicators related to decent work, and nearly all have indicators of social integration.

Regarding work, in 2025, 34 countries' nationally-tailored MPIs or pilot MPIs include a dimension or indicators of employment. These countries are located in every region of the developing world, showing the visible prominence of this dimension to understandings of poverty globally. Furthermore, because data on employment are often available for all working-age household members, precise measures of gender disparities are possible using the national MPI dataset.

As for social integration, national MPIs include indicators on a wide range of relevant issues, tailored to context: food security and nutrition; physical and mental health; quality education and life-long learning; climate resilience, just transition and disaster risk reduction; gender equality and empowerment of women and girls; adequate housing, urbanization and water and sanitation; social policies and the role of the family.

Second, by **disaggregating by social groups**. The social integration theme requires disadvantages to be illuminated by age, location, gender, disability status, ethnicity etc. Measures need to be, and are, disaggregated by groups. National MPIs and the global MPI are disaggregated by social groups to show which groups are poorest, whether they are catching up or being left behind over time, and how policies should address their specific

combinations of deprivations most effectively. For example the global MPI is disaggregated annually by youth, older persons, geographic location, and those living in rural/urban areas¹; it is published with gender analysis², and is periodically disaggregated by persons with disabilities, indigenous persons, internally-displaced persons. National MPIs have been disaggregated by all the mentioned categories. Where the National MPI and monetary measure come from the same survey these are always crossed to see what proportion of the population are poor according to both complementary measures of poverty.

What does this mean for the WSSD2? It means that multidimensional poverty measures already ordinarily include deprivations related to informal work, unemployment underemployment and/or youth who are not in education, employment or training; and the many aspects of social integration, supporting action in the three core themes in an integrated manner, with insight on the situation of different groups. Many national MPIs can be used to monitor the poverty, and work and social integration themes of WSSD2. Where these topics are already incorporated in the official national MPI, the index is already able to inform social integration policies and monitor change.

FIVE RECOMMENDATIONS ON MEASUREMENT FOR WSSD2

WSSD2 will require clear, actionable solutions to eradicate poverty in a challenging context. Here are five recommendations:

1. Prioritise the core dimensions of poverty

To maintain focus on the "greatest global challenge" and avoid diffusing efforts, WSSD2 should prioritise core dimensions of poverty, rather than contain a garland of aims. MPIs can support that focus by providing actionable insights grounded in solid data.

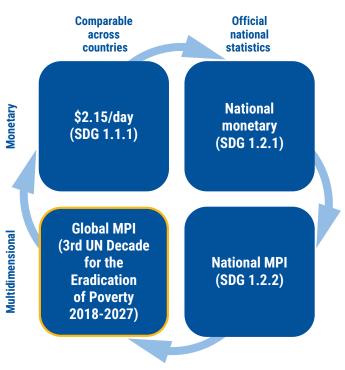
2. Adopt a four-part poverty lens: monitor multidimensional and monetary poverty, using national and international metrics

We recommend that the WSSD2 Poverty Theme be monitored using the Global MPI and National MPIs as well as monetary indicators. The 2017 Atkinson Commission on Monitoring Global Poverty recommended using both national and global, monetary and multidimensional

¹ Alkire, Kanagaratnam and Suppa (2024) include disaggregation by age cohorts in Table 3, by rural-urban in Table 4, subnational regions in Table 5, and gender of the household head in Table 7. All disaggregations feasible for the 112 countries and 6.3 billion people are provided, with full details of level of poverty, indicator composition, population shares and other details.

² Alkire and Ul Haq (2025); Nigeria Multidimensional Poverty Index (2022); Global Multidimensional Poverty Index 2021: Unmasking Disparities by Ethnicity, Caste and Gender.

Figure 1 Four-part poverty lens



measures to monitor poverty in each country. Figure 1 reflects the four types of poverty indicators recommended going forward.

In terms of monetary poverty, the \$2.15/day measure is used to compare countries, while national monetary poverty measures are used primarily to shape policy. In the same way, the Global MPI suite (including vulnerability, severe poverty, destitution, and the upcoming 'middle income MPI'³ currently under development) are used to compare countries, while nationally-tailored MPIs are usually the primary policy tools. The Global MPI is already named in the WSSD2 documents as a reference for the number of people that are poor, and the <u>zero draft</u> of the WSSD2 Political Declaration contains a commitment to implement multidimensional poverty measures.

3. Track absolute, relative and number-of-poor reductions, so all successes are visible.

The SDG target 1.2 of halving poverty is a 'relative' reduction. It can be easier to meet for low poverty contexts than high poverty contexts: in other words, reducing poverty by half is easy if you have 4% of the population that are poor, but if you have 60% it is much more difficult. A relative 'target' does not, therefore, reflect an even playing field. It is tilted against the places where poverty is the highest. In the Global MPI, the least developed countries, countries in Sub Saharan Africa, and generally poorer countries, tend to have the fastest absolute reduction in multidimensional poverty, whereas the less poor countries and some Small Island Developing States tend to have the fastest relative reductions. Figure 2 shows three of the countries with the fastest absolute reduction (triangles) and three with the fastest relative reduction (squares) in Global MPI incidence.

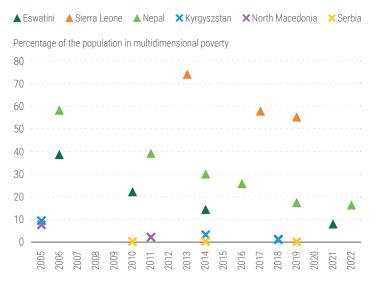
We want ways of recognizing both types of success. And because every human life has inherent dignity, we also want to observe the number of poor people who exit poverty. We suggest, therefore, that the future framework also report 'absolute' poverty reduction. In particular, countries might report:

- the absolute change in poverty levels,
- the number of persons exiting poverty, and
- the relative changes (such as the SDG 1.2 target of halving poverty incidence).

Together, these three measures will illuminate progress across contexts, and provide a level playing field for countries with different levels of poverty and numbers of poor people to share their progress. These three metrics would be monitored for national and comparable MPIs and monetary poverty measures.

Figure 2

Fastest absolute (\blacktriangle) and relative (\varkappa) reductions in poverty incidence as measured by the Global MPI



Source: data from Alkire, Kanagaratnam and Suppa (2024), "The Global Multidimensional Poverty Index (MPI) 2024 Country Results and Methodological Note", OPHI MPI Methodological Note 58; and UNDP (United Nations Development Programme). 2024. 2024 Global Multidimensional Poverty Index (MPI): Poverty amid conflict. New York.

4. Disaggregate poverty data to identify the poorest groups and ensure they are not left behind

Current practices of disaggregating poverty measures must be sustained and further improved to identify

³ This measure builds on the Global MPI but applies higher thresholds and includes indicators more relevant for countries at advanced stages of development, offering a more appropriate instrument for tracking moderate poverty and social inclusion post-2030.

who is poorest. This is a fundamental way in which the 'poverty' theme connects with the 'social integration' theme in WSSD2. Poverty data should be deployed to track progress to ascertain whether in the next update, the poorest are being left behind or catching up. Multidimensional poverty data shows the interconnected deprivations that poor households experience at the same time. The optimal policy responses to address a common deprivation often depend on other deprivations and contextual factors, all of which can be captured in an MPI. For example, policies for addressing lack of education differ between children and older adults, between urban and rural settings, the poorest states and population in less poor states, coastal areas and drylands, or between households in which someone is experiencing a disability or comes from a vulnerable social group.

5. Communicate extensively

As noted above, Hans Rosling observed that people systematically do not actually have the correct understanding of poverty, and so it is very important not just to have poverty metrics, but to communicate them in clear, compelling, and actionable ways to new actors. This requires data visualization, creative sharing online using figures, videos and podcasts, broadsheets or radio and television programming. It could also include insertions into school and university curriculum and examinations. For example India put questions on MPI in their civil service entrance examinations. We need to invest in communicating poverty facts to inform public action by actors old and new. The WSSD2 outcome should ensure governments and organizations make communication and public information an important part of poverty eradication strategies, integrating poverty with digital agendas and reflecting communication needs in resource allocation.

In sum, poverty remains the greatest global challenge. In trying times, it merits clearer reporting of poverty metrics linked to policy action, effective trends tracking at high resolution, and better communication to empower actors. Where actionable monetary and multidimensional poverty measures and their associated information platforms are up-to-date, disaggregated, publicly available and easy to understand, actors both old and new will be able to use them to direct their own efforts in ways that have the highest impact on human suffering. WSSD2 can make an important contribution to achieve those goals.

References

Alkire, S., Kanagaratnam, U., and Suppa, N. (2024). 'The global Multidimensional Poverty Index (MPI) 2024 disaggregation results and methodological note', <u>OPHI MPI Methodological</u> <u>Note 59</u>, Oxford Poverty and Human Development Initiative (OPHI), University of Oxford.

Alkire, S. and Ul Haq, R. (2025). 'Analyzing individual disadvantages alongside household poverty to illuminate gendered and intrahousehold disparities', <u>OPHI Working Paper 146</u>, Oxford Poverty and Human Development Initiative (OPHI), University of Oxford.

National Bureau of Statistics (2022). *Nigeria Multidimensional Poverty Index (2022)*. National Bureau of Statistics, FCT Abuja.

UNDP and OPHI (2021). Global Multidimensional Poverty Index 2021 – Unmasking disparities by ethnicity, caste and gender. United Nations Development Programme and Oxford Poverty and Human Development Initiative.