The chapter begins by describing the concepts of human development, poverty and inequality within this new comprehensive—ultimately broader—approach. This new approach recognizes that poverty means much more than just income or consumption deprivation. 

1. Introduction


3. The Global MPI is a particular adaptation of the adjusted headcount ratio (M0) proposed in Alkire and Foster (2011) and updated in Alkire and Santos (2013). The composite poverty index (MPI) is a generalization of multiple poverty measures, and it is also adequate to measure other phenomena (Alkire and Santos, 2013). With the AFI method, many fundamental choices are left to the user, such as the selection of the unit of analysis, dimensions, deprivation cuts (to determine the poverty status of populations), and partitioning of the population into groups of countries.

4. Poverty in this framework becomes a capacity failure—people face the capacity to enjoy a full and free life. Capacity and freedom are respectively defined by the number of capabilities and conditions that people have to enjoy a full and free life. Poverty is a dimension of freedom and a capacity failure. It is the denial of freedom and capacity to enjoy a full and free life, which in turn is defined as the deprivation of people and the capacity to enjoy a full and free life. People face capability failures when they have the freedom to enjoy a full and free life.

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