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Why the G20 should harmonise efforts to measure poverty and well-being better

To alleviate hunger and poverty, reduce inequalities and advance equitable well-being, we need the right metrics to track progress and evaluate interventions, writes Jakob Dirksen. But neither crude aggregates (like GDP) nor dashboards of individual indicators are fit for purpose. Are multidimensional metrics the solution? If so, how should the G20 lead efforts to harmonise the use of these?

Each year, the **Group of 20 (G20)** invites research-based evidence and recommendations from their official engagement group, the **Think20 (T20)**. The G20 Presidency – this year, **South Africa** – steers the “Think” process, inviting and selecting expert contributions with relevance to the current G20 agenda.

Ahead of the G20 Summit on 22-23 November, the Think20 have released their **policy briefs** and a **communiqué** with their high-level recommendations. With my colleagues **Ricardo Nogales** and **Sabina Alkire**, I am part of the **T20 Task Force** that seeks to support the G20 with ideas on how to fight poverty and hunger, reduce inequalities, and accelerate achievements towards the SDGs (Sustainable Development Goals).

The timing is important: we are now just 5 years away from 2030 when the SDGs “expire”. **Much still needs to happen** in many countries if we want to achieve these goals, but it’s also crucial that the G20 and the wider global community think about **what comes after**. This means architecting a new infrastructure of policy goalposts and associated statistics for the post-2030 era. **Discussions** on that need to happen now. And the G20, as a group of highly influential governments and supranational organisations, have a leading role to play in this.



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In this context, we contributed a T20 policy brief on the need to **advance inclusive and sustainable development by measuring poverty and wellbeing better**.

The case for focusing on multidimensional measures of poverty and well-being

In our policy brief, we argue that the G20 should focus resources and attention on measuring what matters. To alleviate hunger and poverty, reduce inequalities, and advance equitable well-being, we need concerted policy efforts. But we also need the right metrics to track progress and evaluate interventions.

Why worry about “dry statistics”? As Nobel laureates Joseph Stiglitz and Amartya Sen with Jean-Paul Fitoussi **put** it:

“In an increasingly performance-oriented society, metrics matter. What we measure affects what we do. If we have the wrong metrics, we will strive for the wrong things.”

Currently, we are confronted with a confusing array of isolated indicator dashboards, on the one hand, and crude headline figures like Gross Domestic Product (GDP), on the other. We think we can do better than those, and that the G20 should play its part to help us achieve this.

Isolated efforts to track indicators of well-being and poverty one-at-a-time overlook the fact that problems often compound and overlap. To identify and prioritise those groups that are least advantaged, we suggest that the G20 and others focus more on multidimensional measures of poverty and well-being. We cite recent evidence from the **global Multidimensional Poverty Index**, which **we** publish together with the **United Nations Development Programme (UNDP)** every year:

*“Analysing interlinkages across 10 SDG-related deprivations among 6.1 billion people in 111 countries, **the research** found that deprivations tend to cluster, leading to cumulative disadvantage and negative spillovers. For example, it found that nearly 50% of poor people were deprived in nutrition and sanitation, and over 50% lacked cooking fuel and electricity.”*

When we measure things in isolation, we overlook the clustering of disadvantages across various dimensions such as health, education, material living standards, social connectedness, employment, agency, and so on. Only by looking at deprivations *across dimensions* can we identify who the worst-off are and develop targeted policies and interventions accordingly.

Meanwhile, if we use monetary aggregates like GDP, we overlook everything that **GDP does not capture**, such as inequalities and **non-marketed** (and non-marketable) goods and services, due processes, or the health of people and planet. To the extent that GDP captures spending on or productivity effects of these things, it nevertheless always treats them as of secondary concern, at best.

The idea of “multidimensional” measurement might sound esoteric, but it is already common practice. Many UN agencies and other international organisations measure poverty and well-being from a multidimensional lens, with **two-thirds of OECD countries** having developed a national multidimensional well-being policy or monitoring framework. Within the G20, too, several countries – including Brazil, China, India, Indonesia, Mexico, South Africa, and the US – have already developed multidimensional poverty indices (MPIs) or well-being frameworks, which are often adopted as permanent official statistics and policy tools.

Not entirely coincidentally, we think, the UN Secretary-General just recently instated a new Expert Group on “**Beyond GDP**” and the G20 South Africa Presidency **commissioned** a report on global inequality, both of which **some of our colleagues at the LSE’s International Inequalities Institute** are also involved in.

The G20 should take the lead in advancing the use of multidimensional metrics

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We recognise there are many competing priorities, but we believe measuring poverty and well-being effectively is the perhaps most important thing we can do if we are to build a post-2030 infrastructure of policy indicators that are actually aligned with our shared values and priorities. It would also help overcome longstanding frustration with the primacy of mere monetary indicators and aggregates such as GDP.

The important step now is to overcome the challenge of a proliferation of competing measurement proposals. National and subnational initiatives, ownership, and contextualisation are important. *But if we want to shift the dial at the global level, we need international consensus and harmonisation.* We think that the G20 should play a leading role in this and thus recommend that the G20:

- Set up a task force to review multidimensional poverty and well-being indicators and frameworks already in place in the G20 and beyond
- Document, share, and evaluate policy applications and integrations of such indicator frameworks to date
- Ensure that ending poverty in all its forms and dimensions remains a priority in the post-2030 global policy and statistical architecture
- Take a leading role toward reaching agreements on multidimensional well-being metrics as actionable headline policy indicators beyond GDP
- Coordinate efforts on the global measurement of well-being, inequality, and poverty, for example by establishing a new **International Panel**

I have in the past contributed similar advice as a member of the G7's equivalent official think tank, the T7 ([here](#), [here](#), [here](#) and [here](#)). After they were echoed in T7 communiqués and also adopted in the final communiqué of the **G7 Finance Ministers and Central Bank Managers in 2023**, we now hope that the wider Group of 20 will follow suit and that actions will follow on pledges and commitments – both for the acceleration towards achieving the SDGs, and for all that comes after.

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For more details, see the T20 policy brief, “*Advancing inclusive sustainable development by measuring poverty and wellbeing better*” by Jakob Dirksen, Ricardo Nogales and Sabina Alkire.

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