

Beyond Income: Managing Multidimensional Poverty through an Integrative Capability Framework

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ABSTRACT

Poverty remains a persistent development challenge that cannot be adequately understood through income-based measures alone, as many households experience simultaneous deprivations in education, health, and living standards. This study examines multidimensional poverty by integrating economic and non-economic perspectives and explores its implications for inclusive development. A qualitative library research approach was employed by synthesizing theories and empirical evidence from peer-reviewed journal articles, academic books, and institutional reports published by organizations such as the United Nations Development Programme (UNDP), the World Bank, and Statistics Indonesia (BPS). The analysis was conducted through literature classification, qualitative content analysis, conceptual synthesis, and interpretation. The findings indicate that multidimensional poverty results from dynamic interactions among income, education, health, and living standards, where deprivation in one dimension reinforces deprivation in others, creating a persistent poverty cycle. Guided by the Capability Approach, the study demonstrates that poverty should be understood as capability deprivation rather than merely insufficient income. The study further proposes an integrative conceptual framework linking multidimensional poverty, capability development, and inclusive development, highlighting that sustainable poverty reduction requires coordinated improvements in economic opportunities, human capital, healthcare, and access to basic services. This framework constitutes the principal contribution of the study by providing a more comprehensive explanation of the mechanisms through which multidimensional deprivation influences inclusive development. The findings offer a conceptual foundation for designing more integrated and sustainable poverty alleviation policies and provide directions for future empirical research.

Keywords: Multidimensional poverty; capability approach; inclusive development.

A. INTRODUCTION

Poverty is a structural problem that is still a major challenge in global economic development (Arifin, 2020). Despite various efforts, poverty is not only related to income limitations, but also reflects the inability of individuals to meet basic needs as a whole. The *income-based poverty* approach has limitations in explaining the complexity of people's welfare. Many individuals are economically above the poverty line, but still experience limitations in access to education, health services, and a decent quality of life (Rahmat et al., 2015)). this approach

is considered not to be able to capture the phenomenon of multidimensional deprivation. As the literature has evolved, the concept of poverty has shifted toward a more comprehensive approach, namely multidimensional poverty. United Nations Development Programme UNDP developed a *Multidimensional Poverty Index* (MPI) framework that integrates the dimensions of health, education, and living standards, and shows that about 1.1 billion people in the world experience multidimensional poverty.

In the context of Indonesia, the poverty rate has shown a downward trend in recent years and is in the range of 9–10% of the total population based on data from the Central Statistics Agency (BPS) (Hidayat, 2025). when viewed regionally, there is a significant disparity between provinces. For example, the poverty rate in Papua and West Papua Provinces is still above 20%, while provinces such as DKI Jakarta and Bali are below 5%. On the other hand, West Sumatra Province as a representative of developing regions shows a relatively moderate poverty rate, which is around 6-7%, but still faces challenges in terms of quality of education and access to health services.

when viewed from a broader welfare indicator, namely the Human Development Index (HDI), Indonesia shows a steady increase with values of around 73–74 (high category) (Fahrurrozi et al., 2023). However, inequality between regions is still quite large, where provinces such as DKI Jakarta have an HDI above 80, while some provinces in the eastern region of Indonesia are still in the range of 60–65. This disparity shows that the improvement in welfare is not only determined by economic factors, but also by access to education, health, and overall quality of life.

Poverty has been widely studied from various perspectives. Previous studies generally focused on economic indicators such as income, consumption, employment, and economic growth as the main determinants of poverty (Khan et al., 2023; Maulana et al., 2022). These studies concluded that low income, unemployment, and unequal economic opportunities are the primary causes of poverty. However, such studies tend to emphasize monetary aspects and provide limited explanations regarding other dimensions of deprivation experienced by households. As a result, poverty is often viewed only as an economic problem, while social and human development factors receive less attention.

Along with the development of welfare studies, several researchers have adopted a multidimensional poverty approach based on the Multidimensional Poverty Index (MPI) developed by UNDP. Studies by Sarkila et al.(2024) and Widayatsari et al. (2025) found that poverty is closely related to deprivations in education, health, housing quality, sanitation, and access to basic services. These findings indicate that poverty is a complex phenomenon that cannot be adequately explained through income measures alone. Furthermore, the capability approach proposed by Amartya Sen emphasizes that poverty should be

understood as a deprivation of capabilities and opportunities to achieve a valuable life, rather than merely a lack of financial resources (Ayuningsasi et al., 2023; Iswahyudi & Asnawi, 2024).

Despite the growing literature on multidimensional poverty, several limitations remain. First, most previous studies examine economic and non-economic dimensions separately, resulting in a fragmented understanding of poverty. Second, existing studies predominantly focus on measuring poverty levels without comprehensively analyzing the interaction between economic factors, human development indicators, and broader welfare outcomes. Third, limited research has integrated multidimensional poverty analysis with the concept of inclusive development, particularly in the Indonesian context where significant regional disparities persist. Therefore, a research gap exists in the lack of an integrative framework that simultaneously combines economic and non-economic dimensions of poverty and examines their implications for inclusive development. This study seeks to address this gap by providing a comprehensive analysis of multidimensional poverty through the integration of economic and non-economic perspectives, thereby contributing to a more holistic understanding of poverty and supporting the formulation of inclusive development policies in Indonesia

B. THEORETICAL

Capability Approach

The Capability Approach was introduced by Amartya Sen (1985) as an alternative framework for understanding welfare, poverty, and human development. poverty should not be viewed solely as a lack of income or material resources but rather as a deprivation of individuals' capabilities to achieve valuable functionings in life. Functionings refer to the various states of being and activities that individuals have reason to value, such as being educated, healthy, adequately nourished, socially included, and able to participate in community life. Capabilities, meanwhile, represent the freedom and opportunities available to individuals to achieve those valued functionings.

That income is only one of many means for achieving well-being. Individuals with similar income levels may experience different levels of welfare due to variations in health status, educational attainment, social conditions, access to public services, and personal circumstances (D'Attoma & Matteucci, 2024). Assessing poverty exclusively through monetary indicators may fail to capture the actual deprivation experienced by individuals and households (Kakwani & Son, 2026). The Capability Approach emphasizes that development should focus on expanding people's freedoms and opportunities to live the lives they value rather than merely increasing economic output or income levels.

The Capability Approach has become one of the most influential theoretical foundations for multidimensional poverty analysis. It provides a

broader perspective on poverty by incorporating both economic and non-economic dimensions, including education, health, living standards, social participation, and access to opportunities (Das et al., 2021). This perspective has significantly influenced the development of multidimensional poverty measurement frameworks, particularly the Multidimensional Poverty Index (MPI), which evaluates deprivation across multiple aspects of human well-being.

Several previous studies have applied the Capability Approach to explain multidimensional poverty. (Li et al., 2022) emphasized that Sen's framework provides a strong conceptual basis for identifying multiple forms of deprivation beyond income poverty. (Alkire & Santos, 2013) further operationalized this perspective through the development of the Multidimensional Poverty Index, which measures poverty across dimensions such as health, education, and living standards. (Alkire & Kanagaratnam, 2021) that capability deprivation is closely associated with limitations in accessing essential social services and opportunities for human development. Similarly, studies conducted in developing countries have found that multidimensional poverty is often driven by deficiencies in education, healthcare, housing quality, and social inclusion, even when income levels show improvement.

The relevance of the Capability Approach to this study lies in its ability to explain multidimensional poverty as a condition characterized by limited capabilities and restricted opportunities to achieve well-being. The multidimensional poverty indicators employed in this research reflect various forms of capability deprivation experienced by individuals and households. Consequently, the Capability Approach serves as the grand theoretical framework for understanding how economic and non-economic deprivations jointly influence human welfare and subsequently affect the achievement of inclusive development.

Multidimensional Poverty

Traditional poverty assessments often fail to capture the complex and interconnected deprivations experienced by individuals and households. Poverty is inherently multidimensional and should be understood as the simultaneous deprivation of several essential aspects of human well being (Mabughi & Selim, 2006). Consequently, poverty measurement should extend beyond monetary indicators to include multiple dimensions that reflect the quality of life and human development.

The resulting Multidimensional Poverty Index (MPI) evaluates poverty across three core dimensions: health, education, and living standards (Putri et al., 2024). These dimensions are operationalized through several indicators, including nutrition, child mortality, years of schooling, school attendance, access to electricity, sanitation, drinking water, housing quality, cooking fuel, and asset ownership. By incorporating these indicators, MPI provides a more comprehensive understanding of poverty than income-based measures alone.

A key strength of the Alkire-Foster framework lies in its ability to identify not only who is poor but also the specific deprivations contributing to poverty (D'Attoma & Matteucci, 2024). This multidimensional perspective enables policymakers to design targeted interventions addressing the particular needs of disadvantaged populations (Raza & Khan, 2025). As a result, the MPI has been widely adopted by international organizations, governments, and researchers as an important tool for monitoring poverty and evaluating development outcomes.

Numerous studies have utilized the Multidimensional Poverty Index as a measure of multidimensional poverty (Alkire et al., 2022). demonstrated that MPI offers a more comprehensive assessment of poverty by capturing overlapping deprivations experienced by households (Alkire et al., 2023). further highlighted the usefulness of MPI in identifying vulnerable populations that may be overlooked by income-based poverty measures (Hlasny et al., 2022). showed that multidimensional poverty measures provide valuable insights into the effectiveness of social policies in developing countries. More recent studies have employed MPI to examine regional disparities, social exclusion, educational inequalities, healthcare accessibility, and living standard deprivation across various national contexts. These studies consistently indicate that poverty extends beyond income shortages and encompasses multiple dimensions affecting human well-being.

Inclusive Development

Inclusive Development Theory emphasizes that the benefits of economic growth and development should be distributed equitably across all segments of society (Van Niekerk, 2020). Unlike conventional development approaches that primarily focus on increasing economic output, inclusive development seeks to ensure that all individuals, particularly marginalized and vulnerable groups, have access to opportunities, resources, and services necessary to improve their quality of life (Baah et al., 2019). The central premise of this theory is that development should not only generate economic growth but also promote social equity, reduce disparities, and enhance the well-being of the broader population.

The concept of inclusive development emerged from growing concerns that rapid economic growth does not automatically translate into improved living conditions for all members of society (Gupta & Vegelin, 2016). In many countries, significant economic expansion has been accompanied by persistent poverty, income inequality, social exclusion, and unequal access to education, healthcare, and employment opportunities. Consequently, inclusive development advocates for policies that enable disadvantaged populations to participate actively in economic, social, and political processes while benefiting from development outcomes (Ahmad & Islam, 2024).

Inclusive development is characterized by several key dimensions, including equitable access to economic opportunities, social inclusion, quality education, healthcare services, decent employment, and participation in decision-making

processes (Kalkanci et al., 2019). It also emphasizes the importance of reducing structural barriers that prevent certain groups from fully participating in development. Therefore, inclusive development is often regarded as a comprehensive approach that integrates economic progress with social justice and human development objectives.

A growing body of literature has examined the determinants and outcomes of inclusive development (Heshmati et al., 2019). Development requires both sustained economic growth and equitable distribution of development benefits among different population groups. Emphasize that inclusive development involves addressing multidimensional forms of exclusion related to income, education, health, and social participation (Sanaullah, Amna, Labeeque, 2019). Furthermore, studies conducted in developing economies have found that factors such as educational attainment, healthcare accessibility, employment opportunities, infrastructure development, institutional quality, and poverty reduction significantly influence the achievement of inclusive development. Recent empirical research also indicates that reducing social and economic disparities contributes positively to social cohesion, economic participation, and sustainable development outcomes.

C. METHODOLOGY

This study employs a qualitative research design using the library research method. The primary objective of this approach is to examine the concept of multidimensional poverty through the integration of economic and non-economic perspectives based on various scientific literature sources (Komba & Lwoga, 2020). Library research enables researchers to synthesize theories, concepts, and empirical findings from previous studies to develop a comprehensive understanding of multidimensional poverty and its implications for inclusive development (Yunus et al., 2025). Rather than generating primary empirical data, this study emphasizes conceptual integration and theoretical interpretation to construct a more comprehensive explanation of multidimensional poverty.

The data used in this study consist entirely of secondary sources obtained from academic books, peer-reviewed journal articles, policy documents, and reports published by national and international institutions (Baas et al., 2020). Publications from institutions such as the Central Statistics Agency (BPS), the United Nations Development Programme (UNDP), and the World Bank are utilized as supporting references to describe poverty conditions, human development, and development disparities in Indonesia and globally.

These institutional publications complement the academic literature by providing recent statistical evidence and policy perspectives, while journal articles and scholarly books contribute theoretical developments while retaining several

seminal works, including those of Amartya Sen and Alkire and Foster, because of their foundational contribution to multidimensional poverty research.

Table I. Literature selection criteria

Criteria	Description
Publication type	Peer-reviewed journal articles, academic books, institutional reports, policy documents
Main topics	Multidimensional Poverty, Capability Approach, Human Development, Inclusive Development, MPI
Publication period	Primarily 2020–2025, complemented by seminal references
Language	English and Indonesian
Data sources	Scopus-indexed journals, Web of Science, UNDP, World Bank, BPS, academic publishers
Selection principle	Relevance, scientific credibility, conceptual contribution, and consistency with research objectives

Source: Developed by the author.

Unit of Analysis

The unit of analysis consists of concepts, theories, and empirical findings concerning multidimensional poverty and inclusive development. Instead of analysing individual respondents or statistical observations, the study examines conceptual evidence presented in previous scholarly publications. Particular attention is given to the relationships among income, education, health, living standards, capability development, and inclusive development. These concepts are treated as analytical categories through which similarities, differences, and theoretical relationships across studies are identified.

Data Analysis

The analysis was conducted through five sequential stages. First, relevant literature was identified and collected based on predetermined inclusion criteria. Second, the selected publications were classified according to their theoretical orientation, methodological approach, and substantive findings. Third, qualitative content analysis was employed to identify recurring concepts, dimensions of poverty, and explanatory mechanisms reported in the literature. Fourth, conceptual synthesis was performed by integrating findings across different studies to construct an analytical explanation of the interaction between economic and non-economic dimensions of poverty. Finally, the synthesized evidence was interpreted within the framework of the Capability Approach to develop an integrative conceptual model linking multidimensional poverty with inclusive development.

This analytical procedure emphasizes interpretation rather than statistical generalization. The resulting framework represents a synthesis of accumulated knowledge derived from previous studies and provides a conceptual foundation

for future empirical investigations into multidimensional poverty and inclusive development.

D. RESULTS AND DISCUSSION

Economic and Non-Economic Dimensions of Multidimensional Poverty

Multidimensional poverty is shaped by the interaction of economic and non-economic dimensions, not simply by a lack of income. Literature reviews consistently show that income remains a crucial determinant because it influences household purchasing power and the ability to meet basic needs. However, financial resources alone are insufficient to explain why many households remain deprived despite moderate income increases. Previous studies have shown that poverty often persists when income increases are not accompanied by improvements in education, health, and living conditions. These findings suggest that economic deprivation represents only one component within a broader poverty framework. Table 2 outlines the economic and non-economic dimensions of multidimensional poverty.

Table 2. Synthesis of economic and non-economic dimensions of multidimensional poverty.

Dimension	Main Indicators	Evidence from Previous Studies	Implications for Poverty
Economic	Income, employment, productive assets	Low income limits the ability to meet basic needs and accumulate productive resources	Reduces household purchasing power and increases vulnerability
Education	Years of schooling, school participation, literacy	Education improves human capital and expands employment opportunities	Determines long-term economic mobility
Health	Nutrition, access to health services, life expectancy	Healthy individuals have higher productivity and income potential	Poor health reinforces poverty persistence
Living Standards	Housing, sanitation, clean water, electricity	Basic infrastructure improves quality of life and social welfare	Limited access increases multidimensional deprivation

Source: Compiled by the author based on literature synthesis (2021–2025).

The literature further highlights education as one of the strongest non-economic determinants of multidimensional poverty. Educational attainment contributes to the development of human capital by improving knowledge, technical skills, and labour market competitiveness. Individuals with higher levels of education generally obtain more stable employment and higher earnings than those with limited schooling. In contrast, inadequate educational opportunities restrict occupational mobility and reduce future income prospects. The reviewed studies therefore indicate that educational deprivation has long-term consequences extending beyond current economic conditions.

Health constitutes another essential dimension shaping multidimensional poverty. Poor health reduces labour productivity, increases medical expenditures, and weakens household resilience during economic shocks. Several studies included in this review report that households experiencing chronic illness often allocate a substantial share of their income to healthcare costs, leaving fewer resources for education and other productive investments. This situation creates cumulative disadvantages because declining health simultaneously affects income generation and overall well-being. Consequently, health should be viewed as both an outcome and a determinant of poverty.

Living standards complement the previous dimensions by reflecting the quality of basic public services and household infrastructure. Access to clean water, sanitation, adequate housing, electricity, and other essential facilities directly affects health conditions and educational performance. Households with inadequate living environments tend to experience higher exposure to disease, lower educational achievement, and greater economic vulnerability. The literature therefore demonstrates that multidimensional poverty emerges from the combined influence of economic resources, human capital, health conditions, and living standards. These findings support the argument that poverty assessment requires a multidimensional perspective capable of capturing overlapping forms of deprivation.

Interaction Mechanism of Multidimensional Poverty

The literature synthesis indicates that multidimensional poverty develops through a continuous interaction among different forms of deprivation. Rather than operating independently, income, education, health, and living standards influence one another in a dynamic process. A weakness in one dimension frequently generates new limitations in other dimensions, producing cumulative disadvantages over time. This interaction explains why poverty often persists even after improvements occur in a single aspect of household welfare.

Table 3. Interaction mechanism among poverty dimensions

Initial Deprivation	Immediate Effect	Secondary Effect	Long-Term Consequence
Low education	Limited skills	Low-paying employment	Persistent poverty
Poor health	Reduced productivity	Lower income	Increasing economic vulnerability
Low income	Limited investment in education and health	Weak human capital	Intergenerational poverty
Poor living standards	Higher health risks	Reduced educational performance	Capability deprivation

Source: Results of the author's synthesis based on the capability approach and multidimensional poverty literature.

Educational deprivation commonly appears as the starting point of this interaction mechanism. Individuals with limited educational attainment generally

possess fewer productive skills and experience restricted access to formal employment opportunities. Lower earnings reduce their capacity to finance healthcare, improve housing conditions, or invest in children's education. The result is a pattern in which one generation transfers economic and social disadvantages to the next. This mechanism reflects the persistent nature of multidimensional poverty identified in many developing countries.

Health deprivation reinforces this process by reducing both individual productivity and household economic capacity. Workers experiencing chronic illness or inadequate nutrition often have lower work performance and unstable employment. Declining income subsequently limits access to quality healthcare, creating a feedback relationship between poor health and economic hardship. At the household level, this interaction increases vulnerability because financial resources become concentrated on immediate consumption rather than long-term investments in human development.

The interaction among these dimensions is consistent with the Capability Approach proposed by Amartya Sen. Poverty should not be interpreted simply as insufficient income but as a restriction of individuals' opportunities to achieve valuable functionings. Economic deprivation, educational limitations, poor health, and inadequate living standards collectively reduce people's capabilities to participate fully in social and economic life. The synthesis therefore demonstrates that multidimensional poverty represents a systemic process in which several forms of deprivation reinforce one another and create persistent barriers to inclusive development.

Implications for Inclusive Development

The literature indicates that multidimensional poverty has broad implications for the achievement of inclusive development. Poverty is not merely associated with insufficient income but also reflects unequal access to education, healthcare, and essential public services. These conditions reduce the ability of individuals to participate in productive economic activities and limit their contribution to social development. Consequently, poverty alleviation policies should not rely solely on income support but also strengthen investments in human development.

Table 4. Policy implications of multidimensional poverty for inclusive development

Dimension of Poverty	Main Issues Identified	Policy Implications	Expected Development Outcomes
Income	Limited employment opportunities and unstable earnings	Strengthening productive employment, social protection, and entrepreneurship	Improved household economic resilience
Education	Low educational attainment and	Expanding equitable access to quality education and	Higher human capital and labour

Health	unequal access Limited healthcare access and poor nutritional status	vocational training Improving healthcare services, preventive care, and nutrition programs	competitiveness Better productivity and quality of life
Living Standards	Inadequate housing, sanitation, clean water, and infrastructure	Expanding public infrastructure and basic services	Reduced regional disparities and greater social inclusion

Source: Author's synthesis based on the reviewed literature (2021–2025).

Education represents one of the most strategic instruments for promoting inclusive development. The reviewed studies consistently demonstrate that improved educational access enhances labour productivity, increases employment opportunities, and strengthens long-term economic mobility. Educational investment also contributes to reducing inequality by expanding opportunities for disadvantaged populations. Therefore, education functions as both a poverty reduction strategy and a foundation for sustainable development.

Health is equally important in supporting inclusive development. Healthy individuals possess greater capacity to participate in the labour market and generate stable incomes. In contrast, poor health reduces productivity and increases household expenditures for medical treatment. The literature suggests that improving healthcare accessibility and preventive health programs not only enhances individual welfare but also strengthens national economic performance through a healthier workforce.

The synthesis further highlights the importance of integrating economic and non-economic policies within national development strategies. Employment creation should be accompanied by improvements in education, healthcare, housing quality, sanitation, and other public services. Such integration enables governments to address multiple forms of deprivation simultaneously rather than treating poverty as a purely economic issue. This multidimensional approach provides a stronger foundation for achieving equitable and sustainable inclusive development.

Proposed Integrative Framework

The synthesis of previous studies enables the development of an integrative framework linking multidimensional poverty with inclusive development. The framework places economic and non-economic dimensions as complementary components that jointly influence human welfare. Income remains essential because it provides access to goods and services, while education, health, and living standards determine the extent to which individuals are able to utilize available opportunities. These dimensions should therefore be understood as interconnected rather than independent elements of poverty.

Table 5. Framework for multidimensional poverty and inclusive development

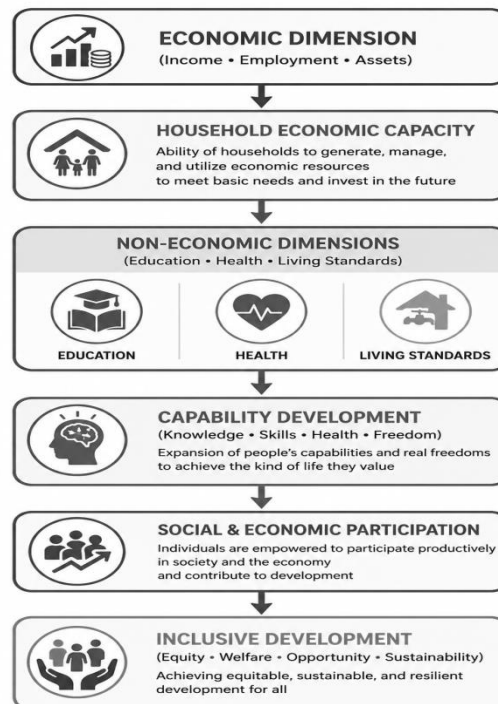
Analytical Component	Description	Contribution to the Framework
Economic Dimension	Income, employment, and productive assets	Provides financial resources for improving welfare
Non-Economic Dimension	Education, health, and living standards	Expands human capabilities and social participation
Capability Development	Improvement of knowledge, health, and opportunities	Strengthens individual freedom to achieve well-being
Inclusive Development	Equitable access to opportunities and public services	Produces sustainable and inclusive welfare outcomes

Source: Developed by the author based on capability approach and multidimensional poverty literature.

The proposed framework adopts the Capability Approach as its primary theoretical foundation. According to this perspective, development should expand individuals' capabilities instead of focusing exclusively on increasing income. Educational attainment, good health, and adequate living conditions enable people to participate more effectively in economic and social activities. Capability development thus serves as the mechanism connecting multidimensional poverty reduction with broader development objectives.

Another contribution of the framework lies in explaining the dynamic relationship among poverty dimensions. Economic deprivation often limits educational achievement and healthcare access, while weak human capital reduces future income opportunities. This interaction creates a continuous cycle of deprivation that can only be interrupted through integrated policy interventions. The framework therefore illustrates that poverty reduction requires simultaneous improvements across multiple dimensions instead of isolated sectoral programs.

This integrative framework represents the principal conceptual contribution of the present study. Previous research has generally examined multidimensional poverty by identifying separate indicators or measuring deprivation across different dimensions. The framework proposed here extends the existing literature by illustrating how economic resources, capability development, and inclusive development are connected within a unified analytical model. It provides a comprehensive basis for future empirical research and offers policymakers a clearer perspective for designing multidimensional poverty reduction strategies.

Figure I. Framework of multidimensional poverty and inclusive development.

Source: Developed by the author based on capability approach and multidimensional poverty literature.

The proposed integrative framework illustrates the dynamic relationship between the economic and non-economic dimensions of multidimensional poverty within the perspective of the Capability Approach. The framework suggests that economic resources, represented by income, employment, and productive assets, provide the initial foundation for improving household economic capacity. However, economic capacity alone is insufficient to achieve sustainable well-being without parallel improvements in education, health, and living standards. These non-economic dimensions contribute to the development of individual capabilities by enhancing knowledge, skills, health status, and freedom of choice. Improved capabilities subsequently encourage greater participation in economic and social activities, enabling individuals to contribute more effectively to development processes. Ultimately, the interaction among these dimensions supports the realization of inclusive development characterized by equitable opportunities, improved welfare, broader social participation, and long-term sustainability. Therefore, the framework emphasizes that poverty reduction requires integrated interventions across multiple dimensions rather than isolated policies focusing exclusively on income growth.

E. CONCLUSION

This study demonstrates that multidimensional poverty is a complex phenomenon that cannot be adequately explained through income-based

indicators alone. The synthesis of previous literature reveals that poverty is shaped by the interaction of economic and non-economic dimensions, including income, education, health, and living standards. These dimensions operate in an interconnected manner, where deprivation in one aspect frequently reinforces deprivation in others, creating a persistent cycle of poverty. Consistent with the Capability Approach, the findings indicate that poverty should be understood as capability deprivation that limits individuals' opportunities to achieve valued functionings and improve their overall well-being.

The study further contributes to the literature by proposing an integrative conceptual framework that links multidimensional poverty with capability development and inclusive development. Unlike previous studies that primarily examined individual dimensions of poverty separately, this study explains the mechanisms through which economic resources and non-economic factors jointly influence human capabilities and social participation. The proposed framework provides a more comprehensive understanding of how multidimensional deprivation constrains inclusive development and offers a stronger theoretical basis for interpreting poverty as a dynamic and systemic process rather than as a purely monetary condition.

The findings imply that poverty alleviation policies should adopt a multidimensional approach that simultaneously promotes income generation, equitable access to education, quality healthcare, and adequate public services. Such integrated interventions are essential for expanding individual capabilities, reducing structural inequalities, and strengthening inclusive development. Future studies are encouraged to empirically validate the proposed conceptual framework across different regional and socioeconomic contexts, allowing a deeper understanding of the causal relationships among multidimensional poverty, capability development, and inclusive development while providing stronger evidence for policy formulation.

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