Tackling poverty and inequality
How policy toolkits can provide academic rigour to policy making

Irene Bucelli
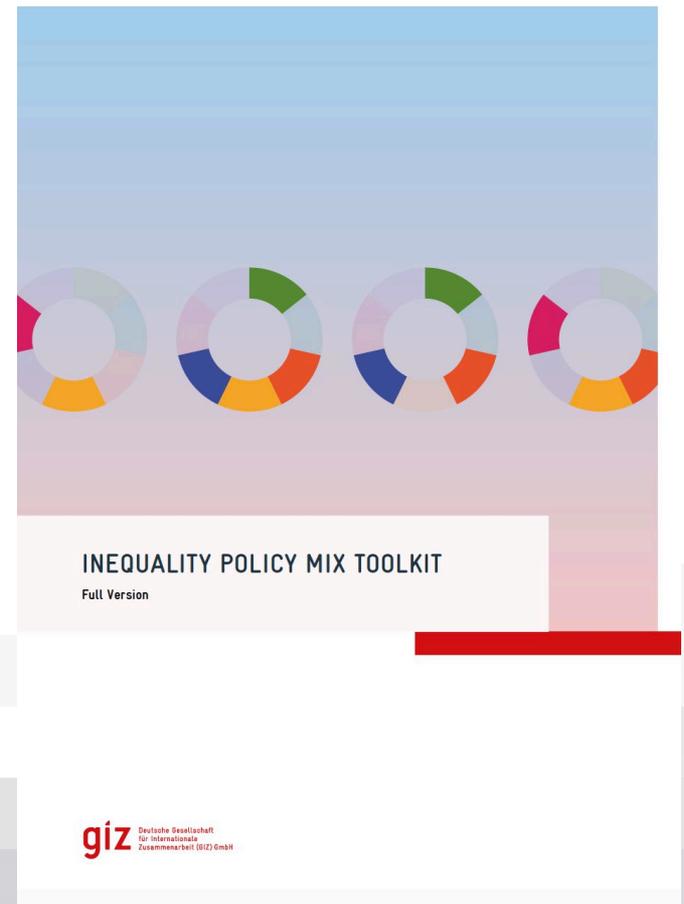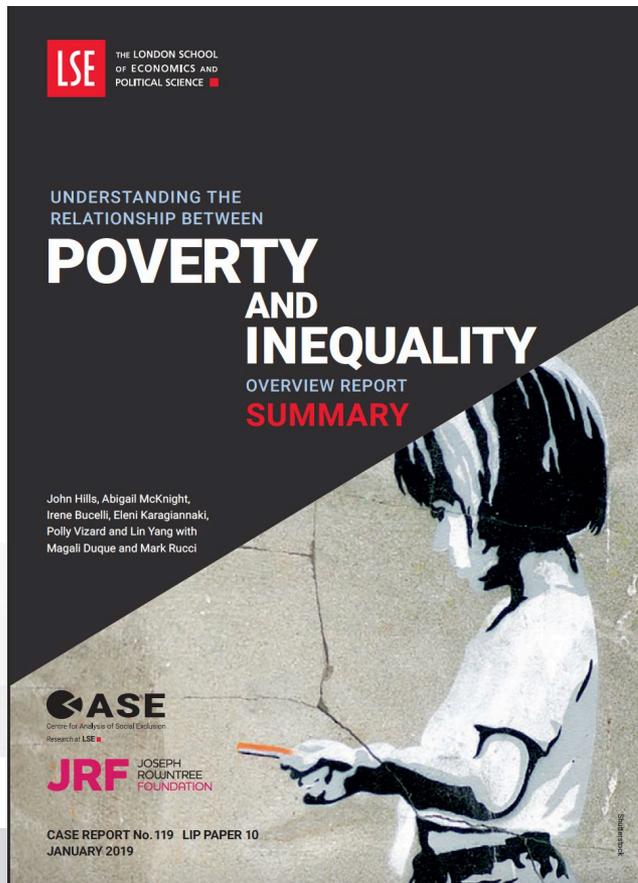
CASE 25th Birthday, 8 September 2022

THE LONDON SCHOOL OF ECONOMICS AND POLITICAL SCIENCE

ASE
Centre for Analysis of Social Exclusion
Research at LSE

UNDERSTANDING THE
RELATIONSHIP BETWEEN

POVERTY
AND
INEQUALITY

OVERVIEW REPORT
SUMMARY

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Magali Duque and Mark Rucci

CASE REPORT No. 119   LIP PAPER 10
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Key findings

There are different (sometimes contrasting) reasons why we should care about poverty and inequality – instrumental concerns, they stand in mutually *reinforcing* relationships and hinder other goals.

Empirical evidence of a positive association between poverty and income inequality

7 mechanisms that may possibly be driving this positive relationship

- Political economy and public awareness
- Spatial disparities
- Housing mechanisms
- Labour market mechanisms
- Dynamic mechanisms
- Crime and the legal system
- Resource constraints

Poverty and Inequality Policy Toolkit

This toolkit examines policies with a potential 'double dividend': policies that could lead to reductions of both poverty and inequality in the UK.

WHO IS IT FOR?	The toolkit has been designed for a wide audience including practitioners, policy-makers, academics and students.
WHAT WILL IT TELL ME?	The toolkit presents policy options, not recommendations. It analyses policies in terms of their relationship to poverty and inequality, public and political support, type and level of intervention, evidence of effectiveness and cost to government. Read more here.
HOW DO I USE IT?	Policies are organised in relation to seven mechanisms that could be behind the positive relationship between poverty and inequality and by policy area. For each policy the toolkit produces a short summary table with more detailed information behind each summary. Read more here.

Print or share

CASE Research: Understanding the Links between Inequalities and Poverty

Policy Tookit Home

Mechanisms

Political economy and public awareness

Resource constraints

Spatial disparities

Crime and the legal system

Life-cycle and intergenerational mechanisms

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Home / Research / Understanding the links between inequality and poverty / Policy Toolkit

31 policies   UK focus   Focus on "double dividend"

Click below on a **mechanism** to view summaries of relevant policies, as well as the underlying supporting detail, or on the **policies by area and type of intervention**.

Policies

Policy toolkit (PDF)

Funded by

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Political Economy and Public Awareness

Resource Constraints

Spatial Disparities

Crime and the Legal System

Life-Cycle and Intergenerational Mechanisms

Housing

Labour Market Mechanisms

Policies by area and type of intervention

Image by Nick Youngson CC BY-SA 3.0

Toolkit components: how do we analyse policies?

1. Relationship to poverty/ inequality mechanisms	
2. Party Political Support	
3. Type of intervention	
4. Level	
5. Public Support	
6. Evidence of effectiveness	
7. Cost	
Overall	

Focus on 'double dividend' of addressing poverty and inequality.

Based on current policies and explicit support (i.e. in manifestos)

Using polling (e.g. BSA, YouGov). Must be carefully interpreted.

While not a systematic review, this analysis relies on a clear framework that considers the evidence of efficacy (i.e. through common grading schemes) but also the generalisability to the UK context - in some cases, this requires identifying intermediate outcomes and enabling factors.

Cost to the government, categorised as low/medium/high.

This brings together all the other components: it refrains from giving specific normative recommendations.
Note: policies can emerge as more or less promising.

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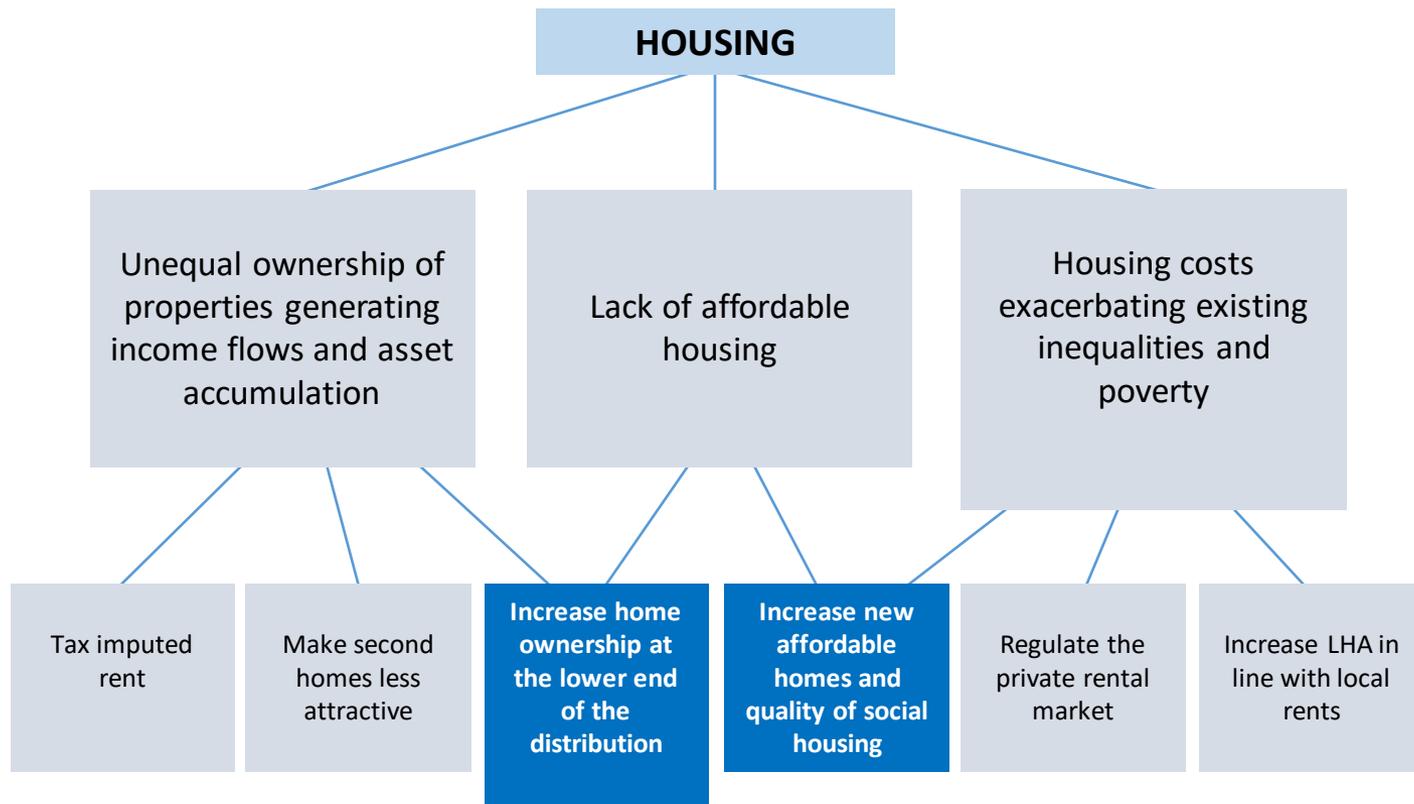Focus on 'double dividend' of addressing poverty and inequality.

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There is growing interest in inequality by several organisations that have traditionally focused solely on poverty – the SDGs and 2030 agenda have played a pivotal role
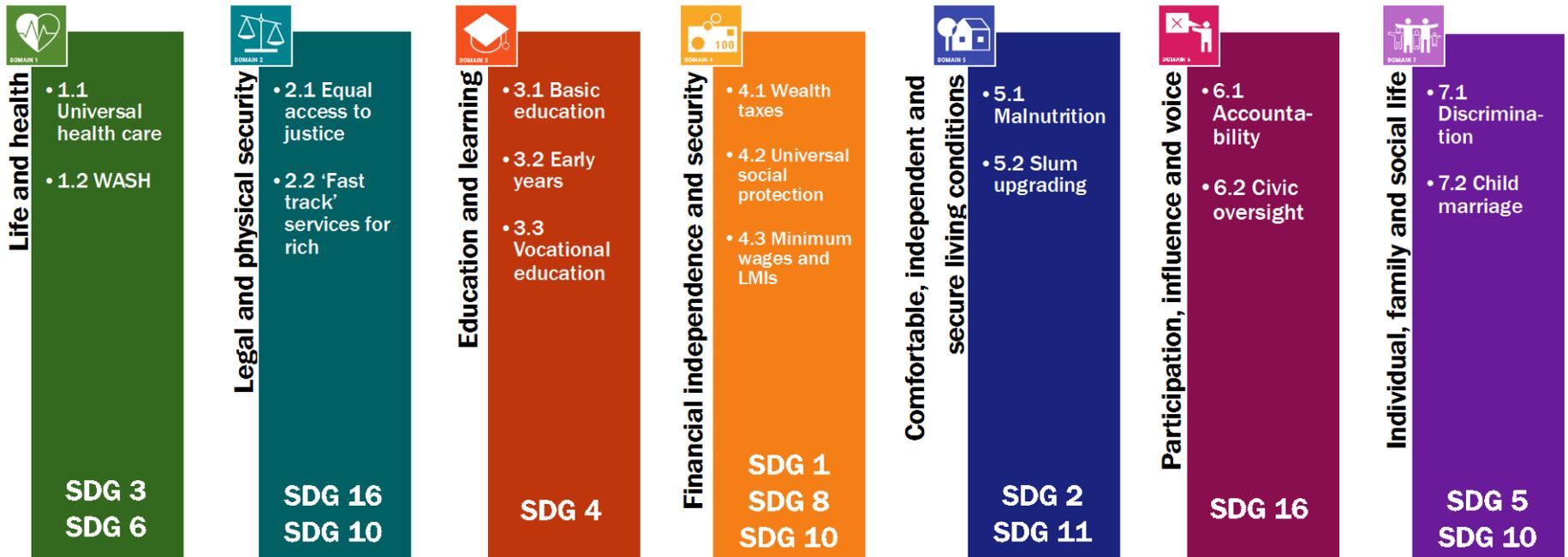
Guidance needed:

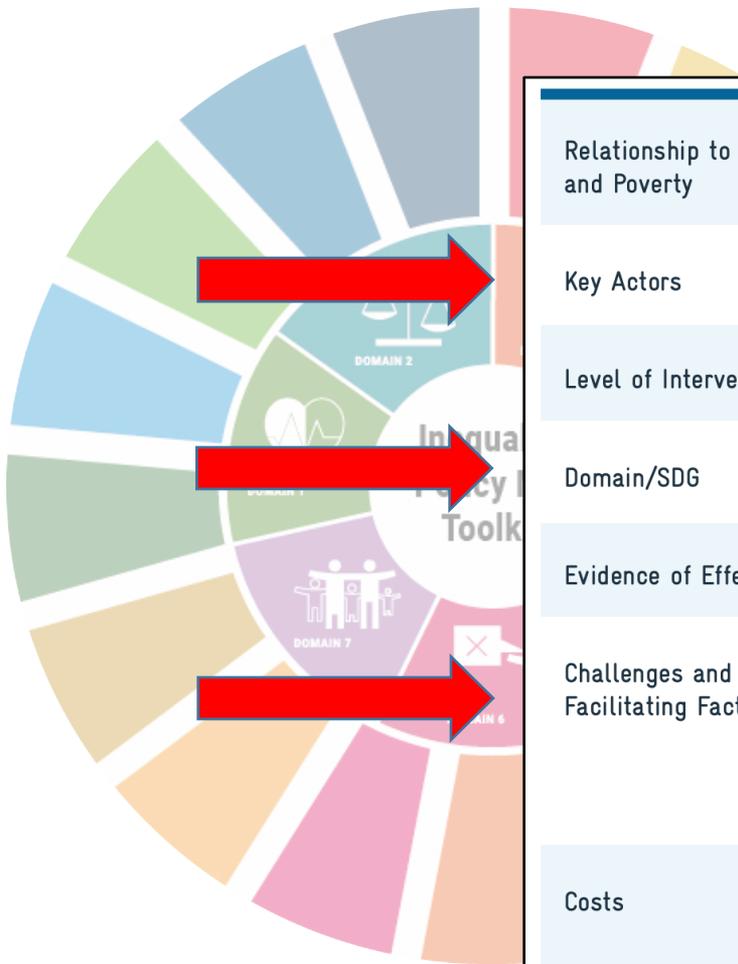- Interest in multidimensional approaches – but often lack of a solid theoretical basis to understand multidimensionality.

- Interest in understanding how to work outside policy silos - but multisectoral approaches are challenging

INEQUALITY POLICY MIX TOOLKIT

Full Version

giz Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH

end poverty
reduce inequality
leave no one behind

Project overview

- Use of the MIF as conceptual basis to ground GIZ approach

- Engagement with stakeholders to identify key policy areas of interventions and consultation with experts to select policies

- Eventually: 16 policies across the 7 MIF domains

DOMAIN 1 — Life and health
- 1.1 Universal health care
- 1.2 WASH

SDG 3
SDG 6

DOMAIN 2 — Legal and physical security
- 2.1 Equal access to justice
- 2.2 'Fast track' services for rich

SDG 16
SDG 10

DOMAIN 3 — Education and learning
- 3.1 Basic education
- 3.2 Early years
- 3.3 Vocational education

SDG 4

DOMAIN 4 — Financial independence and security
- 4.1 Wealth taxes
- 4.2 Universal social protection
- 4.3 Minimum wages and LMIs

SDG 1
SDG 8
SDG 10

DOMAIN 5 — Comfortable, independent and secure living conditions
- 5.1 Malnutrition
- 5.2 Slum upgrading

SDG 2
SDG 11

DOMAIN 6 — Participation, influence and voice
- 6.1 Accounta-bility
- 6.2 Civic oversight

SDG 16

DOMAIN 7 — Individual, family and social life
- 7.1 Discrimina-tion
- 7.2 Child marriage

SDG 5
SDG 10

Relationship to Inequality and Poverty	Ways in which this policy could be effective at reducing poverty and inequality (double dividend)
Key Actors	Key actors, such as government, NGOs, etc.
Level of Intervention	Level of intervention – national, local, etc.
Domain/SDG	MIF Domain/SDG
Evidence of Effectiveness	Key points of evidence of effectiveness established from a review of the literature

	Challenges	Facilitating Factors
Challenges and Facilitating Factors	• Key challenges to introducing the policy and for its effectiveness at reducing inequalities	• Key factors that are likely to facilitate the success of the policy or aid its introduction

Costs	Broad estimate of cost to government of introducing policy – classified as high/medium/low

OUTCOME SYNERGIES →

Principles

Coherence, consistency, congruency

Maximising complementarity – evaluating interactions

(e.g. indivisible; reinforcing, enabling, consistent, constraining, counteracting, cancelling)

→ **Relevant toolkit areas:**

- Relationship to inequality
- Evidence of Effectiveness
- Challenges and facilitating factors

ADMINISTRATIVE SYNERGIES →

→ **Relevant toolkit areas:**

- Level of intervention
- Sector
- Costs

Principles

Incorporating the policy context

Political support

Goodness of fit (policy space, geographical space, governance space, time)

STRATEGIC SYNERGIES →

→ **Relevant toolkit areas:**

- Key Actors
- Challenges and facilitating factors
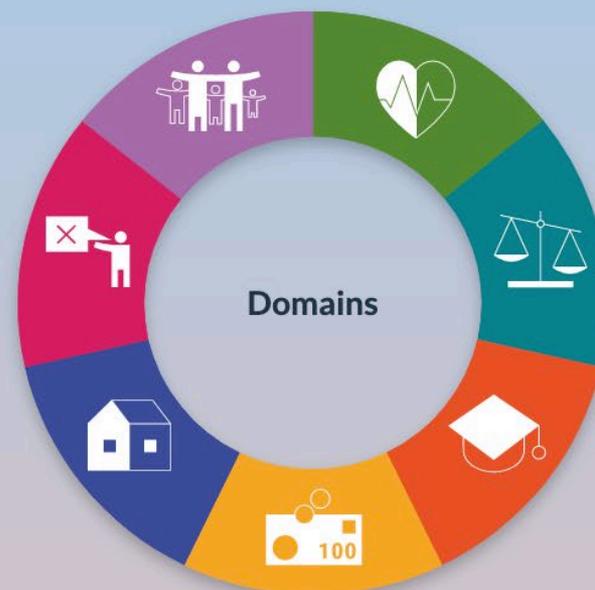
INEQUALITY POLICY MIX TOOLKIT

KEY POLICY MIXES TO REDUCE INEQUALITY

POLICY MIX 1
Wealth Inequalities

POLICY MIX 2
Childhood Inequalities

POLICY MIX 3
Spatial Inequalities

POLICY MIX 4
Employment Inequalities

Domains

How to use the Toolkit

About the Multidimensional Inequality Framework

General Context Information

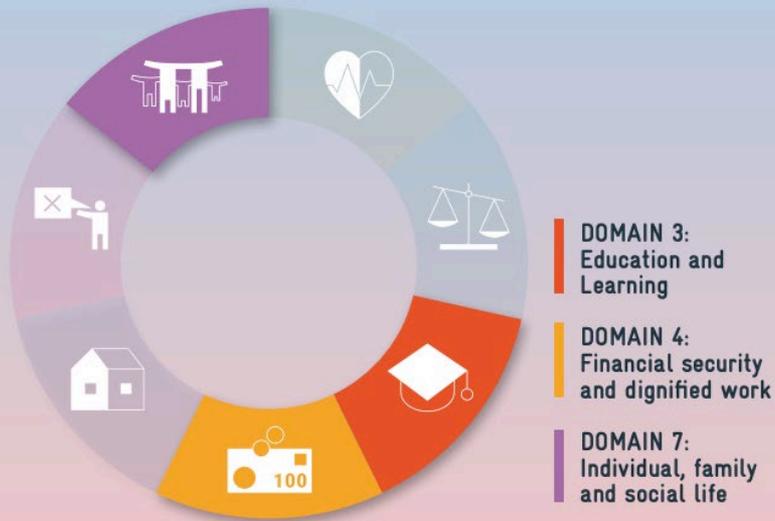- ■ Life and health
- ■ Physical and legal security
- ■ Education and learning
- ■ Financial security and dignified work
- ■ Comfortable, independent and secure living conditions
- ■ Participation, influence and voice
- ■ Individual, family and social life

POLICY MIX 4: EMPLOYMENT INEQUALITIES POLICY MIX

DOMAIN 3:
Education and Learning

DOMAIN 4:
Financial security and dignified work

DOMAIN 7:
Individual, family and social life

Policies included:

POLICY 3.3:
Affordable, quality technical and vocational education and training

POLICY 4.3:
Policies that promote collective bargaining, protect the rights of workers to unionise and strike, adequate and enforced minimum wages

POLICY 7.1:
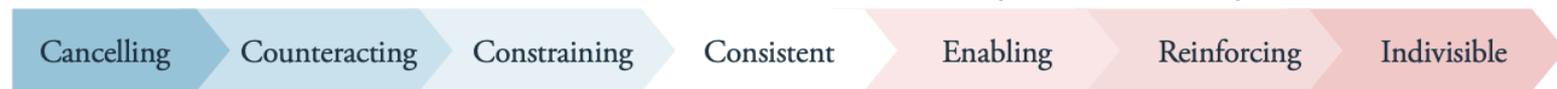Comprehensive anti-discrimination laws, implementation and enforcement

Relevant SDGs:

4 QUALITY EDUCATION
Targets 4.3 and 4.4

5 GENDER EQUALITY
Target 5.1

10 REDUCED INEQUALITIES
Targets 10.3 and 10.4

Cancelling → Counteracting → Constraining → Consistent → Enabling → Reinforcing → Indivisible

3.3 — Enabling

4.3, 7.1 — Reinforcing

Connection between 3 policies across 3 MIF domains and relevant SDGs targets

Assessment of the scale of interaction among the policies

Administrative and strategic synergies in turn indicate how the political and social but also fiscal, regulatory and implementation aspects of these policies intersect

What we have learnt

- There is interest in tackling both poverty and inequalities and in policies with a potential "double dividend" **BUT**
  - understanding of their relationship is often less developed.
  - SDGs – source of motivation but little guidance
  - Interest in multidimensionality – but robust conceptual grasp often lacking

- Policy toolkits can support the development of more rigorous policy approaches **BUT**
  - Academic and policy interests may not align – how can we be useful?
  - Challenges of working across countries, involving multiple actors
  - Developing policy mixes is hard! And in practice requires breaking established policy silos

Find out more!

- Poverty and Inequality Policy Toolkit – [link here](#)
- Inequality Policy Mix Toolkit – [link here](#)