This report sets out how poverty in the UK compares with other countries, in Europe and elsewhere. It also compares approaches to reducing poverty across these countries, looking for evidence of strategies that work.

Key points:

- Strategies are more likely to succeed if they have:
  - political commitment;
  - clear lines of accountability;
  - links to economic policy;
  - dedicated institutions or systems of governance;
  - co-ordination across government;
  - external stakeholder involvement;
  - an effective system of monitoring and review.

- While the UK did not have a national strategy, it has seen a fall in poverty while other countries have seen a rise. This is at least in part due to the introduction of a range of other anti-poverty policies.

- The effectiveness of the EU Nation Action Plans was varied. While they did not achieve their aim of reducing poverty, they did enable countries to make strategic progress towards developing systems and structures for tackling poverty.

- Anti-poverty strategies can be an effective way to assign responsibility for poverty reduction, facilitate co-ordination and consensus building and build support for the development of new measures or policies.

- Increasing the number of people in work does not necessarily decrease the number in poverty.

- The timescale associated with anti-poverty strategies means they need to be embedded in order to survive political change.

The research
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BACKGROUND

This report considers the many different strategies for reducing poverty, across the UK, Europe, North America and Brazil. No single strategy has been unambiguously successful, though some have been associated with significant reductions in poverty over a long period. There are many examples of well-intentioned strategies that fail to achieve the political purchase necessary for success.

What makes a strategy more likely to succeed?

There was no single example of a strategy that addressed all the problems of poverty, but we found that several things can increase the chances of success.

- **Political commitment**: the most effective strategies all had commitment at a high level, from both politicians and civil servants. This gave impetus and leadership to the strategy.
- **Responsibility and accountability**: in some of the strategies we reviewed, the lines of accountability for delivery were not clear. These were often the less successful strategies.
- **Links to economic policy**: if anti-poverty strategies are to have real purchase they must be developed alongside economic policy.
- **Institutional arrangements**: the creation of dedicated institutions or systems of governance helps the development process. They also offer some security against changes in political leadership.
- **Co-ordination (the all-government approach)**: the multifaceted nature of poverty means that tackling it requires high levels of co-ordination across government.
- **Implementation**: the development of a strategy means very little if it is not put into practice. There remains a gap between what is often committed to in strategy documents and what is delivered. Often gaps emerged when moving from the national picture to local delivery.
- **The involvement of external stakeholders**: these are a vital source of information and should also be involved in implementing the strategy.
- **An effective system of monitoring and review**: measuring results is crucial to maintain momentum and ensure various parts of governments are meeting their objectives.
Long-term view of poverty trends in the UK and elsewhere

Most countries saw a rise in poverty between the 1980s and 1990s. While some, such as Portugal and Ireland, then made substantial progress to redress this, the UK stands out compared with many countries in the OECD. From around 2008 the global recession and ensuing Eurozone crisis stopped any further reduction in poverty in the EU except in the UK, where the rate has continued to fall.

This may, though, be due to the way income poverty is measured, relative to the national median income. This median has fallen substantially in real terms in the UK, reducing relative poverty. It is worth noting, though, that falling medians elsewhere in Europe have not always led to falling poverty.

It is useful, then to look at other measures of poverty, particularly the material deprivation measure which looks at whether people can afford everyday goods and services. In the UK, the proportion of people who are materially deprived has risen sharply since 2009, from 3 to 8 per cent. Around 20 per cent of people in Greece and 15 per cent in Italy cannot afford everyday items.

The UK experience

In 2012, the UK had a higher poverty rate on a range of poverty measures than most old EU member states, ‘crisis’ countries aside. However, the UK experience of poverty over the last 20 years could be seen as positive – a fall when many comparable countries saw a rise and a fall when many similar countries saw no such fall.

There was no strategy document for reducing poverty in the UK. There were, however, a range of policies from the late 1990s onwards that were intended to reduce poverty – e.g. the minimum wage and working tax credits. There was also high profile commitment from the Prime Minister to ‘eradicate’ child poverty. So embedded was the idea of reducing child poverty, that even following the economic crisis of 2008, the UK government protected payments to low-income families with children via tax credits.

Overall, though, while the UK reduced child (and pensioner) poverty considerably, child poverty was not eradicated. Working-age poverty, particularly for those without children, did not fall at all. Across the countries of the UK, progress was varied, with many strategies published but fewer signs of success.

The EU National Action Plans

The EU National Action Plans (NAPs) were developed as part of the Lisbon Strategy. The aim was to make ‘a decisive impact on the eradication of poverty by 2010’. This was not achieved – poverty was higher, using the EU’s own preferred measures, in the EU as a whole and in many member states at the end of the process than at the beginning.

There is little doubt the initiative did provide new opportunities in most member states to take a strategic approach to addressing poverty. Plans varied in content and adequacy, but the fact that they existed at all was a sign of success for many organisations.
The period from the start of the economic crisis casts some doubt on the efficacy of relying on such formal external initiatives for the development of an anti-poverty strategy. When the economic crisis began the strategies and plans that had been put in place did little to prevent problems of poverty increasing. The fact that in many cases these plans were externally driven meant that there was little national commitment to them. However, it is clear from many of those involved in the development of the NAPs that the process gave many countries the opportunity to have a more focused discussion about poverty and how it should be tackled.

**What does a strategy add?**

One criticism of the strategies voiced by several of our participants was that they often comprised a collection of existing policies and did not add any new policy developments or approaches.

A strategy can also facilitate co-ordination and consensus building among a variety of stakeholders within and outside government. Linked to this, strategies can be an effective way to assign responsibility for poverty reduction policy. For example, before the first Belgian strategy there was widespread reluctance to take responsibility for anti-poverty policy. Following the strategies there is more clarity around where responsibility lies.

A strategy also offers the opportunity to link national targets to local activity. In one local authority area there was clear evidence of the national anti-poverty framework providing some of the impetus for the development of approaches locally.

**The need for political commitment**

More successful examples of poverty reduction, such as Ireland or the UK, had high level political commitment. In many countries the NAP process failed to achieve real national political commitment, although there were some notable exceptions such as Ireland and Belgium.

Often the process of developing an anti-poverty strategy remained a largely bureaucratic exercise. As a result, the commitments to develop strategies rarely manifested themselves in commitments to implement them. The majority of NAPs were never subject to any kind of parliamentary scrutiny.

**Institutional change – an example from Ireland**

The strategy development process in Ireland was notable in that it was one of few countries to have a government body dedicated to poverty reduction and the ongoing development of anti-poverty strategies – The Combat Poverty Agency (CPA).

It is clear that such institutions play a key role in the development of anti-poverty strategies. It had strong links to the community and voluntary sector, provided government with invaluable advice and expertise and ensured that the experiences of people in poverty reached those developing the strategy.
The wider economic context

Almost all of the strategies reviewed took the view that work is the best route out of poverty. In doing so the assumption seemed to be that an increase in the number of people in work would lead to a decrease in poverty. This is a valid assumption and a necessary condition – we found no country that had reduced poverty without increasing the number of people in work.

But across Europe, several countries increased the number of people in work without significantly decreasing the number in poverty. For many people at the lower end of the labour market, moving into employment (particularly part-time, short-term and low-paid) does not necessarily mean moving out of poverty. A key criticism of the strategies was that they failed to acknowledge sufficiently the growth of in-work poverty, particularly following the onset of the recession, and take the necessary action to address it. Moreover, often the economic strategies for jobs growth took no account of how the type and location of these jobs could best reduce poverty.

The impact of political change

Changing governments often means a shift in social policy. In Belgium, the transition from a socialist government to a liberal one was accompanied by a focus on fixing the economy as the solution to poverty rather than spending on social assistance programmes.

Anti-poverty strategies take time to create and embed and in many cases progress made in developing and implementing a strategy is lost in the transition from one government to another. One of the biggest tests of the success of a strategy is whether it can survive a change in government. Drafting legislation to function alongside a strategy or developing a system of governance that sits outside government are ways to ensure that a strategy will survive.

About the project

This review consisted of data analysis, qualitative research, a grey literature review, a review of European and international level documents and policies, and structured interviews.

Read the full report.