



Shared Prosperity Dignified Life



## Concept Note

<b>Expert Group Meeting Title</b>	Expert Group Meeting: Methodological Tools for Evaluating Poverty and Inequality Reduction Policies
<b>Place and Date</b>	MS Teams; 11 December 2020
<b>Target countries</b>	Arab Countries
<b>Participants</b>	UN DESA and ESCWA Staff, Experts from National Governments, International Organizations and Academia
<b>Number of Participants</b>	10-20
<b>Language</b>	English

### Introduction

High income inequality undermines productivity, diminishes intergenerational mobility and reduces the impact of growth on poverty reduction. Income inequality is yet one of many dimensions of inequality. Inequalities in opportunities and access to quality education and health care, food and nutrition, safe drinking water and sanitation, housing, productive assets such as land and credit, labour markets and technology including ICTs, have been identified as major impediments to sustainable development.<sup>1</sup>

Inequalities in access and opportunities across different dimensions reinforce one another and create a vicious cycle of poverty and inequality that is transmitted over time and through generations. High and rising inequalities undermine social cohesion and trust in socio-political systems. The rise in income and wealth inequality has led to a growing global consensus on the imperative to combat inequality in its multiple dimensions, and address social exclusion.

Upon adoption of the 2030 Agenda for Sustainable Development, Member States committed to reduce inequality and affirmed a vision of a shared future and of societies that are inclusive, just and equitable, and that offer equal opportunities for all. At the SDG Summit held in September 2019, Heads of States adopted Political Declaration and determined to implement

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<sup>1</sup> A/72/158

the Agenda, including SDG 10 to reduce inequality within and among countries, and also reaffirmed their commitments to leave no one behind in the decade for action to accelerate the implementation of the 2030 Agenda. This requires pursuing people-centered and inclusive development, grounded in the principle of social justice.

With ten years left to achieve the 2030 Agenda, the world is facing unprecedented and multifaceted challenges. The COVID-19 pandemic and its consequences are having a devastating impact on social development and well-being of people worldwide. The current crisis has not only exposed pre-existing inequalities, but exacerbated them. Decades of progress in the fight against poverty and inequality is likely to be reversed, leaving many more people behind. It has also had a negative impact on the abilities of Governments to achieve the 2030 Agenda and the Sustainable Development Goals.

Recovery from the crisis is also an opportunity to build more inclusive and resilient societies. To build back better, there is a need to develop integrated social policies that reduce poverty and inequalities simultaneously and enhance people's capabilities and resilience, through promoting universal access to basic social services and protection.

## **Background**

Inequality in the Arab region is subject to a knowledge deficit due to data paucity and inconsistencies across measurement tools and dimensions of wellbeing. In relation to public policy, income redistribution on its own, in the absence of effective social and development policies, is likely to be insufficient for driving down social inequalities including inequality in political participation.

Realizing the need to address the knowledge gaps, ESCWA and the Economic Research Forum (ERF) partnered with five universities in gathering more than 30 experts to 1) examine the status of inequality in its multiple forms and their evolution over the past decades, and 2) review inequality trends and their relations with socioeconomic policies and institutional dynamics. The results were published in a joint report titled "*Rethinking Inequality in Arab Countries*" that emphasized the multiple non-monetary dimensions of inequalities, of both outcomes and opportunities, across a variety of socio-economic groups.

The main message of the report was that, following the wave of popular uprisings during the Arab Spring, there is a need for a deeper understanding regarding the underlying political economy challenges facing the region. Understanding inter-group and inter-country inequalities is necessary for selected social, economic, spatial and demographic groups, including men and women, the rich and poor, rural and urban, or high and low educated. The report also highlights that the Arab region has made considerable human capital gains over the past two decades. However, significant inter-country inequalities underlie the average region-wide achievements and some structural inequalities remain deeply entrenched. In addition, interregional inequalities increased in some aspects. For example, growth in average income per capita declined in low human-development countries especially those ridden by conflict such as Sudan, Syria and Yemen.

Against this background, UN DESA and ESCWA have partnered to organize an Expert Group Meeting (EGM) aimed at stimulating a discussion on the proper mechanisms for measuring the multiple dimensions of poverty and inequality, identifying policy gaps, and formulating social policies put forth in response, and pre-evaluating them before comprehensive implementation. The objective is not only to review measurement of poverty and inequality in their multiple dimensions but particularly to develop a more holistic social policy framework that enables addressing poverty and inequality. Following the approaches advocated by ESCWA and DESA the EGM will approach the issues from a perspective beyond that of income and wealth, and stimulate a discussion around the drivers of poverty and inequality in the Arab region, policies for targeting the main drivers, and fact-based evaluation of these policies.

The EGM aims to reach a consensus on a common approach to properly design, implement and evaluate inclusive socio-economic policies to reduce poverty and inequality. To this end, three advanced methodological tools will be introduced: ESCWA's Multidimensional Poverty Index Assist Tool, ESCWA's Policy Gap Analysis Tool, and randomized control trials.

The state-of-the-art online platform of the **Multidimensional Poverty Index Assist Tool (MAT)** enables state officials to construct an appropriate national multidimensional poverty index (MPI) using advanced diagnostics, with transparency and accountability. The MAT empowers states to use their survey microdata to assess the incidence and depth of multidimensional deprivations in population, and is envisioned to help states track their status and growth, and simulate developmental shocks such as the fallout of COVID-19.

Going beyond the findings and projections from the MAT, the **Policy Gap Analysis Tool (PGAT)** is designed to assist member countries in examining the gaps that exist in socioeconomic policy areas that are relevant to combating inequality and promoting social justice, and accordingly in making sound policy decisions to remedy them. Such gaps would include – but are not limited to – gaps in knowledge and skills, which can exist at one or more levels of the policy-making process; gaps in building consensus around equitable, inclusive and participatory-based policy choices; gaps within the legislative and regulatory frameworks that preclude the enabling environment of such policymaking; and the shortcomings in the institutional set-ups and internal mechanisms that ensure policy coherence and coordination.

Based on the policy recommendations from the MAT and the PGAT, the proposed policy responses must be assessed and validated in order to guide effective implementation. **Randomized control trials (RCTs)** are an advanced study-design tool for proper policy evaluation. RCTs have been traditionally used to evaluate treatments in physical sciences and medicine, but in recent years have been recognized as a powerful tool to assess the impacts of social policy interventions mitigating certain statistical and behavioral biases. An expert-

group discussion over the adoption and systematic use of RCTs for social policy evaluation in the region, and proper region-specific RCT design, is very timely.

Given the unveiling of the three advanced methodological tools for poverty and inequality measurement, policy gap identification, and assessment of social policy implementation, the EGM will lead an expert-level dialogue on their soundness, and advocate for proper mechanisms for policy selection and evaluation broadly.



Expert Group Meeting:  
Methodological Tools for Evaluating Poverty and Inequality Reduction Policies  
MS Teams, 11 December 2020

## Agenda

Time (Beirut)	Session
14.30 – 14.40 pm	Introductory Remarks (TBC: Makiko Tagashira – 5 minutes, Khalid Abu Ismail – 5 minutes)
14.40 – 15.10 pm	Session 1: ESCWA's Multidimensional Poverty Index Assist Tool, MAT (Sama Sleiman)
15.10 – 15.40 pm	Discussion led by Touhami Abdelkhalek
15.40 – 16.10 pm	Session 2: ESCWA's Policy Gap Analysis Tool (Oussama Safa)
16.10 – 16.40 pm	Discussion led Lina Abou-Habib
16.40 – 17.10 pm	Session 3: Randomized Control Trials (Myra Yazbeck)
17.10 – 17.40 pm	Discussion led by Vladimir Hlasny
17.40 – 17.50 pm	Concluding Remarks (TBC: Makiko Tagashira – 5 minutes, Khalid Abu Ismail – 5 minutes)