Developing
the socio-economic profile of a
future global development goals agenda

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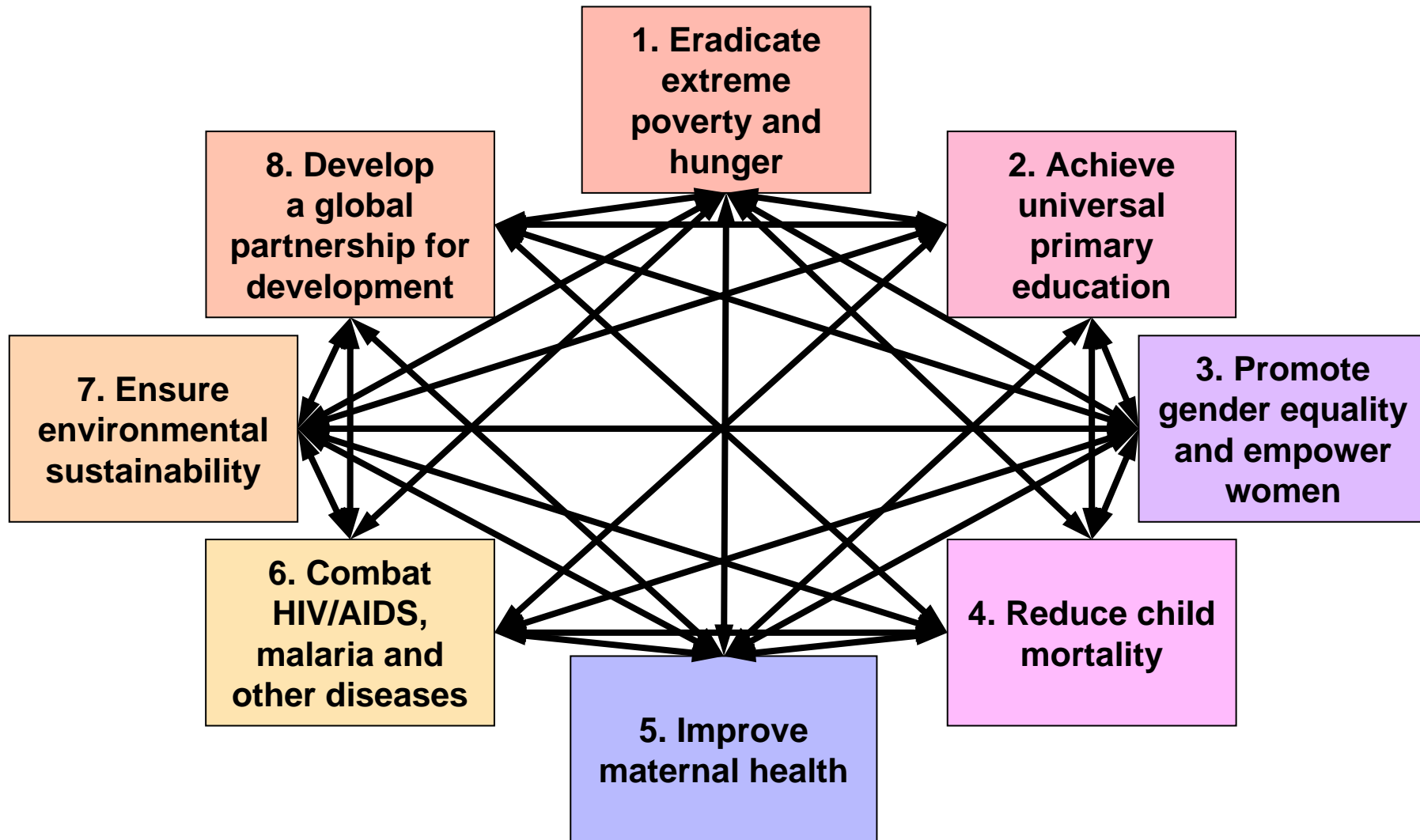
Presentation at the international workshop
**Beyond 2015: Starting the conceptual debate about
the future of the Millennium Declaration and the MDGs**
German Development Institute / Deutsches Institut für Entwicklungspolitik (DIE),
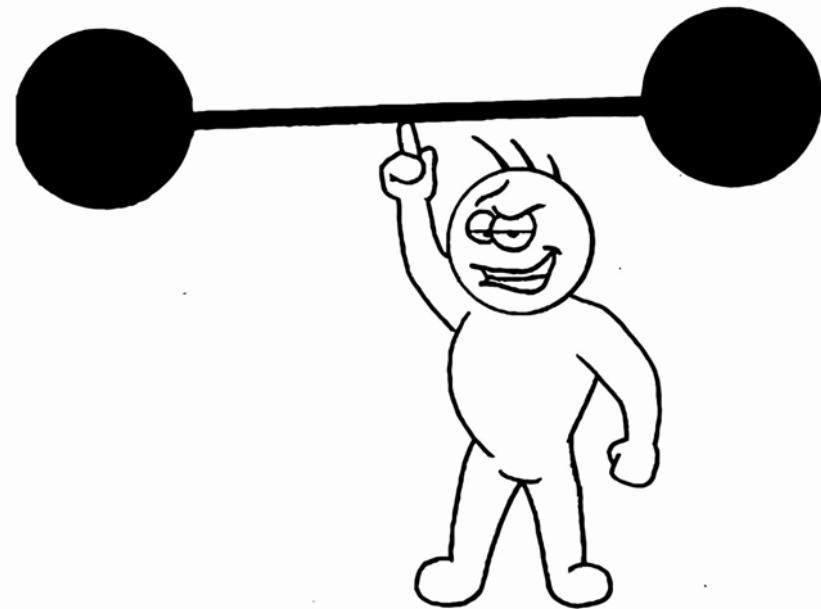Bonn, 18 January 2010

Questions

- What are the **strengths of the Millennium Development Goals (MDGs)**?

- What are their **weaknesses**?

- Which **goals from the field of socio-economic development** might be added to the MDGs?

Millennium Development Goals

1. Eradicate extreme poverty and hunger

2. Achieve universal primary education

3. Promote gender equality and empower women

4. Reduce child mortality

5. Improve maternal health

6. Combat HIV/AIDS, malaria and other diseases

7. Ensure environmental sustainability

8. Develop a global partnership for development

What are the strengths of the MDGs?

Strengths of current MDGs

1. **Development consensus:**

    – agreed upon by all UN member countries and all relevant international organisations

         [admittedly only a narrow compromise on a couple of development issues]

    – reference for joint efforts and contributions

Strengths of current MDGs

2. Results-based and time-bound:

- call for concrete achievements in time

- call for improvements in effectiveness and efficiency

- call for better donor alignment and co-ordination

- call for more policy coherence, especially by donors

Strengths of current MDGs

3. Easy to understand, easy to remember, easy to accept:

– MDGs are plausible and close to people's day-to-day lives

– good for directing public attention in rich countries to the problems of the developing world and

– good for mobilising civil societies in developed and developing countries and pushing governemnts for the mobilisation of additional energies and resources for international development
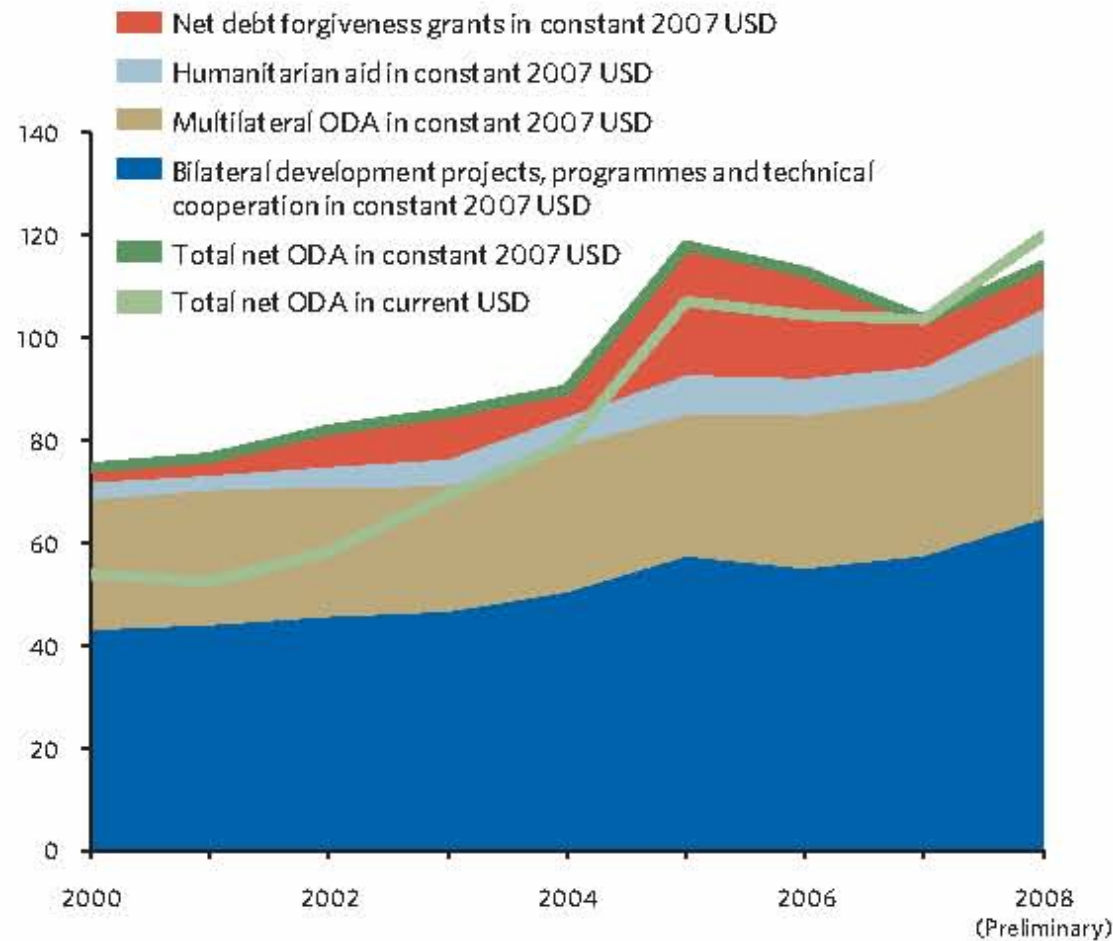
Effects of current MDGs

Donor countries	Developing countries
• Increased **acceptance of ODA** in public opinion	
• Strengthened **attention to effects** of ODA	
• Augmented **reference** to specific goals **in policy documents**	• Augmented **reference** to specific goals **in policy documents** (PRSPs)
• Increased **ODA**	• Increased public spending (esp. in LICs)
• Increased share of **ODA to LDCs**	
• Led to a shift of ODA **to social sectors (**esp. basic education and HIV/AIDS)	• Shift of public spending **to primary education** but not to other social sectors
• No increased spending for agriculture and nutrition, technology and innovation or decent work	• No focus on better governance, human rights, freedom of media, decent work

Official development assistance (ODA) from developed countries, 2000-2008 (Constant 2007 US dollars and current US dollars)

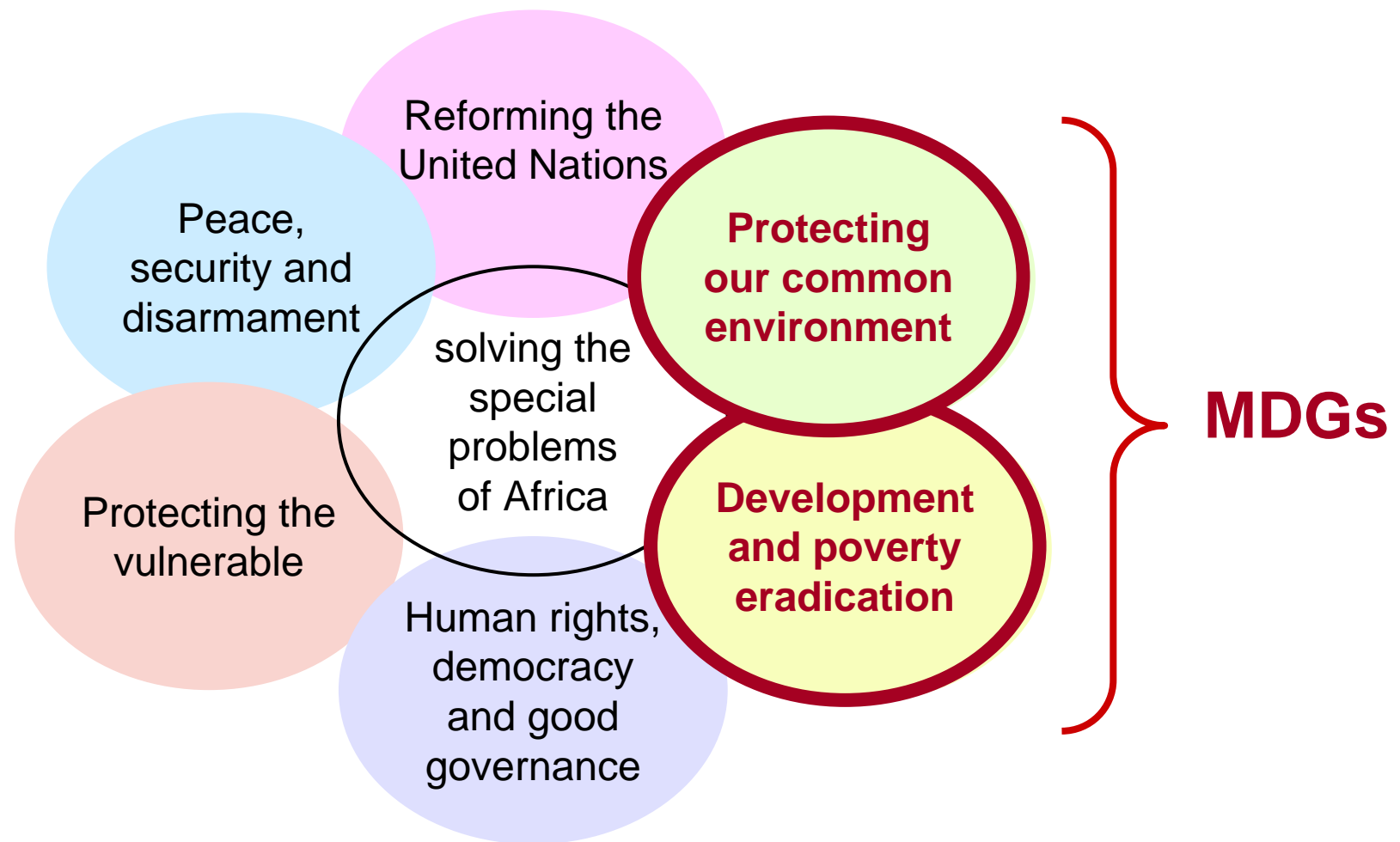- Net debt forgiveness grants in constant 2007 USD
- Humanitarian aid in constant 2007 USD
- Multilateral ODA in constant 2007 USD
- Bilateral development projects, programmes and technical cooperation in constant 2007 USD
- Total net ODA in constant 2007 USD
- Total net ODA in current USD

What are
the weaknesses
of the MDGs?

1. **Cover only two chapters of the Millennium Declaration:**

2. Focus on two dimensions of poverty only :

Economic capabilities
(income, assets…)

Protective capabilities
(social protection, human security)

Political capabilities
(freedom, voice, access to justice, transparency)

gender environment

Human capabilities
(health, education nutrition, fertility)

Socio-cultural capabilities
(acceptance, non-discrimination, dignity)

Weaknesses of current MDGs
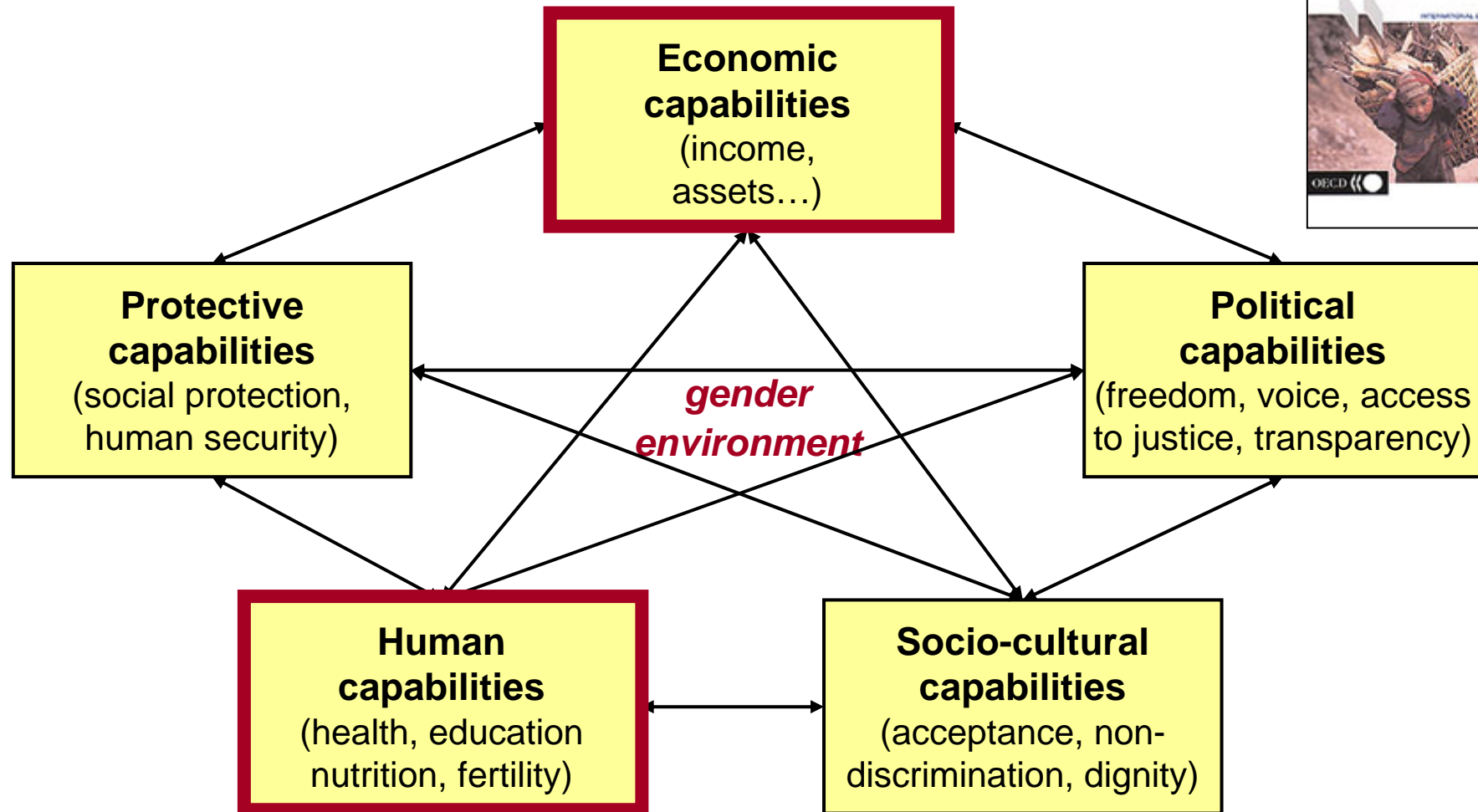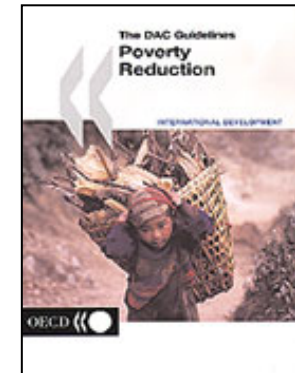
3. **Neglect qualitative aspects of development:**

MDG2: covers **school enrolment,**
while neglecting **quality and relevance of education**

MDG4&5: measure **child and maternal mortality rates,**
but not **morbidity rates**
or the **quality of life of disabled people**

MDG7: includes reduction of biodiversity loss
but not prevention of climate change

...

Weaknesses of current MDGs

4. **Pay little attention to distributive affects**
   (relative poverty, inequality, vulnerability, empowerment
   of the poor, social justice, non-discrimination)

   only 1 indicator under MDG1 (share of poorest quintile in consumption)

   MDG4&5:   measuring **child and maternal mortality rates,**
   but not **who benefits from reduced mortality**
   (often progress is easier and cheaper to be achieved among urban middle-income households than the poor)

   MDG2:   calling for **universal access to basic education,**
   but not "**free access to education**" (Dakar Plan for Action 2000)

   MDG7:   aiming at improving the access to improved water
   but not the affordability of water (MD 2000)

   ...

5. Leave out many of the goals defined during the 1990s:

E.g. Dakar Framework for Action (2000)

(i) expanding and improving comprehensive early childhood care and education, especially for the most vulnerable and disadvantaged children;

(ii) ensuring that by 2015 all children, particularly girls, children in difficult circumstances and those belonging to ethnic minorities, have access to and complete free and compulsory primary education of good quality;

(iii) ensuring that the learning needs of all young people and adults are met through equitable access to appropriate learning and life skills programmes;

(iv) achieving a 50 per cent improvement in levels of adult literacy by 2015, especially for women, and equitable access to basic and continuing education for all adults;

(v) eliminating gender disparities in primary and secondary education by 2005, and achieving gender equality in education by 2015, with a focus on ensuring girls' full and equal access to and achievement in basic education of good quality;

(vi) improving all aspects of the quality of education and ensuring excellence of all so that recognized and measurable learning outcomes are achieved by all, especially in literacy, numeracy and essential life skills.
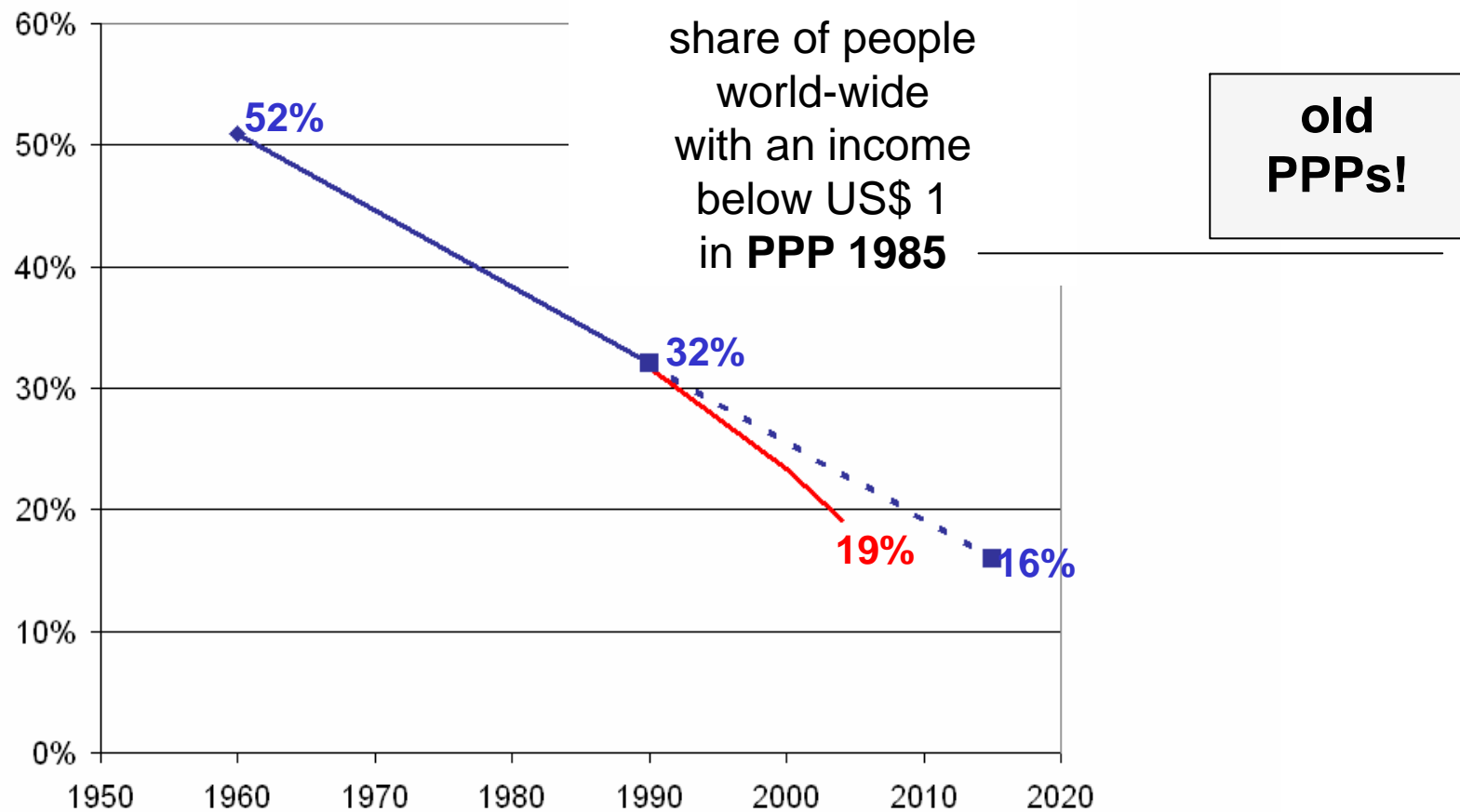
Weaknesses of current MDGs

6. Neglect gender as a cross-cutting issue:

E.g. the goals from the Millennium+5 Summit:

(a) Eliminating gender inequalities […] at all educational levels by 2015;

(b) Guaranteeing the free and equal right of women to own and inherit property and ensuring secure tenure of property and housing by women;

(c) Ensuring equal access to reproductive health;

(d) Promoting women's equal access to labour markets, sustainable employment and adequate labour protection;

(e) Ensuring equal access of women to productive assets and resources, including land, credit and technology;

(f) Eliminating all forms of discrimination and violence against women and the girl child, including […] by ensuring the protection of civilians, in particular women and the girl child, during and after armed conflicts […]

(g) Promoting increased representation of women in government decision-making bodies, including through ensuring their equal opportunity to participate fully in the political process.
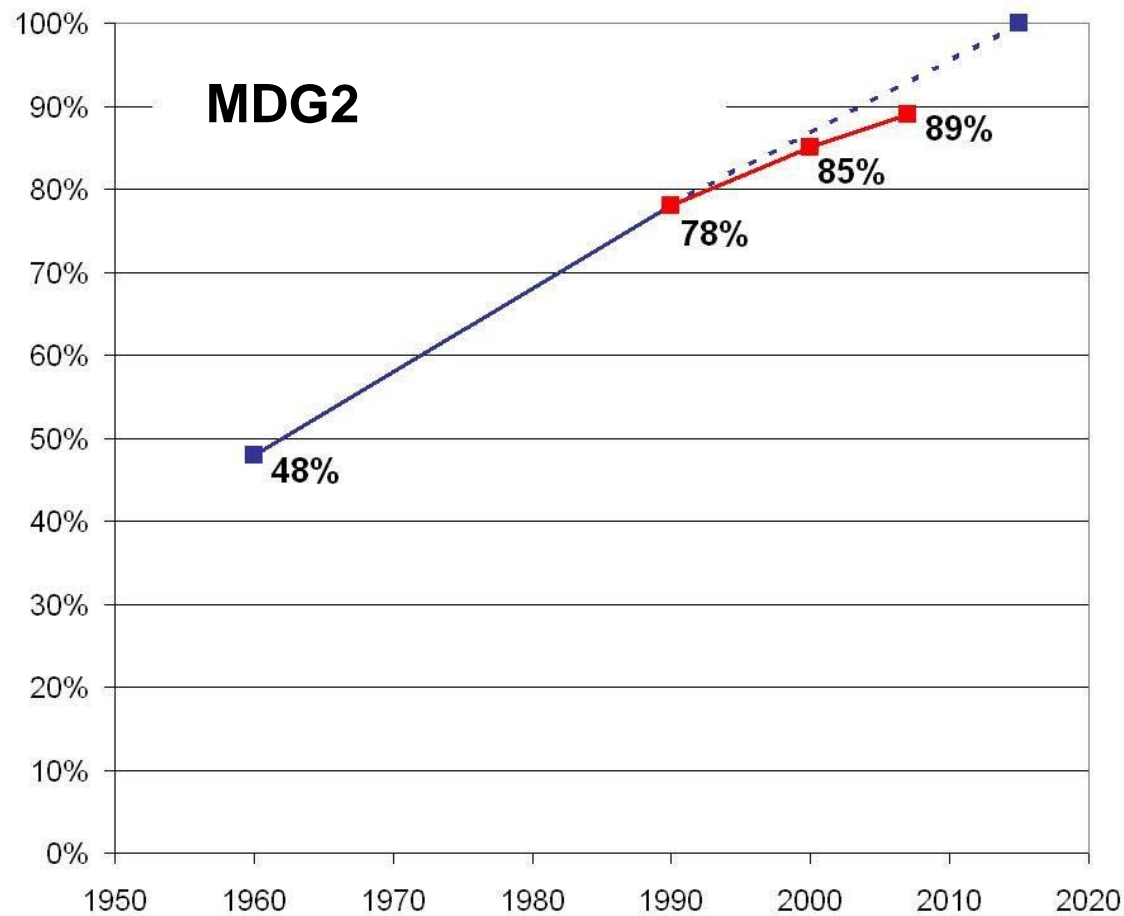
7. Some goals are under-ambitious:

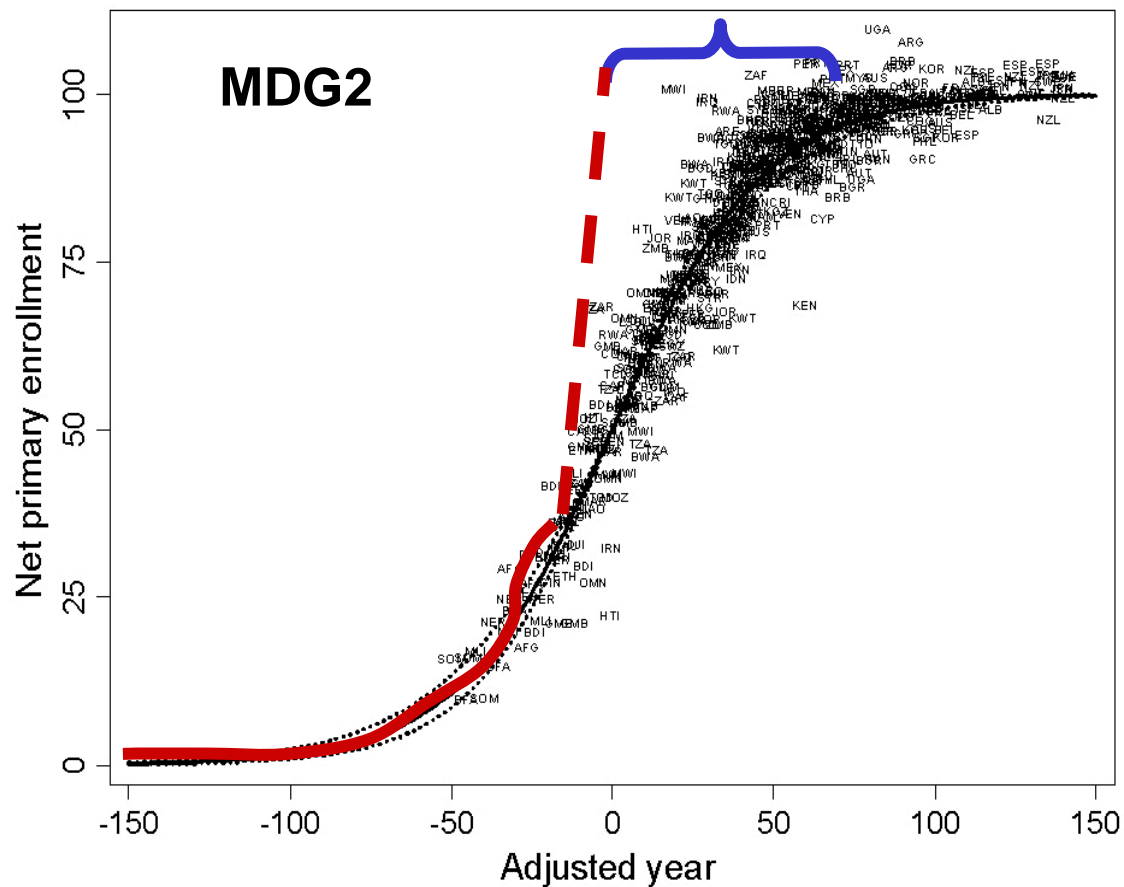share of people world-wide with an income below US$ 1 in **PPP 1985**

old PPPs!

8. Other goals are unrealistic:

8. Other goals are unrealistic:

Weaknesses of current MDGs

9. Bring about statistical problems:

- **Comparability of data:**
  e.g. underweight of children in Canada, Cameroon and Cambodia

- **Availability of data:**
  e.g. 78 countries have no reliable information on poverty headcount ratio

- **Lack of specification:**
  - e.g. decent work (MDG1): what is the indicator?
  - e.g. CO_2 emissions (MDG7): what is the goal?
    what is the time-line?
  - e.g. MDG8: what are the indicators?

Weaknesses of current MDGs

10. Lack of legitimacy:

– Have been agreed upon by all UN member countries,

– Are probably worth going for to all inhabitants in the global South

– But have de facto been formulated by representatives of donor countries

Which decisions have to be taken when a new global development goals agenda is designed?

Decisions to be taken

1. **What would be the purpose of a new agenda?**

    – Establish a **point of reference with realistic targets**?

    Or be the **picture of a better world** that we strive for but will probably not reach in the near future?

    – Mirror the **possible range of consensus**?

    Or **cover all relevant fields** of global development?

    – Be used as a **tool for policy planning**, improving alignment and promoting co-operation?

    Or as a **benchmark for evaluating progress**?

Decisions to be taken

2. What would be the range of a new agenda?

– Continue to be about **sustainable human development**?

Or start to be about **how to manage the planet** with all related problems?

In the first case:
Is it possible to **establish a parallel agenda** for climate change prevention?

In the second case:
Might **poverty reduction** goals **become marginalised**?
Might the **limited possibility of concretisation of global public goods** goals affect the concreteness of anti-poverty goals?

3. **Who will select and formulate the goals?**

  – Once **again representatives of Western donors and international organisations**?

    Or **citizens of developing and industrialised countries in a participatory process**?

    Or the **governments of UN member countries**?

    Or a group of **neutral experts**?

Decisions to be taken

4. **How should the new agenda be structured?**

    – **How many goals, targets and indicators?**

    [don't overburden it: having too many goals might destroy the robustness and power of the agenda]

    – **Should current MDGs be better clustered?**

    [Why is access to water and sanitation currently under MDG7?]

    [Why does health currently need three MDGs?]

5. How should goals be formulated?

– **Which time horizon?**

[5 years probably too short for adaptations in policies,
25 years perhaps too long for sustaining the momentum over the whole
time]

– **Which is the baseline year?**

[Are data available for it for benchmarking?]

– **To be reached globally or by single countries?**

– **In absolute or relative terms?**

– **Positively (raise literacy) or negatively (reduce illiteracy)?**

[as currently defined, MDGs are more difficult to reach for poorer
countries]

5. How should goals be formulated?

Whether it's easier (+) or harder (-) for Africa to meet MDGs than other regions, given comparative initial conditions

|	Usual indicator		Reverse Indicator		
	Percentage change	Absolute change	Percent change	Absolute change	Level
Poverty rate	-	+	+	+	-
Primary enrollment	+	+	-	+	-
Gender equality in primary enrollment	+	+	+	+	-
Gender equality in secondary enrollment	+	+	+	+	-
Child mortality	-	+	-	+	-
Maternal mortality	No Data				
HIV Prevalence		No Data			
Clean water	+	+	-	+	-

MDG formulation highlighted in yellow

Which goals might have to be added?
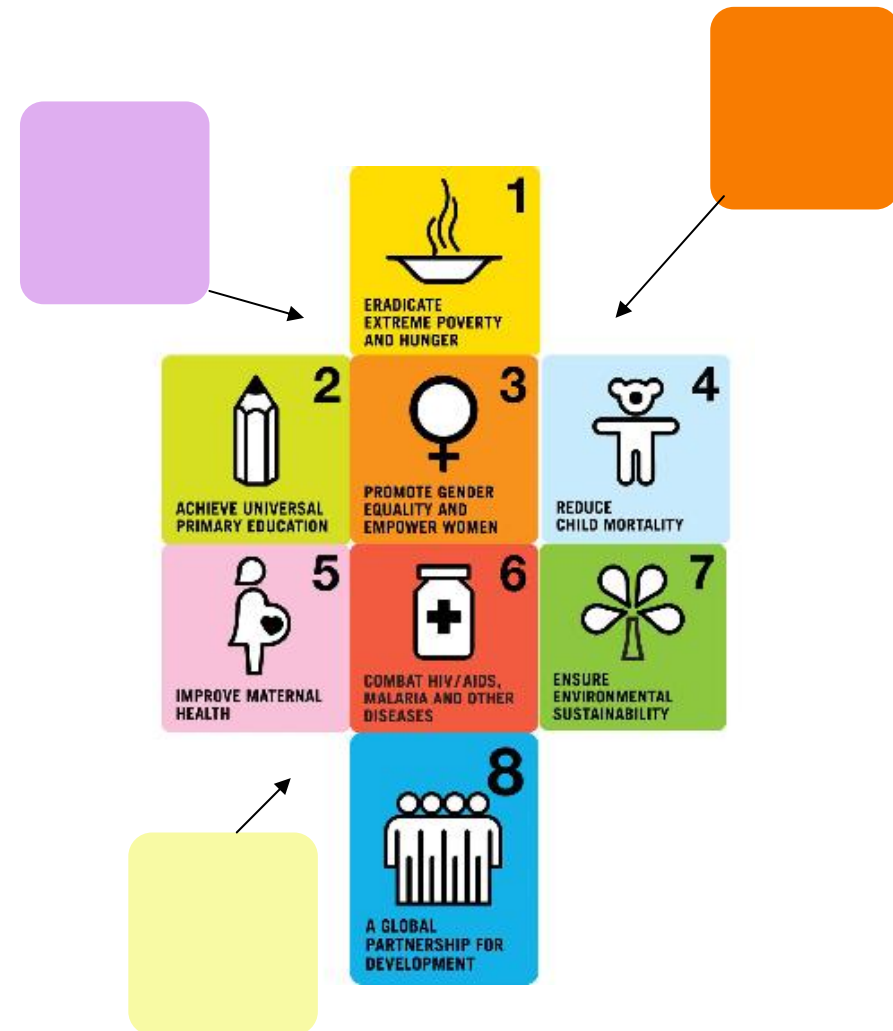
Additional goals
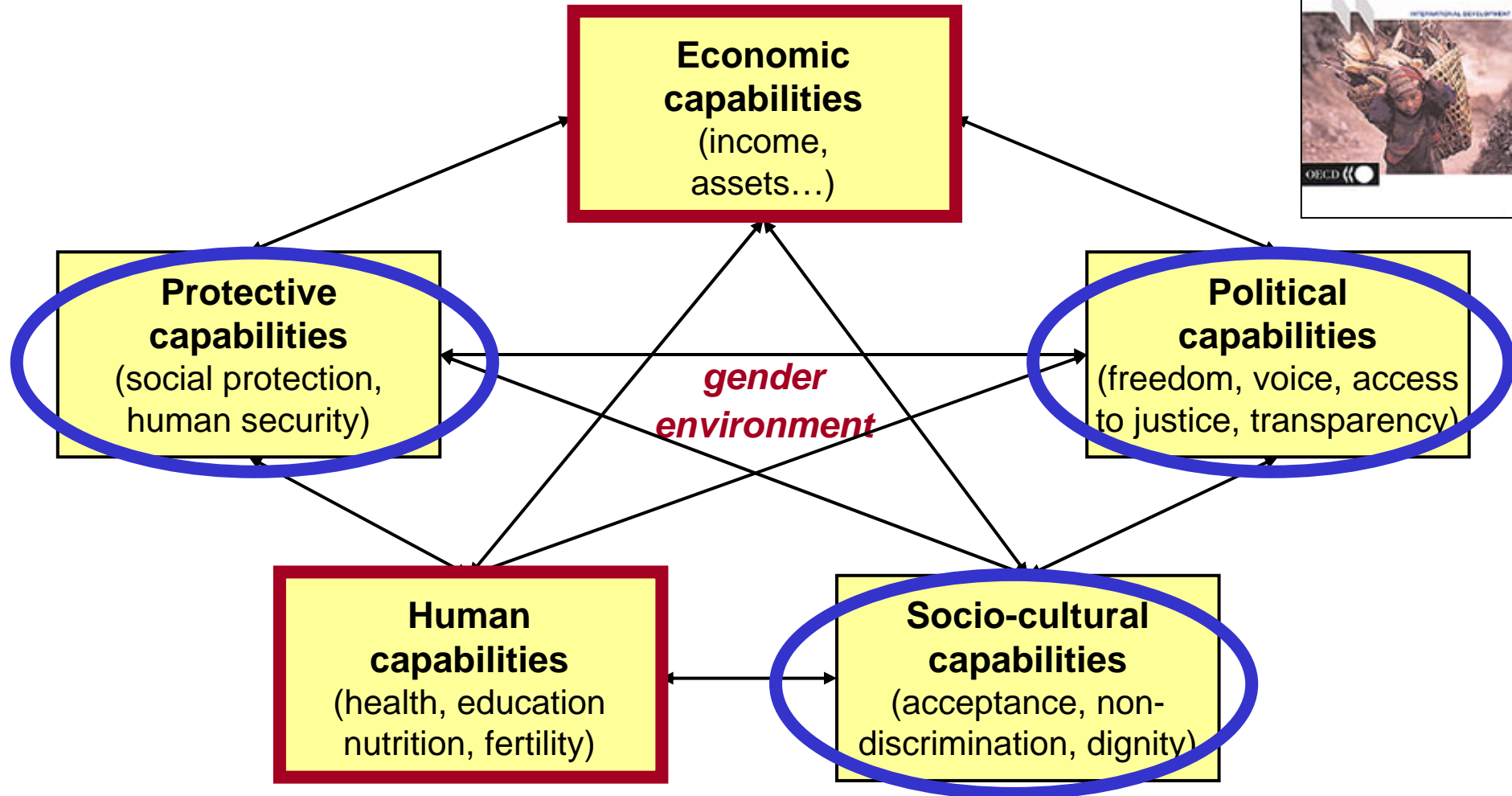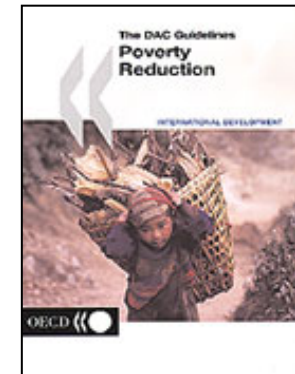
1. **Political capabilities**
   (human rights, freedom, voice, some influence over public policies, access to justice, transparency)

Additional goals

2. **Socio-cultural capabilities**
   (social status, dignity, acceptance, non-discrimination)

   research on social inclusion relatively new

   national statistics very rudimentary

   indicators sometimes used:

   - number of associations to which a person belongs
   - frequency of participation in social activities
   - access to non-economic help by relatives/ friends / neighbours
   - availability of friends for children in the neighborhood
   - frequency of contacts with other persons per day
   - number of friends and relatives that „one can count on"
   - probably that a lost wallet be returned with the money in it
   - number of friends from different race, religion, class, caste

Additional goals

2. **Socio-cultural capabilities**
    (social status, dignity, acceptance, non-discrimination)

    – **single indicators are not very representative for entire dimension of poverty**

    – **data are comparatively difficult to collect**

    – **there is no objective benchmark for the indicators;**
      e.g. average number of friends depends on cultural factors; therefore all indicators do not allow for international comparison, often even not for comparison between regions, social groups...

    In addition: socio-cultural capabilities are difficult to extend within 10 – 25 years

    => Difficult to include in future development agenda!

Additional goals

3. **Protective capabilities**
    (social protection)

    – **Central aspect of human well-being**

    – **Important to be included in future development agenda**

    – **Fundamental human right:**

        • Universal Declaration of Human Rights Article 22:
        „*Everyone, as a member of society, has the right to social security.*"

        • International Covenant on Economic, Social and Cultural Rights Article 9:
        „*The States Parties to the present Covenant recognize the right of everyone to social security.*"

Additional goals

3. **Protective capabilities**
   (social protection)

   – **Representative indicators available:**

     • share of population with health insurance or free access to basic health services

     • share of employees covered by public or private pension insurance

     • share of population under poverty-line receiving public social transfers

     • ...

   – **Main question: "Decent work" is already included in MDG1 -- though without indicators.**
     Social protection is one component of it.
     Either it comes into the MDG agenda another time...
     or indicators have to be identified for other 3 components as well

Additional goals

4. **Gender**

   – **MDG3 calls for gender parity in school enrolment rates only**

   – **In addition, there are indicators without goals for the share of women in wage employment and in parliament**

   – **Targets and indicators for gender equality in economic life, legislation, jurisdiction and social acceptance should be added to future development agenda.**

   – **In addition all other MDGs should be monitored separately for both sexes.**

Additional goals

5. **Productive sectors**

   – **Critics: MDGs neglect economic sphere and productive sectors**

   – **Wrong: … based on misinterpretation:**

      • **MDGs are ends, not means of development**

      • **They do not prescribe a particular development strategy**

      • Failure in reaching – e.g. – MDG4 does not necessarily call for interventions in health sector. – Failure may also be due to lack in awareness (education), economic capacities etc.

   – **The final goal of all kinds of economic activities is to extend the capabilities of consumers, production is just a means**

Additional goals

5. **Productive sectors**

   However: Some argument for adding some more indicators measuring the extension of infrastructure:

   1. Why should water supply and communication infrastructure be included but not

      – **power supply and**

   – **transportation infrastructure (roads, railroads…)**

   2. Even affluent people sometimes do not have access to electricity and transportation because they are provided on the basis of governmental decisions.

   3. MDGs have in fact detracted investment from these sectors although representing bottle-necks for many developing countries.

Additional goals

6. **Qualitative aspects**

    – **Main problem is that some MDGs are defined on outcome rather than impact level**

    – **Thus when concentrating on quantities their achievement does not guarantee the intended impacts**

| quantity of outcome | X | quality of outcome |

intended impact
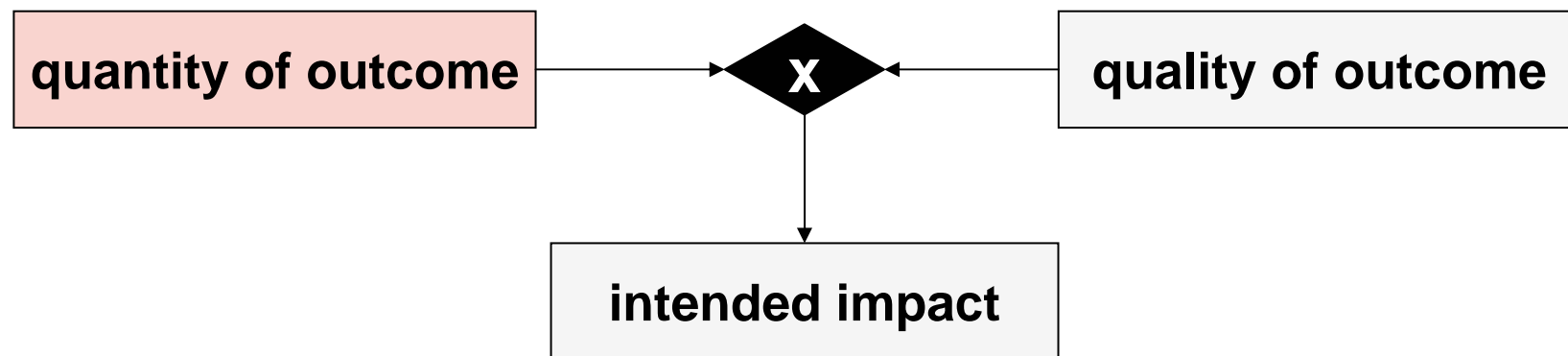
   – **Future development goals should therefore focus on impacts or take qualitative aspects of outcomes into account**

Additional goals

6. **Qualitative aspects**

   Issues to consider:
   - **MDG1: Decent work = quality of income generation**
     - fair income;
     - fundamental principles and rights at work and labour standards;
     - social protection;
     - social dialogue and tripartism
   - **MDG2: Quality of teaching and relevance of education**
   - **MDG4: Care for and treatment of handicapped people**
   - …

6. **Qualitative aspects**

	Quantitative	Qualitative
Input	Expenditure on primary education	Adequacy of the curriculum
Output	Number of primary school teachers	Quality of teaching atmosphere in the classroom
Outcome	Enrolment and dropout rates	Satisfaction with teaching methods
Impact	Literacy	Change in perception of empowerment and poverty status

7. **Distributive aspects of development**

   – Somehow complicate: **go more into detail here...**

   – **Idea of global goals: to measure 'global human development'**

   – For this, economists have established **construct of "global social welfare", which is a function of the utility of individual human beings:**

   $$W = F(u_1, u_2, u_3, u_4, u_5 \dots u_n)$$

   – **Utility is a measure for the capabilities of individuals and depends on manifold material and non-material items:**

   $$u_i = F(\text{food, water, education, freedom, dignity} \dots \text{voice})$$

   – **If we know the degree of access of individuals to these items, we can assess their specific utility.**

   – **But what about social welfare? In which way is it generated from the utility values of all members of society?**

Additional goals

7. Distributive aspects of development

Economic welfare theory has brought to life mainly three schools:

	Social welfare is…	**To raise social welfare, we thus have to**
Bentham:	… the unweighted sum of the utilities of individuals	… raise the utility of any member of society
Rawls:	… determined by the utility of the most disadvantaged members of society	… raise the utility of the most disadvantaged members of society
Nash	… something in-between: the utility of everybody counts, but the utility of more disadvantaged persons counts more	… raise the utility of all members of society but especially the poorest

Additional goals

7. **Distributive aspects of development**

    – Problem: MDGs are based on different rationalities:

    - **MDG4:**

        – calls for a reduction by two thirds of child mortality

        – does not care about who benefits most from increases in likelihood to survive age 5

        – captures just averages (**Bentham**)

        – easiest to achieve by focusing on urban middle income earners

    - **MDG1:**

        – does not care for average income growth

        – centres on income of the poorest (**Rawls**)

    => need for more consistency

7. Distributive aspects of development

Two possibilities for achieving more consistency:

1. Focus on the most disadvantaged only in every goal

- MDG4, for example, would then be to reduce child mortality among those with the lowest likelihood of children reach age 5

- **mind!:** **"the disadvantaged"** does not refer to the **poorest by income** but to those in society **that rank worst with respect to the respective goal itself**

individual prob. of not surviving age 5

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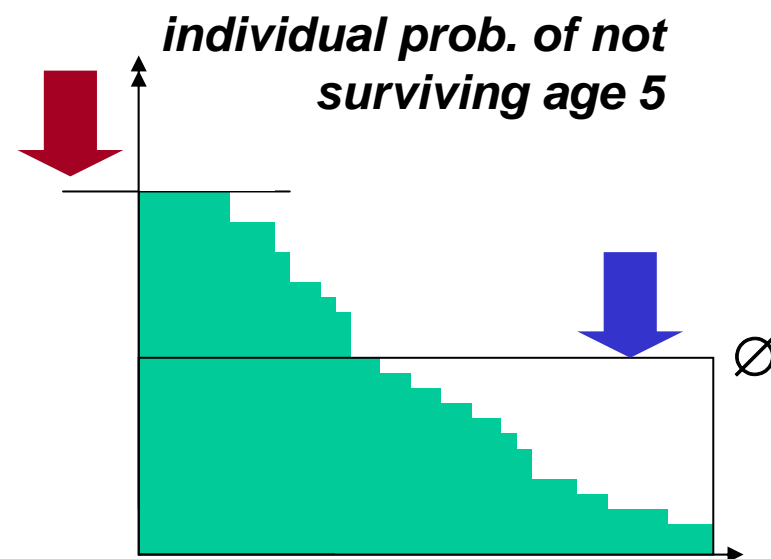
7. Distributive aspects of development

2. Take all members of society into account but weight bad performance above average

– E.g. square individual probability of not surviving age 5

– Average results may be the same

– However, reducing mortality among the most disadvantaged population groups helps more to trim down the weighted average than reducing mortality rates among those who benefit already from high survival rates

individual prob. of not surviving age 5

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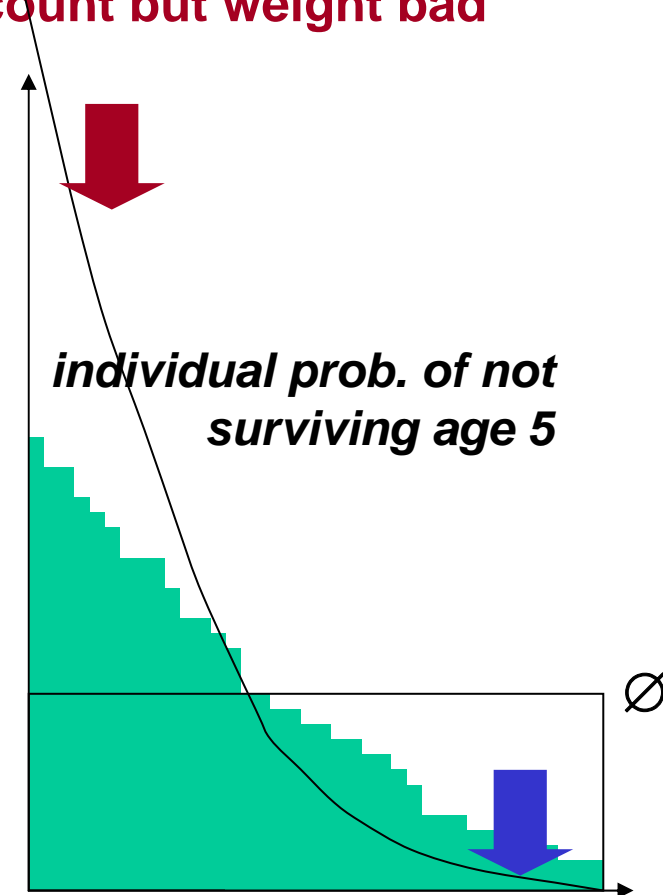
7. Distributive aspects of development

Some have proposed a third alternative: giving different weights to the specific mortality rates of wealth quintiles of the population

(35% to the 1st, 25% to the 2nd, 20% to the 3rd, 15% to the 4th, 10% to the 5th)

But two problems:

1. Wealth quintiles are not necessarily as quintiles by individual likelihood to die before age 5.

2. Weights are discrete function of the weighted parameter making a jump down at the borders of the defined intervals, i.e. between the quintiles: Small changes around these borders can therefore substantially influence results

individual prob. of not surviving age 5

Additional goals
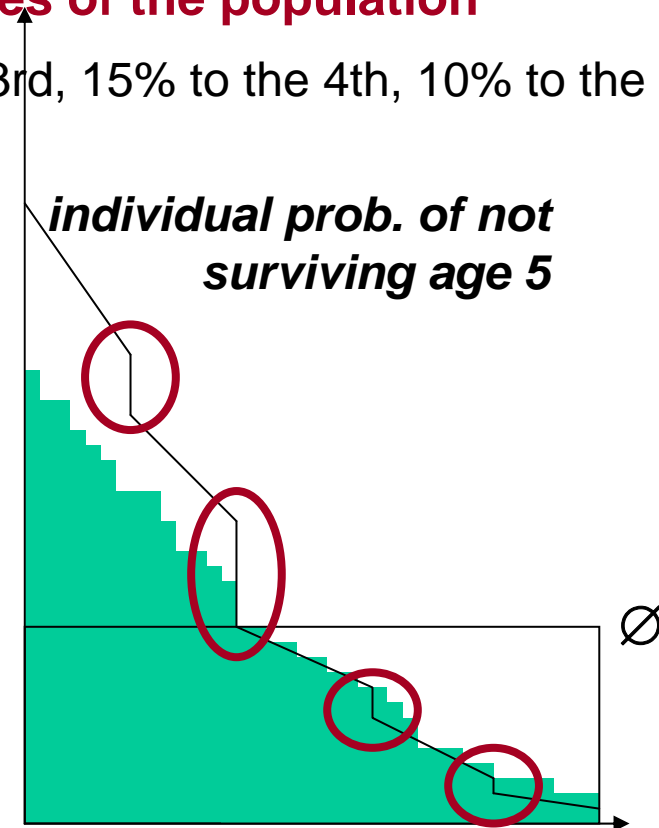
8. **Growth**

   **Some critics also say that MDGs are "anti-growth"
   because they are focusing on household-level data rather than
   macro-economic data such as e.g. GDP per capita**

   But: GDP per capita is per-capita income and thus nothing else than an average of household income data.

   Again: the question is not whether data are aggregated on the macro-level but <u>how</u> they are aggregated

   – GDP per capita gives equal weight to all incomes (Bentham)

   – Poverty measures focus on the income of the poorest only (Rawls)

   – Other measures might be thought of to include all incomes but give different weights (Nash)

   => Preference for either of these should depend on particular centre of interest

What can
we thus
conclude?

Conclusion: What should a post-2015 global development agenda look like?

1. **Consistent with** the **current MDG agenda**

2. **Results-based, measurable** and **time-bound**

3. **Realistic but still ambitious** to some degree

4. **Pragmatic**: not too many goals

5. **Comprehensible** in contents and expression

6. Focus on **impacts** rather than outcomes or even outputs (otherwise include **qualitative aspects**)

7. Add goal of **social protection**.

8. Include indicators for **gender issues, decent work, power supply, transportation infrastructure** and **global framework conditions**

9. Disaggregate indicators by **gender**, rural/urban, ethnicity and caste.

10. Reformulate goals to take account of **distributive aspects**

Thank you very much for your attention!

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