Changing the Course of MDGs
by Changing the Discourse (ARI)

Jan Vandemoortele[*]

Theme: The review meeting on progress towards the Millennium Development Goals (MDGs) that will take place in September 2010 in New York is likely to focus on the usual troika of growth, aid and governance. This paper argues that in order to accelerate the course of MDGs, the discourse at the September meeting should be radically different.

Summary: While the Millennium Development Goals (MDGs) have been successful in rescuing major commitments made in the Millennium Declaration from oblivion, they have failed to broaden the development narrative, which is often donor-centric. The global databases show that the world is off track. About 60% of the road towards the MDGs is yet to be covered in the remaining 30% of the time. The 2010 high-level meeting on the MDGs is likely to be another affirmation of the conventional view. Centre-stage will be the countries and regions that are off track as regards the various MDG targets. Policy recommendations will be the usual troika of economic growth, aid effectiveness and good governance. The issues that really matter for the future of the MDGs will be avoided. The meeting will only be successful if the world's leaders have the vision and courage to go for a grand bargain on the three-fold agenda to reform the global trading system, to redress global climate change in earnest and, above all, to reduce within-country inequities.

Analysis: When an international conference or a world summit takes place, it is standard practice to issue a declaration with the concrete commitments and promises agreed between member states. Subsequently, high-level meetings are convened at regular intervals –usually every five years– to review the progress made towards the declaration's implementation. The Millennium Summit, which took place in September 2000, resulted in the Millennium Declaration. In 2001, key commitments were extracted and condensed in what became known as the Millennium Development Goals (MDGs). The first review meeting took place in September 2005, while the second will take place in September 2010. It will be the last one before the 2015 deadline. The question arises as to whether the review meeting will live up to expectations or whether it can really make a difference?

Why the MDGs?
Before answering this question, it is important to recall why the MDGs came into being. Their purpose was two-fold. First, they were meant to rescue the Millennium Declaration from oblivion. The cyclical process that usually occurs is that a world summit takes place, a declaration is issued and attention is paid to it, yet it quickly slips into oblivion. That occurred again with the Millennium Declaration. The document was quoted and referred

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[*] *Independent researcher, former UN staff member closely involved with the creation of the MDGs.*

to in countless speeches and reports but after a few months it started to fade away. It was to prevent the major commitments contained in the Millennium Declaration from suffering the same fate that they were placed into a free-standing category, which came to be known as the MDGs. In this sense, they have been quite successful.

The other purpose was to broaden the development narrative. The MDGs were meant to shift the focus from income-poverty to the multidimensional nature of human poverty. The aim of the MDGs was to go beyond the narrow growth paradigm to encapsulate a human-centred perspective of sustainable and equitable well-being. However, the conventional view has succeeded in misappropriating the MDGs for reproducing the money-metric perception of development. Economic growth is still considered the prime force for reducing poverty and slow economic growth is invariably seen as the main reason why so many countries will miss the 2015 targets. This view is exemplified by the countless reports, newspaper articles and speeches that refer to one particular MDG indicator, namely the proportion of people living on less than US$1 a day (recently adjusted to US$1.25). With respect to their second purpose, the MDGs have not been a success.

Are We on Track?
Although many observers and analysts continue to lament the inadequate and unreliable data and information on the MDGs, it cannot be denied that considerable improvements have been made in recent years in the realm of statistics. The Demographic and Health Surveys and the Multiple Indicator Cluster Surveys stand out as examples of major improvements in data collection. Not only do they generate reliable and timely data for improved national statistics on the various dimensions of human development –such as under-five mortality, the rate of underweight children and school attendance– they also allow for disaggregated analyses by wealth group, gender, educational attainment and rural-urban location.

Nevertheless, nobody should be gullible as regards statistics because all indicators have inherent limitations. Too often it is overlooked that they are called 'indicators' because they are supposed to *indicate*: they can never be precise or exact. Many analysts assume, however, that indicators are exact and precise. Their excessive use of decimal points is usually a sign of their misplaced faith and confidence in statistics.

While all indicators are imperfect, some are more imperfect than others because they use different methods. All indicators use two basic ingredients: observations and transformations. It can be observed, quite directly, whether a child is malnourished, yet direct observation cannot determine whether a child is struggling to survive on less than US$1 per day. Indicators that require a large amount of transformations, elaborate calculations and complex modelling tend to be less reliable and less accurate because they embody all kind of assumptions and calibrations. Therefore, arguments made on the basis of indicators that involve a hefty dose of transformations should always be handled with great caution. Among the most problematic MDG indicators are the maternal mortality rate, undernourishment, access to safe drinking water, the primary school completion rate and the US$1/day poverty head count. Although fundamentally flawed, the latter is most frequently mentioned in speeches, reports, and articles.

The indicators that best combine relevance, reliability and coverage include the under-five mortality rate, the rate of underweight children, the net enrolment ratio in primary education, the ratio of girls to boys in primary school and the proportion of births attended by skilled health personnel. Based on the latest available data for these indicators, the

global databases show that the world has achieved around 40% of the MDG targets in around 70% of the time available. This implies that 60% of the road must be covered in the remaining 30% of the time. Are the MDGs a *mission impossible*? Several observers and analysts already subscribe to that verdict. But it is not only too early to consider the MDGs unachievable, it is also too pessimistic. However, any acceleration in the course will require a fundamental change in the discourse on MDGs.

Changing the Course by Changing the Discourse
The conventional discourse is that the MDGs will be missed by a large margin if economic growth does not accelerate, if aid does not increase substantially and if governance does not improve quickly. In other words, human development is commonly considered either growth-mediated or aid-mediated. More recently, it has come to be seen as governance-mediated.

A misinterpretation of the MDGs as one-size-fits-all targets is therefore not uncommon. The global MDG targets are incorrectly used as universal yardsticks for assessing the performance of specific regions and countries. The correct view is to see the MDGs as *collective* targets; they do not need to be reached by each and every country for the world to achieve them. They were never meant to be applied at the country or regional level without prior contextualisation and tailoring. The good news is that the majority of countries have adapted the targets to their national contexts and priorities. However, the global debate on the MDGs is dominated by statistics and a mindless adoption of the global targets at the national and regional levels.

The MDGs have also been misappropriated for a particular development paradigm, thereby confusing ends and means. It must be underscored that the MDGs represent ends. They never implied a specific strategy for achieving the desired outcomes, based on the understanding that all development is always unique in time and in space. All development must be defined in country-specific terms. There are no silver bullets, no orthodox remedies, no universal blueprints and no single trajectories to human well-being. National development must be seen as a process of collective self-discovery. A century ago, the poet Antonio Machado described it well: *No hay camino, se hace camino al andar*.

While economic growth is considered the prime force for reducing poverty, it is conveniently ignored that most countries have witnessed a widening of disparities in recent years. The IMF's former chief economist recently calculated that for every dollar of growth in income between 1976 and 2007 in the US, 58 cents went to the top 1% of households. This shows how shallow the benefits of growth trickle down the social ladder and how illusive it is to assume that growth alone will reduce poverty. As a reaction to the growing evidence that inequality is increasing in most countries, the conventional view has introduced the term *inclusive* growth. It is little more than a buzzword, long on verbiage but short on practical meaning and significance. The US recently issued its strategy for meeting the MDGs. The short document refers 37 times to economic growth, nine of them using the adjective *inclusive*.

Others argue that either insufficient foreign aid or inadequate governance keeps many countries from achieving the MDGs. It must be mentioned that the aid argument often splits into two parts. Developing countries emphasise the volume of aid and call on rich countries to live up to their promise to allocate 0.7% of their national income to official development assistance. Developed countries, however, place the emphasis on aid-

effectiveness. They have established a protracted process of consultation which started with the Monterrey Consensus (2002), followed by the Paris Declaration (2005), the Accra Agenda for Action (2008) and yet another high-level forum in Seoul (2011). In the meantime, recipient countries face an ever more complex aid labyrinth. Today, developing countries deal, on average, with 33 donor agencies; up from 12 in 1960.

The growth, aid and governance arguments use –and sometimes misuse– statistics to underscore their points of view. The conventional view has promoted the international poverty norm of US$1 per day and the associated statistical work controlled by the World Bank. Most important, however, is the gullibility with which key actors and institutions have accepted and made extensive use of this particular indicator. Bilateral and multilateral donor agencies, leading think-tanks and foundations, top-rated universities and major media outlets to relentlessly make the assertion that *hundreds of millions of people have been lifted out of poverty*. Their readiness to take the World Bank poverty estimates at face value is not due to any lack of statistical literacy. It serves a non-statistical purpose.

The aim of repeating the assertion that millions of people have been lifted out of poverty has been to fit the new MDG agenda into the system of concepts based upon old perceptions and beliefs so as not to upset the prevailing money-metric and donor-centric view of development. The efforts have been quite successful, for the debate remains narrowly focused on economic growth and income-poverty. This is perhaps the greatest paradox of our times. Most observers and policy makers readily agree that poverty must be seen as multi-dimensional, yet its quantification reinforces a one-dimensional –ie, money-metric– interpretation. It is not the MDG agenda that posits income-poverty as the cornerstone of human development, human well-being or human rights, quite to the contrary. It has been the inability and/or the unwillingness of the major actors and players to abandon old theories and conventional points of view according to which economic growth and a particular development narrative offer the best way to achieve global targets.

The growth, aid and governance arguments have one thing in common: they all de-politicise the MDG agenda. *We know what works* is their common refrain. They are based on the firm belief that *best practices* exist, that they are replicable and that they can be scaled up everywhere. The growth argument contends that it suffices to liberalise trade and deregulate the economy in order to achieve the MDGs. The aid argument claims that it suffices to scale up investments in health, education, agriculture, water and sanitation and infrastructure for each and every country to achieve the global targets. The governance argument asserts that it is essential to foster good governance through multi-party elections. All three arguments reduce the MDG agenda to the application of a standard set of macroeconomic, sectoral or institutional reforms of a technical nature.

Achieving the MDGs implies, however, fundamental transformations in society, which usually transcend macroeconomic, sectoral and institutional models. Moving towards gender equality or improving maternal health, for instance, takes much more than applying a few technical solutions or replicating lessons learnt elsewhere. Such transformations are never easy. Their quest is invariably driven by domestic politics and by local actors. They are seldom triggered by outsiders or caused by technical advice and loans or grants from overseas. Such transformations invariably originate from an internal impulse for change. Those who readily provide general solutions to specific problems, or those who constantly repeat standard answers on how best to achieve the MDGs

frequently fail to understand that the end of poverty will not result from more wealth or aid, but from more equity and justice. Behind each preventable child death, behind each out-of-school child, behind each malnourished child, behind each maternal death, behind each Aids patient who is not treated with antiretroviral medicine and behind each instance of environmental destruction lies a story of high inequality and deep-seated discrimination. In other words, the end of poverty will not stem from more aid or more growth but from greater equality.

Conclusion: Instead of reiterating a series of generalities and platitudes about economic growth, aid and aid effectiveness, and good governance, the real debate about the MDGs must be about a three-fold agenda: reform the global trading system, redress climate change and reduce within-country inequalities.

The conventional view prescribes free trade and the enforcement of patent laws to accelerate growth so as to alleviate poverty. Pascal Lamy, Director-General of the World Trade Organisation, exemplifies this erroneous view. He writes 'Dear visitor, welcome to my website, I believe that trade opening and reducing trade barriers, has been, is and will remain, essential to promote growth and development, to improve standards of living and to tackle poverty reduction'. Yet economists cannot explain why free trade and patent laws are the best avenue to economic prosperity, since they were seldom practiced by today's industrialised countries during their economic ascent. They all regulated, protected and subsidised their industries. Instead of protecting intellectual property rights, they all freely copied from one another without restrictions or costs imposed by patent laws. The fact that they now practice a high degree of free trade and enforce patent laws does not mean that free trade and patent protection are essential for fostering development and reducing poverty. Ha-Joon Chang argues that by overlooking their extensive use of protectionism, the industrialised countries conveniently suffer from historical amnesia so that they can *kick away the ladder* which they climbed to reach the world's top economic position. The truth of the matter is that the current global trading system is rigged in favour of the rich countries and keeps many poor nations from making adequate progress towards the MDGs. Will Western leaders have the courage at the meeting in September 2010 to instil more policy coherence to the MDG-discourse?

Those who argue that economic growth is essential for reducing poverty seldom mention the need to foster *green* growth, let alone how to foster it. Some even argue that the reality of global warming diminishes the relevance of the MDGs. They make the point that the focus should shift to combating climate change, away from achieving social and economic rights. This is incorrect because it overlooks the basic fact that it is people who will redress climate change. It is their behavioural change at the micro level that will ultimately determine progress. Healthy, literate and empowered people are more likely to incorporate climate change in their daily behaviour and decision-making than illiterate, ill, poor and malnourished people.

The main reason why the MDGs will not be reached by 2015 is because the pattern of progress has been inequitable in most countries. Progress has not been inclusive, and it is slowing down the speed with which the world is making progress. Of the countries with relevant data for the past decade, most have increased inequality in terms of under-five mortality. They are divided in a proportion of 3:1: for each country that has managed to reduce both under-five mortality and inequality, three have seen an increase in inequality. Equity-adjusted statistics on human development are a practical way of exposing the fact that most of the progress in the majority of countries has bypassed society's most

disadvantaged segments. They give an indication of the progress achieved *and* the pattern followed, but the latter aspect is missing from standard statistics.

In short, the MDGs are not a *mission impossible*. They can still be reached but they will take more than accelerating growth, granting more aid or improving governance. At the review meeting in September 2010, world leaders and policy makers must dare to tackle the difficult issues of reforming global trade, redressing climate change and reducing inequities. This will require an overhaul of the partnership between rich and poor countries. The discussions in September 2010 should place less emphasis on 'money changing hands' because a partnership that is based on money is inherently unequal. A partnership that is not donor-centric must start from the premise of 'ideas changing minds'. Bilateral and multilateral aid agencies, foundations and think-tanks must show a greater readiness to listen and a greater ability to accord real policy space to recipient countries. As long as they are unable or unwilling to question their theories and change their worldview, the global targets will remain elusive.

Jan Vandemoortele
Independent researcher, former UN staff member closely involved with the creation of the MDGs