

## Rethinking development policy

# Beyond 2015

The deadline for achieving the Millennium Development Goals (MDGs) isn't until 2015. But it's time to begin thinking about the 'MDG-plus' agenda. But what, if anything, should replace the MDGs as a policy focus or new development paradigm?

Shouldn't we focus on meeting the MDGs and on mitigating the impacts of the global economic crisis rather than discuss what will happen after the 2015 target date? Yes and no. One result of the economic crisis is that 'business as usual' is unlikely to continue. And as 2015 approaches, there will be more room to rethink international development in terms of what, if anything, might form an 'MDG-plus' agenda. The question of how to proceed post-2015 will likely emerge on the agenda at the United Nation's MDG+10 conference in 2010.

This is just the beginning. It will take a considerable amount of work to set up a sufficient global debate on any post-2015 architecture, and to ensure that the voices of the poor and marginalized are heard and inform the discussion. A truly global and participatory discussion through a series of roundtables, public events, research and debate is needed.

### Rethinking the MDG approach

The MDG approach can be described as 'human development meets results-based management'. It consists of the targets of the MDGs, but can be extended to the much broader Millennium Declaration. Advocates of the MDG approach believe it provides a rallying call for placing multi-dimensional poverty reduction – which goes beyond simply measuring progress in terms of aggregate GDP or per capita income growth – at the centre of development efforts. The MDGs are thus viewed as a set of indicators for guiding poverty reduction and for holding international agencies and governments accountable to citizens. Those less convinced see the MDG approach as a donor-led, reductionist agenda that pays little attention to locally defined and owned definitions of progress and development.

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### Summary

- The debate over how the global development community should proceed after 2015 – the target year of the MDGs – should start now.
- The MDGs are the only globally accepted development agenda with concrete indicators, but some see this as a donor-led agenda that pays little attention to locally defined and owned definitions of progress and development.
- An emerging area of interest is assessing the impact of the MDGs. There has been a clear impact on the international development discourse. Although evidence is mixed, some countries have added their own locally defined MDGs.
- New ideas that mix the MDGs with indicators of vulnerability and/or 'subjective' or locally driven 'human wellbeing' indicators are emerging that might suit better the increasingly complex global context for development.

Recently there have been efforts to examine the impacts of the MDGs, but such initiatives are still in their infancy. A key issue has been to determine what exactly to assess. Should researchers be looking at the impacts of the MDGs on the international development discourse itself, or in terms of changes in policy or in resource allocations? And how can researchers assess the impacts in countries such as India and China, which have long focused on core MDG concerns, but simply do not label them as such?

Researchers are certainly collecting a lot more data on poverty. The MDGs and results-based management have played a role in this, albeit with regard to the dimensions of poverty that were dominant in the late 1990s, such as education and health, rather than 'newer' dimensions. More recent participatory poverty assessment initiatives, including the World Bank's Voices of the Poor project, identify dimensions that the poor themselves judge to be important aspects of poverty, such as risk, vulnerability, security, dignity, voice and governance.

This focus on 'subjective' or local experiences of poverty, development and well-being is associated with Robert



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Chambers of the Institute of Development Studies (IDS) in the UK. Chambers argues that poor people's own perceptions of poverty – rather than those of the rich or the development community – should be the starting point, and that researchers may often miss what matters to poor people. Top-down understandings of poverty may not correspond with how poor people themselves conceptualize changes in their well-being.

In short, we should give greater weight to poor people's own concerns and to the qualitative, social and psychological aspects of well-being. We should also pay attention to long-standing material and objective aspects, such as access to income, nutrition, health and education, while remembering that security, respect, status, dignity, voice and vulnerability may be more important to some than consumption.

### Assessing the impacts of the MDGs

On the impacts on the international development discourse, Richard Manning, former chair of the OECD's Development Assistance Committee (DAC), notes that the MDGs have been 'strong, and significantly stronger than previous attempts to use indicator sets to highlight issues (such as the "Development Decades" or the various initiatives for least developed and small island countries)'. As evidence for this, Manning cites the follow-up in the international community in terms of MDG reports, high-level events and G8 discussions.

Kevin Watkins of the United Nations Educational, Scientific, and Cultural Organization (UNESCO) agrees that 'there is little question that the MDG targets have made a difference. The targets have provided a moral compass and a set of yardsticks for measuring progress. National

governments, multilateral development banks and bilateral donors have all scaled up and strengthened the monitoring of progress towards the MDGs. More than that, they have placed poverty reduction at the centre of the international development agenda, helping to stimulate more rapid expansion of access to basic health, education and wider goals'.

But beyond these impacts on the development discourse, have the MDGs resulted in changes in policy and resource allocations? In terms of donors' statements and national development strategies, such as poverty reduction strategy papers (PRSPs), the picture is mixed. In 2008 development economist Sakiko Fukuda-Parr of the New School, New York, reviewed the policy statements of 21 bilateral donor members of the DAC and the PRSPs of 22 developing countries. Fukuda-Parr concluded that for donors, addressing the MDGs and multi-dimensional poverty is central.

However, in spite of this, some dimensions receive far greater attention than others. The donor statements Fukuda-Parr reviewed paid very limited attention to maternal mortality and child survival, for example. With regard to the MDG impacts at national level, in terms of inclusion into national policies, Fukuda-Parr found that all the PRSPs reviewed included a commitment to the MDGs, but emphasized economic growth and social spending, rather than other aspects of poverty such as hunger and nutrition.

One question to ask is whether the adoption of the MDGs is simply a reflection of donor relationships in aid-dependent countries, or is there a real sense of local ownership either by governments or by civil society?



## Poverty impacts of the global financial crisis

### Countries at risk

- Louise Cord and colleagues warn that 43 developing countries are highly exposed to the poverty effects of the crisis, with both declining growth rates and high poverty levels.
- The World Bank says women and girls in 33 countries are at high risk of falling into poverty, based on low gender parity in school, high infant and child mortality rates and slowing GDP growth.

### People at risk

- Global estimates depend on the deceleration of GDP growth assumed and the estimate of the poverty elasticity of GDP growth deceleration assumed.
- The UK's Department of International Development (DFID) estimates the number of newly poor at 90 million following a 4.5% deceleration in GDP growth in developing countries using the World Bank's 1% less growth = 20 million more poor people.
- The World Bank revised its estimates of the actual number of newly poor since the crisis from 53 to 65 million, based on the US\$2 a day poverty line, and from 46 to 53 million based on the US\$1.25 a day poverty line.
- The UN Educational, Scientific and Cultural Organization (UNESCO) estimates a 20%, or US\$46, drop in per capita income for the 390 million poor people in sub-Saharan Africa.
- The International Labour Organization (ILO) estimates a rise in global unemployment from 18 million to 51 million.
- The World Bank predicts that the crisis could result in 200,000–400,000 extra infant deaths per year. A 1% fall in GDP growth will lead, on average, to the deaths of an additional 1.5 boys and 7.4 girls per 1000 live births.
- Emanuele Baldacci et al. (IMF) have argued that 60–70% of the poverty impacts of a crisis are due to four factors: unemployment, inflation, reduced public expenditure and GDP contraction.

A wide range of countries have developed and added locally defined MDGs. It is interesting that these additional goals often relate to the 'missing' or 'newer' dimensions of poverty noted above, such as risk and vulnerability, particularly in relation to decent or non-hazardous work and security. They also often relate to governance and voice, and in particular to human rights and democracy.

### Unexpected impacts

What about the potentially negative impacts of the MDGs? Ashwani Saith of the Institute of Social Studies (ISS) in The Hague, believes that the 'scaffolding' of the MDGs may distort development policy and practice. 🙅 He warns that the MDGs 'ghettoize' the problem of development by locating it exclusively in the 'third world', with 'our' agenda for 'them' based entirely on absolute levels of deprivation or standards of living. Saith notes the strength of instruments that provide a 'template of targets for the bureaucratic mind', but argues

there is a potential to distort development, as the impact of the MDG approach has been to divert resources and focus in terms of the orientation of social science research agendas. Much development research is dependent on funding from external sources, especially from MDG-driven agencies

Bureaucracies and governments can also distort policy and practice. Saith argues that the 'misuse and manipulation of statistics and the misrepresentation of outcomes' can result in 'perverse incentives and behaviour'. He notes the widespread human rights abuses of earlier eras in terms of population control targets. He also refers to the likely targeting of those nearest the poverty line – those who can most easily be lifted out of poverty – rather than the poorest, who require major and perhaps more costly interventions.

More local ownership of the MDGs may indeed lead to their having a greater impact. However, this idea needs to be explored. The impacts of the MDGs are, of course, likely to differ from country to country. It would be useful to know how and why these differences occur and what factors determine local ownership of the MDGs in terms of actors, networks, political contexts and institutions.

The current context for poverty reduction is one of global recession, uncertainty and ongoing changes in policy and situations – in short, of multiple and interlinked crises, with potentially large adverse impacts on levels of poverty. The MDGs represented an approach that in many ways suited the benign decade before the crisis, a period of relative stability, strong economic growth and fairly buoyant aid budgets. But even then, the MDGs sat uneasily with emerging ideas about soft systems and complexity theory that posited that development is difficult to predict or steer, nonlinear in cause and effect, and that attempts at plan-driven and top-down approaches contradict discourses on rights, participation, empowerment and citizenship. In this era of global uncertainties – not only the economic crisis, but also climate change, demographic shifts, and so on – aid budgets are likely to be under pressure and development, in terms of economic growth, is likely to be in a downturn.

### The crises, indicators and vulnerability

One option would be to link each MDG to corresponding indicators of vulnerability in terms of both outcomes and the underlying processes that lead to such vulnerabilities (see table). Poverty itself is about deprivation in various dimensions. Vulnerability is about the risk or probability that an individual, household or community will face deprivation. Such risks may be environmental (related to climate change, for example), economic or market-based (access to finance), political (changes in workers' rights or conflicts in society) or social (changes in social protection). There is now a large literature that posits that vulnerability and risk are not just 'new' dimensions of poverty, but are themselves causes of poverty and deprivation. They matter for the MDGs because exposure to various vulnerabilities hinders poverty reduction. An enabling environment for poverty reduction is one where such risks are minimized via policy interventions.





Where do we go from here? There are three possible ways forward: More of the same, something a bit more radical or combining the MDGs with something new.

## A well-being approach

Should we stick with the MDGs, but add more indicators and/or invest more money and effort? Or has it been shown that the MDG approach needs rethinking, and that we therefore need another way of looking at poverty and development?

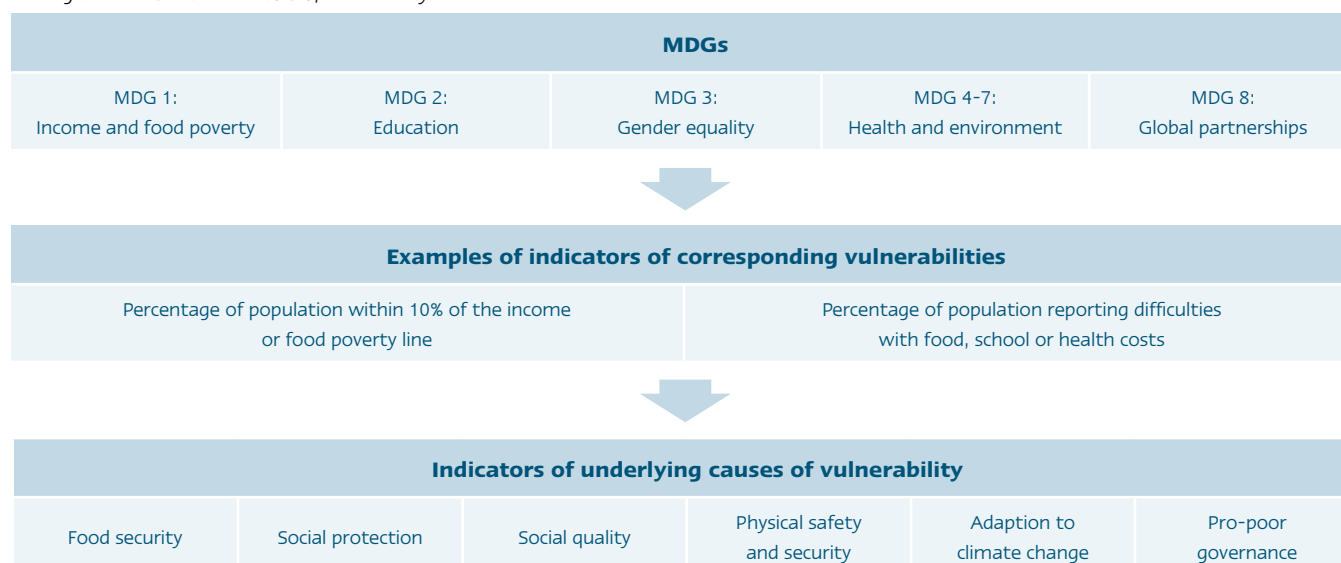
There are currently several initiatives to review development indicators, the most notable of which are the OECD's Measuring the Progress of Societies, the Oxford Poverty and Human Development Initiative, the Wellbeing in Developing Countries (WeD) programme and the UN University–WIDER Poverty, Inequality and Well-being Project. Such high levels of activity suggest that the current approach to the development indicators needs rethinking. Indeed, in signing

the June 2007 OECD Istanbul Declaration, governments committed themselves to developing locally defined indicators of poverty and human well-being.

A 'human well-being' lens is emerging as a complement to the more traditional and material ways of thinking about poverty and 'ill-being' (see 'Be well', *The Broker* 12). Human well-being broadens our focus from what people *can* do and be, to how people *feel* about what they can do and be. 🙌

What's new about this? Some experts believe that the expected value added is exaggerated. However, the well-being approach does improve on 'traditional' poverty approaches in at least two ways. Its explicit focus on the relational and the subjective is one. What people feel they can do or be has a strong impact on what they will actually be able to be and do ➤

Linking the MDGs with indicators of vulnerability



(for example, aspirations). In turn, these feelings and perceptions are determined by personal experiences as well as by norms and values that are culturally and socially determined. The material, subjective and relational are co-evolving, interdependent and dynamically interacting domains. We cannot focus exclusively on just one or two of them.

Another value of the well-being approach is that it is about positives. The approach is more respectful, as it is based on what people can do, be and feel, rather than on what they cannot. In line with feminist Nancy Fraser's work on recognition and respect, it avoids the 'othering' of people as the 'poor' and thus inferior to the 'non-poor'. It is also respectful in the sense that it is about self-determination and participation, rather than exogenously defined well-being.

The focus of the well-being approach on the perceptual and relational is inherently political. It asks who has what, who can do what, who feels good about what they can have and do, who commands resources, who is able to achieve their needs and goals with those resources, and who constructs meanings in terms of goals to be achieved and processes to achieve them. It also makes power more explicit, not only as material political economy, but as discourse, and as embedded in norms, values and conventions.

The approach suggests that public policy should continue to emphasize material well-being (public expenditure, economic growth, and so on.), but should also address more controversial public policy domains dealing with values, relationships, norms and behaviour. This idea has recently been popularized by economists Dan Ariely, Richard Thaler and Cass Sunstein, and more broadly in behavioural economics research. How to use public policy to influence choices or decisions (but not by coercion) or 'nudge' people 'in a way that will make the choosers better off, as judged by themselves'. 📖 It implies new types of public policy emphasis that seek to influence how people think and behave. Take, for example, the public information campaigns to promote feeding programmes and schooling for girls in Bangladesh.

### Where do we go from here?

Agreeing on a post-MDG architecture is not just a question of choosing which indicators of well-being or poverty to emphasize, or on which targets to focus, but also of deciding on the process we should promote to produce any new set of targets. There are three possible ways forward:

- *More of the same.* We continue with the same MDGs, with or without a timeline. Economist Jeffrey Sachs has argued for a timeline of 2025, while others press for 2020. But is another 5–10 years enough to make progress?
- *Something a bit more radical.* We create new targets, perhaps locally defined, with or without a timeline.
- *Combine the MDGs with something new.* We pursue an 'inner core' of the existing MDGs, but add new and locally defined targets as an 'outer core'.

We could be bolder about heralding a new development agenda that is wider in scope, but which is still anchored around the MDGs. We might seek to capture what Manning

calls a more 'one-world' approach, aimed at encouraging policy makers worldwide to give greater weight to tackling interrelated, systemic global issues, such as poverty and climate change. This resonates with the oft forgotten MDG-8 on global partnership. In the case of poverty such an approach might mean that inequality becomes more significant (in, for example, relative poverty and social inclusion indicators). However, more work is needed, and soon, in order to have sufficient time for a global discussion on any post-2015 architecture.

The answer to the question of 'what next' depends on several fundamental choices that emerge from the following three questions:

1. What has been the impact of the MDG approach on poverty reduction to date, and what does it mean for any MDG-plus agenda?
2. What key meta-processes are likely to shape development over the next 10-15 years, and what do they imply for an MDG-plus agenda?
3. What, if anything, should replace the MDG approach and thus form an MDG-plus agenda?

Should the emphasis be on:

- *universal indicators*, such as the MDGs, or more locally defined measures of progress, or both?
- *global development* (systemic issues of which poverty is a central one) or the 'bottom billion' (Paul Collier's poorest countries), or both?
- *material deprivation or something broader*, such as human development or human well-being?
- *indicators of outcomes or progress* (which most of the MDGs are), or of an enabling environment (reducing vulnerabilities)?

These and other questions will likely emerge on the agenda at the UN's MDG+10 conference in 2010. A truly global and participatory discussion through a series of roundtables, public events, research and debate is needed in the near future. The first such initiative is 'After 2015', a policy forum hosted by DSA/EADI/ActionAid/IDS/DFID in Brussels in June 2009. *The Broker* is the media partner of this forum, and will report extensively on the discussions that will take place at the conference. Keynote speakers will also contribute to the 'After 2015' blog on the website of *The Broker*. ■

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- Fukuda-Parr, S. (2008) *Are the MDGs Priority in Development Strategies and Aid Programmes? Only a Few Are!* IPC Working Paper 48, UNDP International Poverty Centre.
  - Manning, R. (2009) *Using Indicators to Encourage Developments*. DIIS Report 2009:01, Danish Institute for International Studies.
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📖 A longer version of this article, with notes and references, can be found at [www.thebrokeronline.eu](http://www.thebrokeronline.eu).