

THE POST-2015 DEVELOPMENT AGENDA
THE MILLENNIUM DEVELOPMENT GOALS IN PERSPECTIVE

No. 74, April 2011

Members of the Advisory Council on International Affairs

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Executive Secretary	T.D.J. Oostenbrink

P.O. Box 20061
2500 EB The Hague
The Netherlands

Telephone + 31 70 348 5108/6060
Fax + 31 70 348 6256
E-mail aiv@minbuza.nl
Internet www.aiv-advice.nl

Members of the Joint Post-2015 Development Agenda Committee

Chair Professor R. van der Hoeven

Members Professor K.C.J.M. Arts
Dr B.S.M. Berendsen
Ms. S. Borren MA
Dr N. Tellegen
A. van der Velden

External Expert F.A.J. Baneke

Executive Secretary Ms. D.E. van Norren

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Foreword

In New York in 2000 the Millennium Declaration was unanimously adopted by the United Nations General Assembly. On the basis of the Declaration, a series of measurable Millennium Development Goals (MDGs) were agreed, to be achieved by 2015.

On 18 November 2010, the government requested the AIV to draw up an advisory report to enable it to determine its position in the debate on the post-2015 development agenda (the request can be found in annexe I). In its request, the government explicitly specifies that the report should not go into the Netherlands' policy on the MDGs in the 2011 to 2015 period. Instead, the AIV was asked to explore the current approach, thus providing the government with an insight into its strengths and weaknesses, and to trace the outlines of a possible new approach, in so far as one is emerging from national and international discussions and publications, from the perspective of both developing countries and donors. The government may decide, after this exploratory study, to request a more detailed follow-up report. During the process of drawing up the current report, however, the AIV concluded that it needed to take a few initial steps towards elaborating a proposed new approach for the period after 2015.

The government's core question is: *What has been the value for development of the Millennium Declaration and the concept of the MDGs?* It divides this up into the following subsidiary questions:

- A1. Has the Millennium Declaration proved sufficiently successful in addressing the problems that hinder or block development?
- A2. Has the Millennium Declaration contributed to the focus on poverty?
- A3. What are the advantages and disadvantages of the way in which the targets have been formulated? With respect to the disadvantages, is it possible to examine issues that may have been neglected in the past ten years?
- A4. To what extent has the concept of the MDGs influenced donor policy in terms of decisions on the allocation of resources and choices of themes and sectors? To what extent have developing countries been able to influence decision-making by donors? To what extent have the Millennium Declaration and the MDGs been a common enterprise of the states that signed the Declaration?
- A5. The goals are formulated in general terms. Has that been an obstacle to country-specific action? Has it affected developing countries' ownership of their own development?
- A6. Has the concept of the Millennium Development Goals contributed to greater policy coherence for development and coordination of aid? If so, how significant was the contribution?
- A7. How did the concept of the Millennium Development Goals influence the evolution and implementation of the development agenda in donor and partner countries?

A8. To what extent has the Millennium Declaration proved to be a catalyst in increasing donor countries' financial commitment (towards the 0.7% norm)?

The government notes that the international balance of forces has changed considerably in the past ten years and various interconnected crises have occurred. It asks whether developing countries each carry enough weight at international level to pursue their own policies in a time of cross-border crises. Some countries' policy space seems to be shrinking rather than increasing. The government questions why the development goals are not seen more often in relation to global challenges such as security, the international legal order, health, environment, water and climate, trade and knowledge development. With this in mind, it asked the AIV to carry out an objective study of emerging themes in international thinking about development, in order to give the government a better understanding of the possible contours of a new international development agenda: one that inspires, mobilises and is based on consensus between North and South.

To this end the government posed the following subsidiary questions:

- B1. What ideas are currently shaping international thought about development and development processes? Does the AIV believe that they could serve as a starting point for a new global development agenda? (If so, why; if not, why not?) Or does the AIV believe that the current approach (possibly with some adjustments) should be continued?
- B2. Could issues that are linked to interdependence, such as the distribution of and access to global public goods, form the basis for development goals after 2015? If so, what role will development cooperation play?

This report was prepared by a joint committee consisting of Professor R. van der Hoeven (COS, chair), Professor K.C.J.M. Arts (CMR), F.A.J. Baneke (external expert), S. Borren (AIV/COS), Dr B.S.M. Berendsen (COS), Dr N. Tellegen (COS) and A. van der Velden (COS). The secretariat comprised Ms D.E. van Norren (secretary) and T.D.J. Oostenbrink (in the final phase) supported by Ms S.R. Airoidi, Ms J. McCall, Ms L.M. van Paaschen and Ms D. Zevulun (trainees). Professor W.J.M. van Genugten (AIV/CMR), Professor N.J. Schrijver (CMR) and various members of the COS provided useful advice at various stages. The Committee also spoke to a number of external experts, including Professor B. de Gaaij Fortman, Professor I. Kaul, K. Van Kesteren, L. van Troost, Dr J. Vandemoortele, Professor M. Sent, C. Rhebergen, R. Swinkels and H. van der Vegt.

In light of the questions posed by the government, this report takes a slightly different form than that of other AIV advisory reports. Besides this foreword, it consists of a summary offering a brief indication of how the government's questions were answered, and two substantive sections: A and B.

Part A addresses the government's question about lessons learned. The first chapter looks at the background to the MDGs and how they came about, and what they have achieved. The second chapter, in response to a number of the government's questions, examines whether the MDGs have proven to be a workable concept. Chapter III discusses a large number of themes which many people consider to have

been neglected or underexposed in the MDGs. Chapter IV looks at what the MDGs have meant for policy in developing countries and donor countries, while chapter V explores the options for after 2015, when the current MDG period expires.

Part B examines the government's question about a new approach to development. In chapter I, the AIV provides an outline of recent global developments that are relevant to development policy and the positioning of development goals after 2015. In chapter II, the AIV looks at themes and challenges for development. Chapter III focuses on a number of neglected themes, while chapter IV outlines a conceptual basis for global development. Lastly, chapter V explores new forms of global governance and the discussion on global public goods.

Summary and main recommendations

In this report the Advisory Council on International Affairs (AIV) answers the questions posed by the Dutch government and formulates the core of the analysis of the strategic value of the 2000 Millennium Declaration and the advantages and disadvantages of the Millennium Development Goals (MDGs).¹ Part A addresses the lessons learned and what these should mean for a post-2015 system. Part B explores a new approach to development. The AIV advises the government to strive for a renewed international consensus on the strategy for development and development cooperation for the period after 2015, provisionally the final year of the MDGs.

The AIV believes that the Millennium Declaration is still relevant and specifies a number of important conditions for achieving development. The reviews of 2005 and 2010 added a number of significant issues in areas like gender and social security (question A1).

The Millennium Declaration was operationalised in the form of a number of quantitative goals (MDGs) to be achieved by 2015. These goals are subdivided into targets with measurable indicators. The agreed goals refer to income (MDG1), universal participation in primary education (MDG2), equal participation for girls and boys (MDG3, later expanded to embrace gender equality), child mortality (MDG4), maternal mortality (MDG5), infectious diseases (MDG6) and a sustainable environment (MDG7). Lastly, under pressure from developing countries, a final goal was added: a global partnership (MDG8) on Official Development Assistance (ODA), debt relief, a fair trade and financial system, extra attention for vulnerable countries, and access to medicines and new technologies. A number of themes were not expressed in terms of quantitative goals, including peace and security, human rights and good governance, the special position of Africa and global governance (questions A1 and A3).

The MDG system has been successful in communicating a complex development problem to a wider public, but has in many cases not led to achievement of the goals themselves. This is partly because of the limited operationalisation of the goals for developed countries (MDG8) and a failure to comply with international pledges, in relation to ODA and reform of the trade and financial system, for instance.

One of the MDGs' strong points is that they can give rise to a substantial discussion on why certain goals have been achieved and others not, and who can be held responsible for that.

The AIV attaches great importance to the Millennium Declaration and, with others, concludes that the process in which the declaration was translated into concrete goals failed to operationalise a number of important themes, either because there was no international consensus or because it was difficult to express the problems in question in these terms.

Besides not including a number of important themes, the MDG system is often criticised for not being based on an underlying economic theory of development processes and structural change, and that the choices made therefore have no theoretical basis. In addition, the goals were not formulated or interpreted correctly for deprived parts of the world that need to do more to achieve them without extra financial resources. Criticism is also levelled at the lack of any reference to the role that **achieving human rights** plays

1 See annexe II for a list of abbreviations.

in efforts to fulfil the MDGs. Both civil and political rights, and economic, social and cultural rights (education, work and gender equality) are important in achieving the MDGs. The goals do no justice to a holistic view of sustainability. The **indicators** attached to the goals and targets are also subject to criticism, because they **measure only quantity** and not quality. Nor do the indicators take account of inequality (particularly income inequality) within and between countries (question A3).

The progress reports on the MDGs offer mixed accounts of the progress made. On one goal (access to safe drinking water) there has been more progress than planned; poverty has also declined since 2000, but the number of people suffering from hunger has increased to a billion. The question whether all progress since 2000 can be attributed to the MDG strategy cannot be proven scientifically. It can be concluded that, in the majority of countries, only 20% of the trends aimed at achieving the goals have speeded up since the introduction of the MDGs in 2000. The other 80% have remained constant or have even slowed down (question A1).

The extent to which the MDGs have contributed to a reduction in poverty is unclear. Studies show that achievement of the MDG target to halve poverty can largely be attributed to the reduction of poverty in China and to a lesser extent in India, trends that had started before the MDGs were formulated. **The MDGs have certainly contributed to greater attention for the various dimensions of poverty, but have also eroded the concept of poverty** by compartmentalising policy and ignoring the structural changes and social processes required to escape poverty (question A2).

The impact of the MDGs on actual donor policy also presents a varied picture. Donors list the MDGs alongside their own priorities instead of adopting them as guiding principles, aid has not increased significantly and donor coordination does not operate along the lines of the MDG system. The link is seldom made between the resources required for development and the MDGs. The MDGs are seen more or less in isolation from the 0.7% norm, despite it being explicitly mentioned in MDG8 (question A4).

It is difficult to determine what the MDGs have meant for policy development in developing countries. Donor-dependent countries tend to say what their donors wish to hear. Some developing countries have adapted the MDGs by, for example, adding targets for human rights or extra relevant indicators such as diseases that occur in their part of the world. The Poverty Reduction Strategies (PRSPs) that still dominate policy in poor countries generally refer selectively to the MDGs but, despite reforms, they are still considered by many to be donor-driven (questions A5 and A7).

Changes in global governance, such as a greater role for the G20, are the result of the financial crisis, rather than being initiated by the MDGs. Negotiations on a non-discriminatory trade system have also been at stalemate since the world summit in Doha. Some progress has been made in mitigating the debt burden of some countries. The climate problem demands much closer cooperation than has currently been agreed in the post-Kyoto regime. All in all the desired global partnership is still a long way off (questions A6 and A7).

One goal that has certainly not been achieved is the agreed increase in development aid. Although aid increased as a percentage of GNP until 2005, it has fallen again since then, and is now lower than in 1990 and far from the international target of 0.7% of GNP (question A8).

Since 2000 there have also been great changes in the form of economic, financial and food crises, which have shaken the international order to its foundations. In addition international power relations are shifting and we are seeing the emergence of economies that are manifesting themselves as donors, while a large part of their own populations still live in poverty. A significant percentage of the 'poor' live in middle-income countries and not in 'poor' countries. The AIV considers it important to consider more recent insights on development in order to examine the completeness and contemporary relevance of the Millennium Declaration and the MDGs (question B1).

After studying the advantages and shortcomings of the current MDGs on the basis of important developments in society since 2000 and of newer insights into development thinking, **the AIV concludes that the MDG system needs to be redesigned**. At the same time, the Council believes that it would be irresponsible to make a radical break with the current system, which was based on a major international consensus on a development agenda.

In this report **the AIV therefore makes suggestions for a post-2015 system for international cooperation** (referred to below as the 'post-2015 system') that tries as far as possible to preserve the positive aspects of the MDGs. However, the Council would like to note directly that **one of the main shortcomings of the current MDG system is that it has been primarily a donor-driven process**. Obligations for the developed countries, as in MDG8, were only added at a later stage, but without the clear indicators that typified the other goals.

Perhaps the most significant recommendation in this report is therefore, in the run-up to a post-2015 system, to promote a consultative process with countries in different stages of development, and with civil society and the private sector. In such a process the roles and responsibilities of all those involved must be made clear and they must be held accountable for fulfilling them. For this reason the AIV is reluctant to propose an all-embracing blueprint for a post-2015 system and believes that the Millennium Declaration should be preserved as the basis of a future strategy. It should, however, incorporate the new elements of the reviews of 2005 and 2010.

A consultative process on the post-2015 system should preferably be led by a prominent individual from an emerging country. This is of great importance for the global acceptance and success of the follow-up to the MDGs in an improved system. The Netherlands can play an active role in this.

Taking this into account the AIV summarises below the main themes and identified shortcomings of the current Millennium Declaration and MDG system, together with the outlines of a possible post-2015 system.

The AIV observes a somewhat ambivalent attitude towards the MDGs. Because no dominant theoretical basis underpins the MDGs, they were never intended as a 'one size fits all' policy. Nevertheless, for many people, the MDGs have become a mantra for an all-encompassing development ideology. They have become absolute targets backed up with the reasoning that whatever is not in the MDGs is no longer important. As a consequence, every self-respecting group has tried to get its area of activity included within the MDGs. This fixation with bringing everything under the umbrella of the MDGs has resulted in too much attention to detail, sometimes at the expense of the realisation that sustainable and participatory economic growth with a conscious policy of structural change and redistribution can just as easily contribute to social progress as direct attention to the social sector.

To achieve a better post-2015 system the AIV considers it important take the criticisms of the current MDGs and recent global developments into account, and to consider the extent to which a number of newer themes that have until now received insufficient attention in development thinking make changes necessary (question B1). Ongoing globalisation, recent global developments and, especially, the financial and economic crisis of 2008-2009 call for improvements to the international trade and financial system after 2015.

In the context of new forms of development thinking, the AIV would first of all like to note that a post-2015 system would have to be based more firmly on the capabilities approach of Nobel Prizewinner Amartya Sen, which also underpinned the Millennium Declaration. Sen's theory equates development with more freedom. Sen identifies five essential freedoms: (1) political and civil freedoms, (2) social and (3) economic opportunities, (4) transparency in governance and economic life, and (5) protective freedoms (social security and the rule of law).

The AIV endorses Sen's approach, especially as subjective welfare theory shows that, when asked, people specify these freedoms as crucial to their happiness. **A post-2015 system can contribute to this, by improving ways of measuring prosperity, striving to reduce inequality within countries and giving more attention to human rights principles, peace and security, and effective state institutions – elements that are lacking in the current MDGs.**

In a post-2015 system a basic level of security will have to be included as a condition for development. Security sector development or reform (SSR) is essential in strengthening security levels, and should therefore constitute an inseparable element of a post-2015 system for fragile states. A peace and security goal cluster could also contain indicators for early warning of conflicts.

The discussions on sustainability must lead to a post-2015 system that contains long-term targets for a sustainable model with a rolling agenda that measures progress every five or ten years and uses these measurements to make regular modifications to the strategy. In this way, the post-2015 system will be a 'dashboard' with indicators for sustainability, for this generation and the next.

Three principles from the human rights approach are especially relevant and should be incorporated in a post-2015 system: non-discrimination, participation and accountability.

It is also important to refer to general human rights conventions to ensure compliance with other relevant human rights obligations. Although, in an ideal world, an explicit and globally endorsed human rights approach should be in force, the AIV sees this, as yet, as politically unfeasible in a post-2015 MDG system. Yet there are opportunities to do some justice to the rights-based approach. The AIV therefore proposes that:

- 1) the run-up to a post-2015 strategy should be as participatory as possible, including a role for marginalised groups with the greatest stake in the system;
- 2) the above-mentioned three principles be incorporated in the methodology for pursuing each component of the post-2015 strategy, and;
- 3) globally endorsed human rights remain firmly embedded in the strategy through explicit reference to agreements made at global summits and in UN human rights conventions, including the International Covenant on Civil and Political Rights (ICCPR), the International Covenant on Economic, Social and Cultural Rights (ICESCR) and the Universal Declaration of Human Rights (UDHR).

The gender approach, according to which equality between men and women is indispensable to balanced development, requires indicators for all goals as well as a separate heading for gender. We also consider it necessary to specify gender-specific dimensions in new goal clusters for, for example, peace and security (violence against women) and effective governance (participation of women in running society).

One of the tasks of global governance lies in the area of global public goods: goods that are relevant to everyone and from which no one can or may be excluded (question B2). However, the concept of global public goods touches on matters of responsible sovereignty. Emerging and developing countries are concerned about erosion of their national sovereignty, while developed countries are afraid that they will have to finance many of the global public goods. The AIV believes that, although the debate on global public goods should be conducted with the utmost care, it is important to establish **a clear link between the MDGs and global public goods**, because no one can or may be excluded from either. In this way, the MDGs can also contribute to the creation of a 'global social floor' – in other words, a minimum level of existence that is worth pursuing and on which there is a global consensus. The need for such a minimum was once again demonstrated during the recent global crisis, as was recognised at the MDG summit in 2010.

In **funding** global public goods, a distinction should be made between socially oriented global public goods (with the 0.7% ODA norm as guiding principle) and other public goods, for which national resources other than ODA and innovative international funding methods will have to be mobilised.

Recent theories – such as Nobel Prizewinner Elinor Ostrom's analysis of **commons**, which identifies seven principles for effective local governance ('common resource pools') – can play a role in the management of global public goods and, if these ideas are extended to apply to global governance, offer a good guideline for a post-2015 system.

The (renewed) debates on global governance offer a good guideline for the post-2015 system. The AIV considers it important that preparations for the post-2015 period link up with the development agenda proposed by the G20, as expressed in the 2010 Seoul Declaration. It is also essential to take account of the new, rapidly growing network society, which operates horizontally and does not allow itself to be controlled vertically ('top down'). International cooperation has become a multi-actor affair and multilateral institutions could perhaps play a more prominent role in focusing and coordinating it.

More detailed recommendations for a post-2015 system can be found in chapter A.V and specifically in section A.V.4.

A Lessons learned

Chapter A.I describes the background to the Millennium Declaration and the Millennium Development Goals (MDGs) and the current situation. A.II examines whether the MDGs have proved to be a workable concept and chapter A.III focuses on a number of omissions. In chapter A.IV, the AIV looks at what the MDGs have meant for policy in developing and donor countries, and in chapter A.V. the Council draws a number of conclusions from the lessons learned.

A.I The Millennium Declaration and the MDGs

A.I.1 *Declarations in the run-up to the MDGs*

In 2000, the international community, united in the UN, adopted the Millennium Declaration to address the problem of global poverty. A year later this led to the formulation of eight Millennium Development Goals.

The MDGs represent the crystallisation of goals agreed earlier at international conferences in the 1990s, most of which were not achieved.² These conferences include the World Conference on Education for All (Jomtien, 1990), the World Summit for Children (New York, 1990, based on the Convention on the Rights of the Child), the UN Conference on Environment and Development (Rio de Janeiro, 1992), the World Conference on Human Rights (Vienna, 1993), the International Conference on Population and Development (Cairo, 1994), the World Summit for Social Development (Copenhagen, 1995), the World Conference on Women (Beijing, 1995), the UN Conference on Human Settlements (Habitat II)(Istanbul, 1996) and the World Food Summit (Rome, 1996).³ In its 1996 publication 'Shaping the 21st Century: The Contribution of Development Cooperation', the OECD Development Assistance Committee (DAC) made an initial attempt to formulate development goals by synthesising the goals agreed at the various world summits. Established by the rich countries meeting in the OECD/DAC (unlike the world summits, which were more global in nature), these goals focused mainly on measurable criteria for poverty (less than a dollar a day), social development and a sustainable environment, and distanced themselves from the rights-based approach and emancipatory development.⁴ The list is less comprehensive than the later MDGs. Gender was omitted, on Japan's insistence, and changed to equal education for all. The United Kingdom in particular, with the support of Sweden, Norway, Germany and the Netherlands (the 'Utstein' group of female development ministers), ensured that development goals for gender remained on the global agenda. However, they initially provoked little response

2 For a full overview, see M. Loewe, 'The Millennium Development Goals: Chances and Risks', German Development Institute, discussion paper 6/2008, Bonn 2008, p. 3.

3 The goals also refer back to earlier international human rights conventions, like the International Convention on Economic, Social and Cultural Rights (1966), the OECD target of 0.7% GNP for development cooperation (1970), the Convention on the Elimination of All Forms of Discrimination against Women (1981), and the International Convention on the Rights of the Child (1989).

4 A. Saith, 'From Universal Values to Millennium Development Goals: Lost in Translation', *Development and Change* 37 (6), Institute of Social Studies, 2006, pp. 1169-1170.

from developing countries, the World Bank or the IMF.⁵

The UN secretariat, seeing the initiative as an attempt by the rich countries to control the UN agenda, devised its own list. As the new Millennium approached, many civil-society networks (like the women's and peace movements, the churches and Jubilee 2000) called on world leaders at the 2000 Millennium Summit to develop a global development vision. UN Secretary-General Kofi Annan's draft version again omitted gender equality, this time due to an 'unholy alliance' between the Vatican and conservative Islamic countries, including Sudan, Iran and Libya. Other themes that were ignored were reproductive health and maternal mortality. Health goals were included only summarily, because of the political struggle surrounding reproductive health rights – an issue to which the UNDP had in fact devoted considerable attention in a 1997 report. The focus came to lie primarily on HIV/AIDS. Economic growth – though not an explicit theme in the declarations issued at the world summits – received considerable attention, as did technological development. Pressure from developing countries and civil society led to goals for the rich countries relating to trade access, debt relief and ODA, and to an appeal to the pharmaceutical industry to make AIDS medicines cheaper. A separate section devoted attention to Africa and the development of agricultural productivity.⁶

In 2000, in an unprecedented display of unity, the leaders of the IMF, OECD, UN and World Bank published the document 'A Better World for All: Progress towards the International Development Goals', based on the OECD development goals mentioned above. This document was largely in line with Kofi Annan's draft declaration, with the addition of infant and maternal mortality. Fearing that health budgets might otherwise become unbalanced, the passage on combating HIV/AIDS was expanded to include other diseases. A section was added on the special needs of small island states and landlocked developing countries, after earlier conferences on these issues.⁷

On 8 September 2000, the Millennium Declaration was adopted. The Declaration is based on six fundamental values – freedom, equality, solidarity, tolerance, respect for nature and shared responsibility⁸ – and is clearly divided into eight chapters: 1) Values and principles, 2) Peace, security and disarmament, 3) Development and poverty eradication, 4) Protecting our common environment, 5) Human rights, democracy and good governance, 6) Protecting the vulnerable, 7) Meeting the special needs of Africa, 8) Strengthening the United Nations.

A.1.2 From Declaration to Goals

In September 2001, the UN Secretary-General's report 'Roadmap Towards the Implementation of the Millennium Declaration', which contained eight MDGs, was approved by the UN General Assembly. The new American president George Bush was sceptical about the initiative, but 9/11, the need for 'soft power', and his relationship

5 D. Hulme, 'The Millennium Development Goals (MDGs): A short history of the world's biggest promise', BWPI Working Paper 100, September 2009, pp. 15-25.

6 *Idem*, pp. 25-31. Reference is made to 'We the Peoples: The role of the United Nations in the 21st Century'.

7 *Idem*, pp. 32-36.

8 A. Sumner, M. Tiwari, 'After 2015: International Development Policy at a Crossroads', Rethinking International Development series, Palgrave MacMillan, 2009, p. 47.

with the host of the next summit (the Mexican president), made him change his mind.⁹ Consequently, the MDGs were not adopted by the US until 2002, at the summit on financing for development in Monterrey, Mexico. This is now known as the Monterrey consensus. In practice, however, the US continued to resist the MDGs until 2005.¹⁰ One important outcome of the Millennium Declaration was the adoption of the Paris Declaration on the effectiveness of aid in 2005.

It is important in understanding the process that led to the MDGs to be aware that they are grounded in the Western trend towards results-based management and accountability in development policy, as reflected in the OECD development goals. This was coupled to a more visionary objective of human development, originating in the UNDP corner and laid down in the Millennium Declaration.¹¹

In substantive terms, the UN was faced with the problem of how to reconcile the OECD's development goals with its own Millennium Declaration. After all, the UN Secretary-General was a signatory to the former, but also had to take all 189 member states into account. At a meeting of donors, developing countries and multilateral institutions in 2001, led by the World Bank, the two sets of goals were integrated. They were elaborated by a joint working group representing the OECD/DAC, World Bank, IMF and UNDP. The goals on climate (MDG7) and the contribution of the rich countries (MDG8: global partnership), which were still the subject of fierce political negotiation, proved especially difficult. The goal on a sustainable environment (MDG7) was extended to include biodiversity and a number of other new indicators.¹² MDG8 was eventually finalised with seven targets and 17 indicators, but without a deadline, making it the most comprehensive, yet least specific or measurable goal.

Reproductive health was once again excluded, this time at the instigation of the US President. As a compromise, the contraceptive prevalence rate was included as an indicator under maternal mortality (MDG5). However, pressure from the women's movement and the broader gender lobby paid off with MDG3 being referred to as gender equality and – although MDG2 continued to call for universal access to primary education – two indicators were added to MDG3 that did not appear in the Declaration: the participation of women in economic life (outside the agricultural sector) and in politics (in terms of seats in parliament). This explains the somewhat illogical structure of MDG3.

For technical reasons, a number of issues were changed from targets to indicators, including safe drinking water (with the addition of sanitation under MDG7) and AIDS orphans (MDG6).¹³

9 D. Hulme, 'The Millennium Development Goals (MDGs); A short history of the world's biggest promise', BWPI Working Paper 100, September 2009, pp. 42-43.

10 *Idem*, p. 42. The American position was that they were 'a UN Secretariat product which member states never formally ratified'.

11 D. Hulme, 'Governing Global Poverty? Global Ambivalence and the Millennium Development Goals', Brooks World Poverty Institute, Institute for Development Policy and Management, University of Manchester, May 2009.

12 D. Hulme, 'The Millennium Development Goals (MDGs); A short history of the world's biggest promise', BWPI Working Paper 100, September 2009, p. 10.

13 *Idem*, pp. 36-43.

The main other difference between the MDGs and the Millennium Declaration lies in the fact that the following themes from the Declaration were not included in the MDGs: peace, security and disarmament; human rights, democracy and good governance; the vulnerable (not explicitly); the special needs of Africa; and reform of the UN (see chapter A.III What the MDGs fail to address).

Ultimately the following main goals were identified:

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; and
8. develop a global partnership for development.

In addition to these main goals, the MDGs have subsidiary goals (targets) and indicators, the latter being the subject of continual heated debate as statistics – and thereby the feasibility of achieving the goals – can be interpreted differently. The MDG1 targets, for example, have been gradually adjusted, in respect firstly of the Millennium Declaration, secondly of an earlier universal declaration on the reduction of poverty (at the World Food Summit in Rome in 1996), which called for poverty to be halved in absolute terms (by only talking of halving the *proportion* of poor people in MDG1), and thirdly of the time span (by measuring the results from 1990 instead of 2000). All these changes produce a more positive picture, allowing for example the favourable developments in relation to poverty in China in the 1990s to be included. Furthermore, by taking account of growth in China in 1999, East Asia achieved MDG1 a year before the MDGs were finalised.¹⁴ Yale philosopher Thomas Pogge has estimated that, as a result of all of these adjustments, the goal of reducing the number of people living in poverty by 50% in 2015 amounts to an actual reduction of only 19%.

A.I.3 MDG summits in 2005 and 2010

At the world summit in 2005, the governments of both donor and developing countries reiterated the ambition to achieve the MDGs in 2015. They also agreed that, in 2006, all countries would formulate national development strategies for achieving the goals. The following issues were addressed: development, terrorism, peacebuilding and enforcement, the responsibility to protect, human rights, democracy and the rule of law, reform of the UN, environment, international health, humanitarian aid, and updating the UN Charter.¹⁵

A number of the MDGs were also expanded, including MDG5 (maternal mortality) to which reproductive health was added (this was a compromise, because of opposition to the inclusion of reproductive *rights*).¹⁶ This meant a victory over the earlier, fierce opposition from the US, thanks to vigorous lobbying that recalled the International Conference on

14 T. Pogge, 'The First United Nations Development Goal: A cause for celebration', *Journal of Human Development and Capabilities*, vol. 5(3), November 2004, pp. 337-397.

15 UN General Assembly, Resolution 60/1 2005 World Summit Outcome, 24 October 2005.

16 MDG5b reads: 'Achieve by 2015 universal access to reproductive health'.

Population and Development in Cairo in 1994, where 179 countries agreed that universal access to reproductive rights had to be achieved by 2015.¹⁷ Other additions included targets for employment and decent work (MDG1), universal access to treatment for HIV/AIDS (MDG6) and the reduction of biodiversity loss (MDG7) (see table in Annexe III).¹⁸

The 2010 Declaration is more of a progress report on the MDGs and is therefore less important in terms of strategy. With its rather uncritical, optimistic introduction, it makes no urgent appeal to achieve better results nor does it address the shortcomings of the developed countries in areas like trade policy, policy coherence and aid pledges (ODA).

This means that the original 2000 Millennium Declaration is still relevant and the cornerstone of policy for the future. However, it could have been translated much more fully in the MDGs; in reality, the MDGs reflect only section 19 of the Declaration. The Declaration itself also neglects a number of important issues, some of which were added in the 2010 version, albeit cursorily. These issues are examined in chapter A.III.

A.I.4 To what extent have the MDGs been achieved?

According to the UN,¹⁹ important advances have been made in the fight against poverty initiated by the MDGs, as the above score card of the Centre for Global Development (CGD) in Washington shows.²⁰ The results must, however, be put into perspective. The number of people living in extreme poverty fell from 1.8 to 1.4 billion between 1990 and 2005 (MDG1).²¹ This is, however, mainly due to developments in China.²² A majority of children also now enrol in primary education (MDG2), but not all of them complete it and 72 million children worldwide, especially girls, still do not go to school. Only in 53 countries do as many girls as boys attend primary and secondary school (MDG3).²³

Women are disproportionately affected by poverty. The number of women in paid work outside the agrarian sector had risen to approximately 41% of all women worldwide in 2008.²⁴ Yet it remains difficult for women to achieve higher positions. Worldwide only

17 F.G. Abrejo, B.T. Shaikh, S. Saleem, 'ICPD to MDGs: Missing links and common grounds', *Reproductive Health Journal*, vol. 5(4), September 2008, p. 3.

18 Annexe III contains an overview of the MDGs and the indicators used to measure progress (those in italics were added after 2001).

19 UNSG, 'Keeping the Promise; A forward-looking review to promote an agreed action agenda to achieve the Millennium Development Goals by 2015', Report by the Secretary-General, UN General Assembly 64th session, February 2010, pp. 4-9.

20 See map of the Centre for Global Development, Washington, <<http://www.cgdev.org>>, consulted on 16 March 2011.

21 Extreme poverty is defined as living on less than \$1.25 a day.

22 In Africa, the number of people living on a dollar a day rose by 92 million; in West Asia, this was 8 million (1990-2005).

23 Of the 171 countries for which data is available.

24 In North Africa and South and West Asia, the statistics are less positive: only 20% of paid jobs outside agriculture are taken up by women. UN, *The Millennium Development Goals Report 2010*, New York, p. 22.

one in four senior officials or managers are women. The number of women in national parliaments rose from 11% in 1995 to 19% in 2010.²⁵

The number of children who die before the age of five has fallen from 12.5 million to 8.8 million per year (MDG4).²⁶ Other sources even suggest a fall to 7.7 million.²⁷

Very little progress has been made with maternal mortality (MDG5). Almost as many women still die during pregnancy and childbirth as 15 years ago.²⁸ There has been some progress in the number of births attended by a professional.

The fight against AIDS has been successful: 200,000 fewer people died of the disease between 2004 and 2008, and 800,000 fewer became infected between 1996 and 2008 (MDG6).²⁹ There are no statistics to show whether this also applies to malaria, which claimed 800,000 lives in 2008.³⁰

Results were slightly better for care of the planet. Deforestation declined, with 3.3 million hectares less forest being felled and 31% of the land still forested (32% in 1990, MDG7). Biodiversity continues to decline, and 17,000 animal and plant species are threatened with extinction.³¹ Climate change also threatens to exacerbate poverty, through drought, flooding, etc.. Carbon dioxide emissions increased by 35% between 1990 and 2007.³² As far as access to safe drinking water is concerned, the world is ahead of schedule. If current trends continue, around 86% of the population in developing regions will have

25 *Idem*, pp. 24-25.

26 From 99 to 72 per 1,000 (1990-2008). UN Secretary-General, 'Keeping the Promise; A forward-looking review to promote an agreed action agenda to achieve the Millennium Development Goals by 2015', Report by the Secretary-General, UN General Assembly 64th session, February 2010, pp. 4-9.

27 J. Knoll Rajaratnam, J.R. Marcus, A.D. Flaxman, H. Wang, A. Levin-Rector, L. Dwyer, M. Costa, A.D. Lopez, C.J.L. Murray, 'Neonatal, Postneonatal, Childhood, and Under-5 Mortality for 187 Countries, 1970-2010: A Systematic Analysis of Progress Towards Millennium Development Goal 4', 375 *The Lancet* no. 9730, 5 June 2010, pp. 1988-2008.

28 Maternal mortality remains high, at 450 to 100,000 births in 2005. This is almost the same as in 1990, when it stood at 480 to 100,000.

29 Two million people died of AIDS (2008; the peak was in 2004, with 2.2 million); 2.7 million people were infected with HIV in 2008 (compared to 3.5 million in the peak year, 1996). UN, *The Millennium Development Goals Report 2010*, New York, p. 40.

30 'Keeping the Promise; A forward-looking review to promote an agreed action agenda to achieve the Millennium Development Goals by 2015', Report by the Secretary-General, UN General Assembly 64th session, February 2010, p. 8.

31 Deforestation is alarmingly high (5.2 million hectares a year in the last ten years, compared to 8.3 million in the previous ten years); UN, *The Millennium Development Goals Report 2010*, New York, pp. 52-57.

32 UN, *The Millennium Development Goals Report 2010*, New York, pp. 52-57.

access to improved water sources by 2015.³³

By contrast, there has been less progress in providing access to elementary sanitation. 2.7 billion people are expected still to have no access to improved sanitation by 2015 (this was 2.6 billion in 2008).³⁴ In the past ten years, the number of people living in slums in developing countries has fallen from 39% to 33% of the urban population (2010). In addition, 200 million slum-dwellers have acquired access to better housing, water and sanitation. In absolute terms, however, the number of slum-dwellers is rising: the number of urban-dwellers living in slum conditions is estimated at 828 million, compared to 657 million in 1990 and 767 million in 2000.³⁵

These results are also overshadowed by the fact that the number of very poor people suffering from hunger also continues to rise, that CO₂ emissions are not falling, and that at least half a million people a year lose their lives through the use of small weapons.³⁶ The majority of donors still fail to reach the agreed 0.7% GNI target for financial aid (MDG8).³⁷ Aid from non-DAC donors and private funds has, however, increased, though estimates vary.³⁸

In the past ten years developing countries have acquired better access to the markets of rich countries. In 2008 almost 80% of imports from least developed countries (LDCs) were tariff-free (compared to 70% in 2000).³⁹ In addition the debt burden of developing countries was relieved through debt control, trade expansion and, in some cases, debt cancellation. The global financial crisis, however, had a negative effect on trade for almost all developing countries. The fall in income increased the external debt burden but it will very probably remain below the historical high point of the year 2000.⁴⁰

Alongside absolute poverty, relative poverty is also important. There has been a spectacular growth in inequality worldwide: the ratio of average income in the richest countries to that in the poorest rose from 60:1 to 116:1 between 1980 and 2007

33 There is, however, a great disparity between access to safe drinking water in rural and urban areas: eight out of 10 people worldwide without access to water live in the countryside. UN, The Millennium Development Goals Report 2010, New York, pp. 58-59.

34 See the Statement on the Right to Sanitation, adopted by the UN Committee on Economic, Social and Cultural Rights on 19 November 2010 in UN Doc. E/C.12/2010/1.

35 UN, The Millennium Development Goals Report 2010, New York, p. 63.

36 J. Voorhoeve, *Negen plagen tegelijk*, Contact, 2011.

37 The 0.7% GNI target was achieved by only five countries in 2009: Denmark, Luxembourg, the Netherlands, Norway and Sweden. UN, The Millennium Development Goals Report 2010, New York, p. 67.

38 UN Department of Economic and Social Affairs (DESA), 'World Economic and Social Survey 2010, Retooling Global Development', New York, May 2010, pp. 54-55.

39 Excluding oil and weapons. UN, 'MDG 8 The Global Partnership for Development at a Critical Juncture', MDG Gap Task Force Report 2010, New York, p. 36.

40 UN, The Millennium Development Goals Report 2010, New York, pp. 68-70.

(\$43,503 versus \$ 374 per capita GNI in 2007).⁴¹ Progress in this area has been made even more difficult by the financial and economic crises of recent years. The number of people suffering from hunger, for example, has risen to a billion since 2005, its highest level ever, and the number of undernourished people to more than two billion. Since the financial and economic crisis, around 28% of people in paid work earn less than the poverty line level (MDG1).⁴² One in four children under the age of five in developing countries is underweight; in South Asia this is even higher, at 46% (MDG4).⁴³ The number of young people with no chance of finding work and of people working in precarious conditions has increased since the crisis.⁴⁴

Can all progress that has been made be attributed to the MDG strategy? The question whether there would have been just as much progress without the MDGs is understandable and legitimate, but cannot, unfortunately, be answered wholly scientifically. In the majority of countries it is only possible to observe an improved trend in 20% of the MDGs compared to the pre-MDG period.⁴⁵

The MDGs do, however, encourage discussion on why some goals have been achieved and others not, and who can be held responsible for those that have not been achieved. This will be examined in the following chapters.

A.II Have the MDGs proved to be a workable concept?

The Millennium Declaration played a leading role in the development debate. It generated a new consensus between the IMF/World Bank and the UN, and the former incorporated poverty dimensions in their structural adjustment programmes. The emphasis shifted from a one-sided focus on growth to 'human development'. Development policy became more results-driven with measurable goals. Coherence was placed on the agenda, in terms of better coordination with other donors and their policy areas and prioritising the policies of developing countries. The principle of joint responsibility was accepted, as was the need for a worldwide framework for development (MDG8). The growing importance of civil society was recognised through its participation in international conferences.⁴⁶

Nonetheless, opinions on the importance of the MDGs vary widely.

41 T. Pogge, 'Politics as Usual: What lies behind the Pro-Poor Rhetoric?', Cambridge: Polity Press, 2010, p. 96.

42 21.2% in 2008 plus an estimated 7% extra in 2009. UN Secretary-General, 'Keeping the Promise; A forward-looking review to promote an agreed action agenda to achieve the Millennium Development Goals by 2015', Report by the Secretary-General, UN General Assembly 64th session, February 2010, p. 5.

43 UN, The Millennium Development Goals Report 2010, New York, p. 13.

44 ILO, Global Employment Trends 2011, Geneva 2011.

45 S. Fukuda-Parr, J. Greenstein, 'How should MDG implementation be measured: Faster progress or meeting targets?', International Policy Center for Inclusive Growth, No 63, May 2010, p. 11.

46 M. Loewe, 'The Millennium Development Goals: Chances and Risks', German Development Institute, discussion paper 6/2008, Bonn 2008, pp. 12-13.

A.II.1 General criticism

There are basically four schools of thought regarding the MDGs: the optimists, who see the goals as a vehicle for transforming the human condition (including Jeffrey Sachs, leader of the Millennium Project, Pronk, Vandemoortele), the strategic realists, who see the MDGs as essential to achieving political commitment (e.g. Fukuda-Parr, Jolly), the sceptics, who find the MDGs well intentioned but badly thought out (such as Clemens, Easterly and the Dutch Advisory Council on Government Policy), and the radical critics, who see the MDGs as a diversionary manoeuvre to draw attention away from the 'real' issues of growing global inequality and gender disparity (including Antrobus, Eyden, Saith, Pogge, UNCTAD).⁴⁷ These four schools are described in brief below.

Optimists

Former Dutch development minister Jan Pronk identifies six advantages of the MDGs as the culmination of 40 years of development cooperation.⁴⁸ According to Pronk, the goals:

1. represent nearly all the relevant dimensions of poverty rather than having a one-sided focus on income poverty;
2. concern the world as a whole, but are specific enough to be implemented at national level;
3. are result-oriented (output rather than the 0.7% input discussion);
4. aim at direct poverty reduction rather than indirect measures like trickle-down from economic growth or safety nets intended to compensate the poor for the negative effects of growth;
5. are precise and quantified rather than making vague promises; and
6. are ambitious: the world has never seen poverty halved in the relatively brief period of 15 years (even though this is not compatible with the right of all to a minimum level of existence).

Another advantage of the MDGs, according to Pronk, is that there is no excuse for not achieving them; goals call for action and accountability.⁴⁹

Markus Loewe adds that the MDGs have generated more aid in the new millennium.⁵⁰ This may be because the goals are easy to understand for the public at large, increasing their appreciation for development cooperation. The main argument for pursuing the goals, however, is that all actors agree on a single set of objectives (William Easterly, however, sees this as a fundamental weakness of the MDGs).⁵¹

Jan Vandemoortele, UNDP negotiator during the talks on shaping the MDGs, still finds them a good concept that should be maintained after 2015, albeit with a number of changes

47 D. Hulme, 'The Millennium Development Goals (MDGs): A short history of the world's biggest promise', BWPI Working Paper 100, September 2009, p. 4.

48 J. Pronk, 'Collateral damage or calculated default? The Millennium Development Goals and the Politics of Globalisation', Inaugural address as Professor of the Theory and Practice of International Development at the Institute of Social Studies, The Hague, 11 December 2003, pp. 3-4.

49 *Idem*, pp. 44-45.

50 M. Loewe, 'The Millennium Development Goals: Chances and Risks', German Development Institute, discussion paper 6/2008, Bonn 2008.

51 W. Easterly, 'The Tragedy of the Millennium Development Goals', Aidwatch, July 2009.

in structure and implementation.⁵² The main change is that monitoring of the MDGs should take account of inequalities *within* countries (giving greater priority to improving the situation of the worst-off segments of the population). Including the distribution of prosperity within countries is a response to the criticism that national indicators say little about the position of the poorest groups. Others argue that measurement by target group (gender, ethnicity, rural-urban divide, regional variations) should be an added indicator.⁵³ Vandemoortele rejects, however, the more fundamental criticism that the MDGs have no theoretical basis, since in his view that was never the intention.

Strategic realists

Sakiko Fukuda-Parr believes that the Millennium Declaration has led to partnerships with civil society and has put the private sector on the development cooperation agenda. She is, however, less enthusiastic about the impact this has had.⁵⁴ With her colleague Joshua Greenstein, she has also criticised the focus on achievement of the MDGs: given that some countries have a worse starting position than others, 100% achievement of the goals is not as important as the progress each has made since 2000 compared to the period before.⁵⁵ Based on trends since 1990, Fukuda-Parr and Greenstein conclude that only five of the 24 indicators for which sufficient data was available showed accelerated improvement in over half the countries in question after 2000. In 80% of cases, therefore, the MDGs did not lead to accelerated improvements.⁵⁶ In other words, in most countries the trends are continuing at the same pace as before 2000, or have even slowed down. Accelerated progress is greater in the least developed countries (on 13 indicators) and in Sub-Saharan Africa (on 16 indicators).

Leo and Barmeier have devised a progress index that gives a realistic picture of the development of the MDGs.⁵⁷ The index shows that LDCs perform better in terms of progress on selected MDG indicators than middle-income countries. There is also a negligible positive correlation between progress on the MDGs and economic growth (GNP), growth in per capita GNP and per capita aid (ODA). The correlation with countries' institutional development is also only slightly positive: some countries are making good progress despite having weak institutions; however, every country that performs badly on the MDGs has weak institutions.⁵⁸

52 J. Vandemoortele, 'Taking the MDGs Beyond 2015: Hasten Slowly', DSA/EADI/Action Aid Policy Forum, June 2009.

53 S. Jahan, 'The Millennium Development Goals Beyond 2015', New York, April 2009.

54 S. Fukuda-Parr, 'Are MDGs priority in development strategies and aid programmes? Only a few are!', International Poverty Centre, Working Paper 48, October 2008, pp. 7 and 12. The Millennium Declaration resolves: 'To give greater opportunities to the private sector, non-governmental organisations and civil society, in general, to contribute to the realisation of the goals' (section 30).

55 S. Fukuda-Parr, J. Greenstein, 'How should MDG implementation be measured: Faster progress or meeting targets?', International Policy Center for Inclusive Growth, No 63, May 2010.

56 *Idem*, p. 11.

57 B. Leo, J. Barmeier, 'Who are the MDG Trailblazers? A new MDG Progress Index', Center for Global Development, Working Paper 222, Washington, August 2010.

58 Statistics from the World Bank's Country Policy and Institutional Assessments (CPIA).

Sceptics

Although Easterly sees the MDGs as a success in 'global consciousness raising', he argues that they have failed in terms of translating that new awareness into achieving the goals. Even before the economic crisis, the trends were negative. In fact, the latest global crisis or recession has exposed a fundamental weakness in the MDGs, i.e. that achieving them depends on global and national growth prospects. The question is how can you hold someone accountable for something over which they have no control, and how can you hold anyone accountable for something for which 189 governments are collectively responsible? Easterly's position is that an agreement that everyone agrees on has no teeth. Social changes – like universal franchise, the emancipation of minorities and women's rights – could only come about by identifying *who* was responsible for the injustice, *why* the situation was unjust, and *what* had to be done to rectify it. This analysis is lacking in the MDGs.⁵⁹ Easterly also considers the goals unfair on many countries in Africa and other low-income countries, because they are primarily formulated in terms of the gap between the current and target situations, instead of the starting position.⁶⁰

In its report published last year, the Advisory Council on Government Policy (WRR) says the following about the MDGs:⁶¹ 'However, the MDGs are largely static goals which are strongly oriented around alleviating emergencies. They say nothing of the resources, the strategy and underlying mechanisms required to achieve the goals, nor about the capacities of societies to develop, and from a macroeconomic perspective they are rather vacuous. In that sense they are not very development-related. Economic growth is not included as a final or intermediary goal in the MDGs, and important issues like transformation of the productive sectors are not even referred to. Although MDG8 does refer to the need for a fair trade system, this can only make a very limited contribution to the creation of productive national economic sectors. The MDGs are inspiring but also problematic in that they detract attention away from structural changes and the strengthening and transformation of agriculture and other productive sectors. They have other drawbacks as well. The targets are not only arbitrary, they are also global goals which are directly applied to each individual country. [...] This problem has everything to do with the fact that donors imposed their mark heavily on how the goals were formulated. As yet, no clear answer has been provided to the question of how that links up with the broad related idea of 'ownership' in the field of development.'

Radical critics

Perhaps the greatest criticism of the MDGs is that they have no socioeconomic underpinning. Some critics go even further, claiming that the MDGs leave the unbridled market economy intact and simply take palliative measures against a number of undesired side effects, including poverty. They do nothing to address fundamental power relations around the world, or distribution issues, and the voices of the poor and poor countries are hardly heard, if at all. According to these critics, the phenomenon of spectacularly widening income differences between and within countries as a consequence of market liberalisation is completely denied and ignored. In this view, the MDGs lead to distortion and are not as innocent as they appear. After all, who can object

59 W. Easterly, 'The tragedy of the Millennium Development Goals', Aidwatch, July 2009.

60 W. Easterly, 'How the MDGs are Unfair to Africa', Brookings Global Economy and Development, Working Paper 14, Washington, November 2007.

61 Advisory Council on Government Policy (WRR), 'Less pretension, more ambition; Development policy in times of globalization', Amsterdam University Press, Amsterdam, 2010, p. 122.

to less poverty, or reduced infant and maternal mortality? Focusing on these limited goals distracts attention from the more important systemic causes of poverty. The MDG agenda determines what kind of progress is measured in the world and thereby silently changes the course of development thinking and development cooperation. In short: aid + technological means + local good governance = poverty reduction. This equation replaces the transformation of unjust economic structures.⁶²

According to Ashwani Saith, the MDGs have narrowed the definition of poverty to absolute poverty,⁶³ and exchanged the concept of relative poverty, which gained ground in recent decades, for an extremely simplistic interpretation.⁶⁴ From this perspective, the MDGs reduce the poor to helpless recipients who cannot achieve emancipation by demanding their rights. The MDGs are 'Minimum Development Goals', a weak dilution of the many declarations of the 1990s and international achievements of the past 40 years. They actually help maintain structural poverty by supporting the foundations of society, including their dark side. The MDGs imply that underdevelopment is a problem for developing countries that is in no way related to the economic dynamics of developed countries.

This criticism has also been expressed by UNCTAD, which describes the fundamental problem of the MDGs as 'the lack of a more inclusive strategy of economic development'. UNCTAD calls for national development programmes with economic diversification, employment and technological development and a renewed emphasis on productive investment, taxation, socioeconomic policy and reform of the international governance architecture.⁶⁵

Many human rights experts also see the omission of human rights as a missed opportunity. A prominent figure among them is Philip Alston, the former UN Special Rapporteur on extrajudicial, summary or arbitrary executions.⁶⁶

A.II.2 Measuring poverty

The criterion for poverty provokes much discussion and criticism. Thomas Pogge, for example, considers the 'dollar a day' norm introduced by the World Bank as insufficient to guarantee a minimum level of existence. This is because the World Bank does not base the norm on nominal exchange rates but on purchasing power parity (PPP) in 2005. Someone in India living on \$0.40 a day in 2005 would not be considered poor: in that

62 A. Saith, 'From Universal Values to Millennium Development Goals: Lost in Translation', *Development and Change* 37 (6), Institute of Social Studies, 2006, p. 1189.

63 *Idem*, p. 1197.

64 Amartya Sen: 'In a generally opulent country, more income is needed to buy enough commodities to achieve the same social functioning', in 'Development as Freedom', Oxford University Press, 1999.

65 UN Conference on Trade and Development (UNCTAD), 'Follow-up to the Millennium Summit and preparations for the high-level plenary meeting of the General Assembly on the Millennium Development Goals: New development paths. Reconnecting the Millennium Development Goals to the Development Agenda: an UNCTAD perspective', Geneva, June 2010.

66 See for example P. Alston, 'Ships passing in the night: The current state of the human rights and development debate seen through the lens of the Millennium Development Goals', *Human Rights Quarterly* 27(3), August 2005, pp. 755-829.

year, PPP was equal to \$1.25. According to Pogge, food prices in all poor countries are on average more than 50% higher than the PPP suggests.⁶⁷ He shows that purchasing power of \$1.25 a day is not sufficient to buy the minimum food required, not to mention clothing, shelter, water, etc.

Pogge also objects to the poverty line and the method used by the World Bank to update it. His analysis shows that the poverty criterion has been successively adjusted downwards. The \$1 criterion from 1985 was equal to \$1.85 in 2005 PPP. This resulted in an 'absurdly low' figure that does not cover even a quarter of the food requirement.⁶⁸ Updating the poverty criterion also has the effect of making the change measured in global poverty appear more positive than it is in reality: the lower the poverty line, the better the result. Pogge shows that, if the poverty line is set at \$2.50, there was no improvement at all between 1981 and 2005.⁶⁹

A.II.3 Indicators and other pitfalls of results-based management

Besides these fundamental criticisms of the MDGs a number of general objections can be made to results-based management: goals that focus on quantity do not measure quality and can undermine it (e.g. children might attend school but teaching is below par). At the same time, narrowly defined indicators can, for example, encourage governments to send people to school without making sure there are good teachers or teaching materials, purely to achieve the MDG concerned. This is not the intended outcome of results-based management, but is certainly a possible one, leaving it open to abuse. Nor do the indicators take account of inequality, which is increasing worldwide both within and between countries. It is possible, for example, to achieve MDG1 by ignoring the poorest of the poor and helping people who live just below the poverty line. Or China can achieve MDG1 for the whole of Asia on its own, while other Asian countries still have large numbers of people living in poverty.

What is more, short-term planning to achieve the goals can undermine their sustainability (who will pay for children to attend school after 2015?). Focusing on the goals ignores the extent to which they are interconnected, which was precisely the major achievement of the world summits. In other words: what effect does achieving one goal have on others, or on parameters that have not been formulated as goals? Not achieving the goals can undermine support for development cooperation (whose fault is it?). To put it in another way, were the goals realistic? Countries facing the severest problems may make progress and still not achieve the goals, thus harming their image; the starting situations vary too widely.

Richard Jolly argues that it is better not to look at whether goals have been achieved, but how they have functioned as a catalyst for change and awareness-raising, and why some countries have not achieved them (due to both internal and external factors, e.g. global crises).⁷⁰

67 T. Pogge, 'Politics as Usual: What Lies Behind the Pro-Poor Rhetoric', Cambridge: Polity Press, 2010, p. 68.

68 *Idem*, pp. 65-66.

69 *Idem*, p. 62 and table 3.2.

70 R. Jolly, 'Global Goals: The UN Experience', Background Paper, Human Development Report, 2003.

In the context of the MDGs, responsibility for achieving results lies with developing countries, while MDG8 does not demand that the rich countries provide any measurable support or ensure fair trade rules.⁷¹ In this respect, setting global goals and pursuing them at national level is not effective. Other dangers are planning on the basis of incomplete statistics and irrelevant statistics that do not measure impact (e.g. the proportion of land set aside as nature reserves).⁷² Measuring progress per country is deceptive in the sense that countries like India with large numbers of people living in poverty count the same as small countries like the Maldives; this means that someone living in India is accorded relatively less weight than an inhabitant of the Maldives; this conflicts with the principle that all people are equal.⁷³

Lastly, it has not been shown conclusively that results-based management provides sufficient incentives for the political establishment of recipient countries to promote development. Research based on a number of Poverty Reduction Strategies identified no significant influence on national objectives; in the case of worldwide goals it is even more difficult to show that they have a positive effect on national politicians.⁷⁴ A study by the Institute of Development Studies of the impact of transparency and accountability initiatives concludes that greater transparency does not necessarily improve accountability, because the initiatives are very complex and many factors that can determine their success, including power relations, need to be taken into account.⁷⁵

A.III What the MDGs fail to address

The MDGs are intended as an overarching concept for all dimensions of poverty, a crystallisation or summary of the global problem as a whole. One group of critics has, however, insisted from the start that the MDGs were worded wrongly. Although the goals have since been extended and new ones added at a series of international conferences and meetings, this has not changed. Essential themes like sustainability, growth and employment, inequality, knowledge and technology, demography, peace and security, infrastructure and human rights are not explicitly addressed by the MDGs, while others – including food security, climate, gender and global governance – are not given sufficient attention. Critics believe that these important issues can obstruct achievement of the MDGs. Some segments of the civil society movement have even rejected the MDGs completely, because they feel they ignore gender analysis and the environmental impact

71 UN, 'MDG 8 The Global Partnership for Development at a Critical Juncture', MDG Gap Task Force Report 2010, New York.

72 M. Loewe, 'The Millennium Development Goals: Chances and Risks', German Development Institute, discussion paper 6/2008, Bonn 2008, pp. 14-18.

73 S. Alkire, M. Santos, 'Acute Multidimensional Poverty: A new index for developing countries', OPHI working paper no 38, July 2010, p. 8.

74 David Booth, Director of the Africa Power and Politics Programme (APPP), Overseas Development Institute (ODI), Society for International Development SID lecture, 13 December 2010.

75 Institute of Development Studies (IDS), 'Review of Impact and Assessment of Transparency and Accountability Studies', prepared by Gregory Barrett, Richard Calland, Ruth Carlitz, Anuradha Joshi, Rosemary McGee, Andrés Mejía Acosta and the Society for Participatory Research in Asia (PRIA), October 2010.

of economic growth. They call for an agenda of transformation. The themes that are not addressed in the MDGs and those that critics would like to see given greater attention are considered in brief below.

Part B will examine how the themes that are not addressed or given insufficient attention in the MDGs can play a role in new development thinking, partly in the light of recent ideas on development and global governance.

A.III.1 Themes that are not addressed

Sustainability, growth and employment

Charles Gore calls for a new development paradigm which has the productivity of the individual and sustainability at its centre.⁷⁶ He argues that the financial crisis heralds the end of 60 years of development theory and the 'winter' of the Kondratieff curve (a period of creative destruction due to deflationary depression). This will be followed by the 'spring' of innovative breakthroughs. The crisis must not be seen only as the consequence of flaws in the financial system but also as an expression of systematic unbalanced global growth: increasing inequalities within and between countries,⁷⁷ a lack of democracy in international relations and ecological limits to growth. The financial bubble has partly been caused by a shortage of aggregated demand; in other words, consumers have too little purchasing power. The solution cannot be found only in terms of poverty reduction through the MDGs, but must be embedded in a worldwide socioeconomic transformation, which places employment and the productivity of the individual at the centre. Energy transition and the struggle to achieve sustainability must also be taken into account, as it looks as though we will soon reach the point of 'peak-oil'.⁷⁸

Inequality

The MDGs devote no attention to inequalities within countries. However, reducing income inequality and increasing access to essential social services can help speed up achievement of the MDGs.⁷⁹ UNICEF has shown in a recent study, for example, that focusing on the poorest groups is a cost-efficient way of achieving the goals, contrary to claims that this is more expensive. It has also been calculated that this is a cheaper way to achieve the health goals.⁸⁰ UNDP has concluded that countries where income inequality has decreased and where strong national growth has occurred in sectors in which the poorest are concentrated, had the greatest success in reducing poverty.⁸¹

76 C. Gore, 'The Global Development Cycle, MDGs and the Future of Poverty Reduction', 12th EADI General Conference, Geneva, June 2008.

77 *Idem*, p. 11: 50 million rich people (1% of the population) have the same income as 2.7 billion of the lowest earners (57%). Only 17% of people fall into the middle-income category.

78 *Idem*, p. 13.

79 J. Vandemoortele, 'Taking the MDGs Beyond 2015: Hasten Slowly', DSA/EADI/Action Aid Policy Forum, June 2009.

80 UN Girls' Education Initiative (UNICEF), 'Narrowing the Gaps to meet the Goals', New York, September 2010, p. 7.

81 UN Development Group (UNDG), 'Beyond the Midpoint, Achieving the Millennium Development Goals', New York 2010, p. 25 and Annex 2.1.

MDG architect Vandemoortele even claims that, as long as growing inequalities within countries are ignored, the MDGs will remain a 'mission impossible'.⁸²

The question is whether we should be looking at the poorest countries in the world or the position of the poorest groups within those countries and globally. As Andy Sumner and others have pointed out, a new development situation has emerged with large groups of poor people in middle-income countries (960 million people, or 72% of the world's poor).⁸³

Knowledge and technology

Knowledge is a good example of a public good, given that it can be shared by many people at the same time and it is difficult to acquire exclusive rights to it. It is also a global public good, as its distribution does not stop at national borders. Intellectual property and common knowledge, comprising existing and publicly available knowledge, have important cross-border consequences. Knowledge is crucial to acquiring other global public goods (GPGs). It can, for example, help in controlling infectious diseases, managing global commons, creating an open trade system and achieving financial stability.⁸⁴ However, the knowledge gap between rich and poor countries is widening largely due to the incapacity of the latter to absorb knowledge, and this reduces opportunities to close the development gap. What is more, due to the functioning of the intellectual property rights mechanism some knowledge is unavailable for the development of other GPGs, so that elements of it change from being a public to a private good.⁸⁵ New information technology offers new opportunities and challenges for knowledge transfer.

Demography

Demographic changes become visible in the long term and present a serious challenge to humanity and development in the twenty-first century. An unevenly structured population, caused by falling death rates and high birth rates, can hamper achievement of the MDGs. Rapid changes in the composition of the population, such as the dependency ratio or ageing, can affect economic growth, negatively or positively (the demographic dividend). In addition, demographic trends can affect employment, peace and security, urbanisation, the environment and poverty in a country.⁸⁶

Peace and security

Conflicts and violence are important reasons for failure to achieve the MDGs. No low-income fragile state has yet achieved a single MDG and progress is slow. In countries in conflict more people are undernourished and fewer attend school, child mortality is higher and there is less clean water, etc. Social tensions and the enormous influx of small weapons are leading to an increase in domestic violence. Effective action in fragile states calls not only for money but also for reliable data on employment, public security

82 J. Vandemoortele, 2011, 'The MDG Story: Intention Denied', in *Development and Change*, Vol. 42, no. 1, pp. 1-21.

83 A. Sumner, 'The New Bottom Billion', *The Broker*, issue 23, December 2010.

84 International Taskforce on Global Public Goods, 'Meeting Global Challenges: International Cooperation in the National Interest', Stockholm 2006, p. 65.

85 *Idem*, pp. 67-68.

86 AIV, 'Demographic Changes and Development Cooperation', advisory report no. 66, The Hague, July 2009.

and access to the rule of law. Some commentators are therefore calling for indicators for these issues. Others demand indicators for peacebuilding, institution building (including security sector reform) and the prevention of violence.

Infrastructure in Africa

For Africa it is crucial to tackle the lack of physical infrastructure (roads, railways, electricity, ports, telephones, internet, etc.). Critics are of the opinion that investment in the social sectors is of little use unless the conditions to allow economic activity are first in place. They claim that the MDGs have diverted attention from crucial infrastructure. Besides water and sanitation, the MDGs only devote attention to information and communication technology (ICT), an area in which progress has been made, thanks to private investment.

Human rights and good governance

Human rights and the MDGs should be closely related.⁸⁷ Chapter five of the Millennium Declaration refers to the importance of human rights, but in the end they were not mentioned at all in the MDGs. As poverty is often the result of discrimination, various critics believe that non-discrimination and the principle of equality should be included in a post-2015 system. In their view this would benefit the most vulnerable and poorest groups.⁸⁸

Global public goods

Although the MDG literature does not refer directly to global public goods, some argue that this would be a better approach than the MDGs. Chapter B.IV.2 will examine this issue in more detail.

A.III.2 Themes that should have been or should be addressed in greater detail

Food security

One of the targets of MDG1 is to reduce hunger. Food security plays a prominent role in the fight against hunger. According to the FAO, one billion people worldwide are undernourished and two billion lack sufficient essential nutrients.⁸⁹ The World Bank is concerned about higher food prices, which is pushing more people below the poverty line. Target 1c of the MDGs devotes attention to hunger (underweight children and people who are deprived of nutrients), but this does not suffice since it does not address the causes of these problems. With the growth of world food production, the issue has increasingly become one of distribution and regional food security. The neglect of agriculture in many developing countries has resulted in the supply of food being unable to keep track with the rising demand resulting from population growth and changing consumption patterns. Food insecurity has also increased because more countries have started importing food and because the price of grain and other staple foodstuffs is subject to considerable

87 Nearly all the MDGs have some overlap with internationally recognised human rights. For example, the right to education (art. 25(1) Universal Declaration of Human Rights) and MDG2. For an overview of this overlap, see UNDP, 'Human Rights and the Millennium Development Goals, Making the Link', New York 2007, p. 11. See also section B.IV.1.

88 Report of the Seminar on Human Rights and the Millennium Development Goals, held at the Ministry of Foreign Affairs in The Hague, 25-26 May 2009, p. 26.

89 UN Food and Agriculture Organisation (FAO), 'The State of Food Security in the World: Addressing food insecurity in protracted crises', Rome, 2010, p. 9.

fluctuations. According to some commentators, this price volatility is due not only to drought or flooding, but also to increased speculation on the commodity markets.

Climate

Changes to the climate are directly impacting on poverty. If action is not taken to combat or mitigate climate change and its consequences, poverty cannot possibly be eradicated. That is why it is often argued that both problems should be tackled simultaneously.⁹⁰ Small-scale, labour-intensive activities in the field of water, energy, sustainable agriculture and production can present positive prospects and a win-win situation: people living in poverty are assured a sustainable income and they also promote solutions to these problems. As it brings more extreme drought, floods and storms, climate change is expected to hit developing countries particularly hard, and especially the most vulnerable groups.⁹¹

Gender

Although MDG3 aims to promote gender equality and empower women, critics emphasise that the goal is incomplete. According to Amnesty International, the MDGs do not currently fulfil all the obligations agreed by states to combat discrimination against women.⁹² Themes missing from the MDGs are the Convention on the Elimination of all Forms of Discrimination against Women, drawn up in 1981 and one of the most important international documents in the fight to stop discrimination against women,⁹³ and the 1995 Beijing Platform for Action, which included twelve points for action, including sexual and reproductive rights and eradicating violence against women.⁹⁴

The choice of the three indicators to measure the progress of MDG3 (promoting equality between men and women) is fairly random: participation in education, access to paid employment outside the agricultural sector, and the number of parliamentary seats held by women. The quality of education or the extent to which pupils complete it, for example, is not measured. Girls in particular often leave school early.⁹⁵ The indicator 'wage employment in the non-agricultural sector' makes no distinction between the different types of work that women do. What is more, in many developing countries,

90 E. Solheim, 'Climate, Conflict and Capital', in: *Poverty in Focus; The MDGs and Beyond: Pro-Poor Policy in a Changing World*, International Policy Centre for Inclusive Growth, No. 19, January 2010, p. 24.

91 N. Stern, 'The Economics of Climate Change: The Stern Review', Cambridge University Press, 2007.

92 Amnesty International, 'From Promises to Delivery. Putting Human Rights at the Heart of the Millennium Development Goals', London, 2010, p. 16.

93 Convention on the Elimination of all Forms of Discrimination against Women (1981). Countries that are party to the convention must take active steps to combat discrimination, for example by removing discriminatory legislation and establishing a protective mechanism.

94 See point 3 on access to health care and related services, and point 4 on eradicating violence against women.

95 N. Jones, R. Holmes, J. Espey, 'Progressing Gender Equality Post-2015: Harnessing the Multiplier Effects of Existing Achievements', *IDS Bulletin*, Vol. 41, No. 1, January 2010, p. 115.

the non-agricultural sector only accounts for a small percentage of total employment.⁹⁶ The number of seats in parliament has not always proved effective in initiating women's empowerment.⁹⁷

Global governance

MDG8 aims 'to develop a global partnership for development'. This eighth goal was added at a later stage in the process, largely at the insistence of developing countries, which also wanted to see some form of accountability for the donor countries in terms of ODA and trade, finance and debt policy so as to bring a degree of coherence to the international system. MDG8 has never, however, achieved the necessary forms of global governance. It has become a cluster containing a wide variety of goals and targets added at the last minute. Consequently the original objective that some countries, and especially developing countries, had in mind for MDG8 – a goal to enforce coherence in the policies of developed countries and to develop a measurable form of accountability for these countries in achieving the MDGs – has never got off the ground. If there has been any improvement at all in global governance, it is more a response to the financial crisis than the result of any great effort to achieve MDG8.

A.III.3 Missing target groups

Generally speaking, with the exception of women, the MDGs are not specifically directed at the most vulnerable groups in society. Yet a number of other groups can be considered vulnerable because they are also often disproportionately affected by poverty.

The World Bank has indicated that people with a functional impairment make up around 10% of the global population and 20% of the world's poor.⁹⁸ The second Special Rapporteur on Disability of the Commission for Social Development has noted that poverty and functional impairment often go together.⁹⁹ This group of people merit extra attention – which is currently minimal – in national and international development agendas on poverty reduction.¹⁰⁰ Nor do the MDGs devote specific attention to people with functional impairments, while programmes and policies based on the MDGs often ignore this group completely.¹⁰¹ In recent years, however, the UN – and the Special Rapporteur in particular – has devoted attention to the importance of taking full account of the interests of people

96 UN, Inter-Agency and Expert Group on MDG Indicators, 6th Gender Indicators Sub-group meeting, New York, 2005, <<http://www.wiego.org/IAEGGenderSubgroupMinutes26Sep2005.doc>>.

97 R. Johnson, 'Not a sufficient condition: The limited relevance of the gender MDG to women's progress', *Gender and Development*, Vol. 13 (1) 2005, p. 60.

98 A. Elwan, 'Poverty and Disability: A Review of the Literature', Social Protection Discussion Paper No. 9932, 1999, World Bank.

99 Report by the UN Secretary-General, 'Mainstreaming Disability in the Development Agenda', ECOSOC, 20 November 2009, UN doc. E/CN.5/2010/6, p. 4.

100 *Idem*, pp. 17-18.

101 UN General Assembly, report by the Secretary-General, 'Realizing the MDGs for persons with disabilities through the implementation of the World Programme of Action concerning Disabled Persons and the Convention on the Rights of Persons with Disabilities', 27 July 2009, UN doc. A/64/180, p. 3.

with a functional impairment within the MDGs.¹⁰² The greatest problem facing these people is that they are often the victims of stigma and prejudice.¹⁰³

The Millennium Declaration calls on states to respect the rights of minorities.¹⁰⁴ In reality, however, indigenous people and minorities are invisible within the MDGs, due to a lack of data on their development and situation.¹⁰⁵ Desk reviews by the United Nations Permanent Forum on Indigenous Issues show that indigenous peoples are included to only a very limited extent in national MDG reports and evaluations.¹⁰⁶ The same applies to minorities.¹⁰⁷

Indigenous peoples suffer deprivation through loss of land and natural resources by colonisation, multiple discrimination, marginalisation and the incapacity to lead their own lives.¹⁰⁸ It is therefore not surprising that they make up 15% of the poorest segment of the world's population, but only 5% of the global population as a whole.¹⁰⁹ Access to adequate care and education is below national averages and these groups are especially vulnerable to the effects of environmental degradation.¹¹⁰ Many of the richest mineral deposits are found on the territories of indigenous peoples, and dispossession of their lands is a serious problem.¹¹¹ Other minorities based on nationality, religion, language

102 Important resolutions have been adopted on this issue, including ECOSOC Resolution 2008/21.

103 J.E. Groce, J-P. Trani, 'Millennium Development Goals and People with Disabilities', *The Lancet*, Vol. 374, 28 November 2009, p. 1800.

104 Millennium Declaration 2000, Part V: '...strengthen the capacity of countries to implement the principles and practices of democracy and respect for human rights, including minority rights'.

105 C. Doyle, 'Indigenous Peoples and the Millennium Development Goals: "Sacrificial lambs" or equal beneficiaries?', *The International Journal of Human Rights*, Vol. 13, No. 1, February 2009, p. 44. UN Human Rights Council, Report by the Independent Expert on Minority Issues, Gay MacDougall, 2 February 2007, UN Doc. A/HRC/4/9, p. 17.

106 The desk reviews can be found at: <www.un.org/esa/socdev/unpfii>.

107 UN Human Rights Council: Report of the Independent Expert on Minority Issues, Gay MacDougall, 2 February 2007, UN Doc. A/HRC/4/9, p. 7.

108 UN Department of Economic and Social Affairs (DESA), 'State of the World's Indigenous Peoples', UN doc. ST/ESA/328, p. 21.

109 W.J.M. van Genugten, 'Protection of Indigenous Peoples on the African Continent: Concepts, Position Seeking, and the Interaction of Legal Systems', *American Journal of International Law*, Vol. 104, No. 1, 2010, pp. 29-65.

110 UN Permanent Forum on Indigenous Issues, 'Indigenous People and the MDGs: Inclusive and Culturally Sensitive Solutions', *UN Chronicle: Partnership for Development*, Vol. XLV, No. 1, 2008.

111 R. L. Barsh, 'Is the Expropriation of Indigenous People's Land GATT-able?', *Review of European Community & International Environmental Law*, Vol. 10, Issue 1, April 2001, pp. 13-26.

and ethnic origin are also disproportionately poorer as a result of discrimination, violence and exclusion.¹¹²

The 2007 UN Declaration on the Rights of Indigenous Peoples recognises both individual and collective rights. Guaranteeing the right to self-determination and the subsequent right to full and effective participation in decision-making processes are key elements in achieving sustainable progress for indigenous peoples.¹¹³ The UN Permanent Forum on Indigenous Peoples states that, if the MDGs are to be achieved by 2015, these elements must be supported through a human-rights-based approach to development, centred on universality, equality, participation and accountability.¹¹⁴ Working with indigenous peoples on the MDGs also calls for an approach based on respect for their culture, world view, experiences and viewpoints on development. The Forum therefore proposes allowing indigenous people to participate fully and effectively in designing, implementing and monitoring MDG programmes and projects relating to them.¹¹⁵

A.III.4 The UN's response to criticism of the eight goals

The final report by the UN Secretary-General in 2010 does not address the fundamental criticism of the MDGs. The report states that the goals are achievable and that the shortcomings in progress can be fully explained by a lack of political will, insufficient funds, a lack of focus and sense of responsibility, and insufficient interest in sustainable development.¹¹⁶ The report does, however, discuss themes not specifically mentioned in the MDGs, including violence against women, poverty among indigenous peoples, refugees, inequality, equitable growth, peace and security, agricultural production, good governance and human rights, climate, and the role of civil society organisations and the private sector. It does not question the concept of the MDGs as such (as unrealistic, unfeasible goals with an emphasis on achieving quantitative targets), but the UN does seem to have taken steps in the direction of an MDG-plus agenda by incorporating themes in the report that are not mentioned explicitly in the goals.

112 UN Human Rights Council: Report of the Independent Expert on Minority Issues, Gay McDougall, 2 February 2007, UN Doc. A/HRC/4/9, p. 7.

113 UN Permanent Forum on Indigenous Issues, 'Indigenous People and the MDGs: Inclusive and Culturally Sensitive Solutions', UN Chronicle: Partnership for Development, Vol. XLV, No. 1, 2008.

114 See also chapter B.IV.1, Human rights approach.

115 UN Permanent Forum on Indigenous Issues, Report of the International Expert Group Meeting on the Millennium Development Goals, Indigenous Participation and Good Governance, fifth session, New York 2006, par. 62.

116 UN Secretary-General, 'Keeping the Promise; A forward-looking review to promote an agreed action agenda to achieve the Millennium Development Goals by 2015', Report of the Secretary-General, UN General Assembly 64th session, February 2010, par. 5 and 116.

A.IV What have the MDGs meant for policy in developing and donor countries?

A.IV.1 How have the MDGs been used in developing countries?

To what extent have the MDGs been embraced by all developing countries that receive aid? Many regional organisations devoted attention to the MDGs, especially in the run-up to the 2010 summit.¹¹⁷

Kersalla Yansane identifies a certain scepticism among African countries, regarding the MDGs.¹¹⁸ For them, the goals are just another donor strategy, the latest in a long series of failed initiatives intended to support development in Africa, including the UN's System-wide Special Initiative for Africa, dating from 1996, and various pledges made by the UN, G8 and G20 in the past decade. Enthusiasm for the goals in Africa was dampened by the fact that it is impossible to achieve them at the continent's current rate of economic growth (7% growth is required to reduce poverty by half) and the current level of aid (according to the Commission for Africa and the Millennium Project, aid would have to be doubled between 2005 and 2010 for the goals to be achieved).¹¹⁹

Others claim that the MDGs push national priorities into the background; for example, Rwanda wanted to give priority to secondary and tertiary vocational education, and Tanzania to small-scale irrigation to improve the situation of its farmers. In the latter case, donors insisted on building large-scale dams, as this would have a positive effect on GDP and therefore bring the country closer to achieving MDG1.¹²⁰

In some cases, developing countries have manipulated the statistics relating to the MDGs or interpreted the goals in their own way. In a number of Latin American countries, for example, deprived indigenous groups were excluded from household surveys and interviews to produce more positive statistics on poverty.¹²¹ Several Latin American countries also relate MDG6, combating HIV/AIDS, exclusively to homosexuality, so that women who are the victims of violence and become infected with HIV are not taken into account. Sometimes the MDGs themselves lead to erroneous policy decisions (or justify existing choices): in Honduras, for example, violence against women is the second most common cause of death, but the ministry of health only has a programme for maternal mortality (MDG5).¹²²

117 For an overview of all regions see, for example, the regional reports of the Economic Commission for Latin America and the Caribbean at: <www.eclac.org>.

118 K. Yansane, 'An African Perspective of the Millennium Development Goals (MDGs): From scepticism to leadership and hope', Committee for Development Policy, March 2005.

119 *Idem*, p. 8.

120 Y. Subasat, 'After 2015: Promoting Pro-Poor Policy after the MDGs', EADI Conference, June 2009, p. 3.

121 *Idem*, p. 3, with reference to S. Damman, 'Indigenous Vulnerability and the Process Towards the Millennium Development Goals: Will a Human Rights-Based Approach Help?', *International Journal on Minority and Group Rights*, Vol. 14, no. 4 2007, pp. 489-539.

122 *Idem*, p. 4.

Many countries adapt the MDGs to their local circumstances by adding goals, targets or indicators.¹²³ For example, by 2000 Thailand had already achieved the goal of halving the number of people living in poverty compared to the base year of 1990. The government therefore decided to set up an MDG-Plus agenda addressing the main problems affecting the country's development. This agenda contains more ambitious goals than the international MDGs. The goal to halve poverty, for example, was adjusted: the aim was now to reduce the number of people living in poverty to less than 4% in 2009.¹²⁴

In practically all countries where the UN has a presence the MDGs are mentioned in planning documents, but it is often unclear how adequately they are implemented. The UN concludes, for example, that in eight out of ten countries the MDGs are mentioned in the Poverty Reduction Strategy Papers, but that many of them – especially the poorest countries – see the PRSPs as a donor-driven process. In around half of low-income countries, more funding has been allocated or pledged to the MDG sectors. Awareness of the MDGs is highest in the least developed countries.¹²⁵ They receive the most attention in Africa, as witness publications by ministries of finance and debates in parliaments.

A more detailed analysis of the 22 PRSPs in developing countries shows that the MDGs have a strong normative effect.¹²⁶ This applies, however, to selected targets, with an emphasis on economic growth ('pro-poor' in a minority of cases), the social sectors (primary education, health and sanitation) and governance (the rule of law, decentralisation and anti-corruption measures: not included in the MDGs). The MDGs on hunger, gender equality (education, political representation), reproductive rights and decent work receive less attention, while equity (income equality), violence against women, human rights (minorities, migrants), participation, democratic governance and partnerships with civil society organisations and the private sector (none of which are referred to in the MDGs) are ignored completely. Ethical themes, like human dignity and equality, which underpin the Millennium Declaration but are not explicitly mentioned in the MDGs, are not addressed in the PRSPs. This leads Fukuda-Parr to conclude that the PRSPs are primarily based on the thinking of the 1980s, with its focus on income growth and poverty reduction as a secondary goal, and that they ignore modern approaches that focus on multidimensional poverty caused by a lack of both voice and access and vulnerability to external shocks.¹²⁷ The PRSPs also tend to focus on specific budgets and avoid making total cost estimates, as these needs assessments are controversial.¹²⁸

123 UN Development Group (UNDG), 'Beyond the Midpoint: Achieving the Millennium Development Goals', New York, January 2010, Annex 1.2, p. 135.

124 UN Development Programme (UNDP), Thailand Millennium Development Goals Report 2004, New York, p. 7.

125 UN Development Group (UNDG), 'Making the MDGs Matter: A Country Perspective', Report of UNDG Survey, New York, June 2005, pp. 4-5.

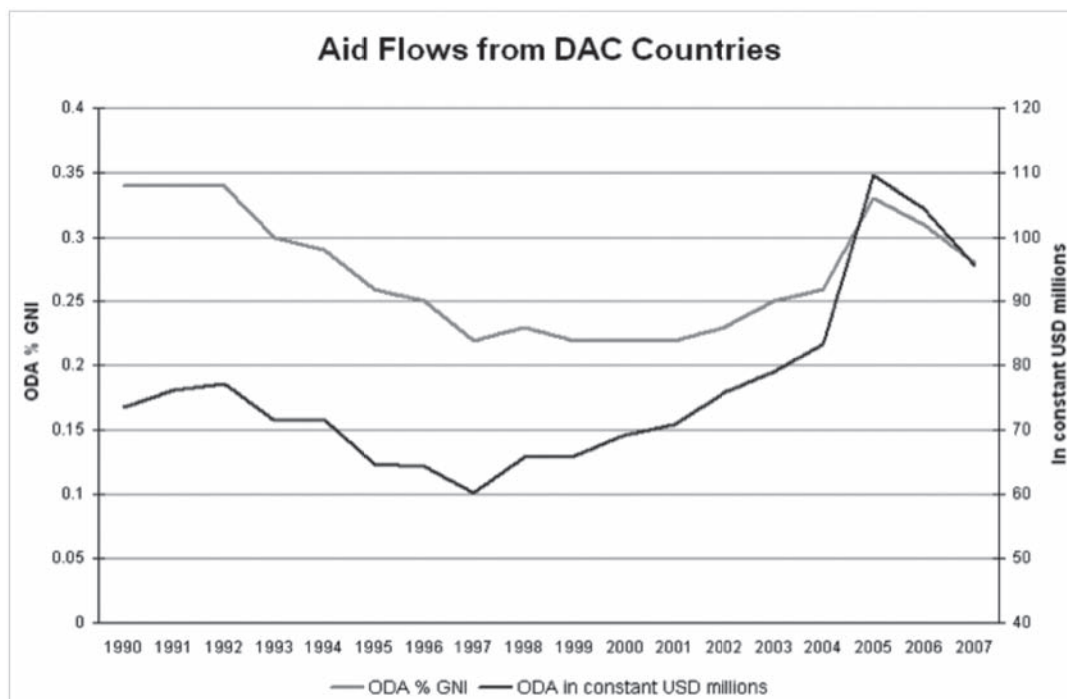
126 S. Fukuda-Parr, 'Are the MDGs priority in development strategies and aid programmes? Only a few are!', International Poverty Centre, working paper 48, October 2008.

127 *Idem*, p. 13.

128 *Idem*, p. 10.

A.IV.2 Have the MDGs had an impact on donor policies?

To what extent have donors allowed themselves to be led by the MDGs? Multilateral institutions, with UNDP at the forefront but also including the World Bank, UNICEF, WHO, FAO and others, have contributed considerably to the conceptualisation, implementation and monitoring of the MDGs.



However, aid from traditional donors has not increased since the introduction of the MDGs. On the other hand, aid from non-DAC donors and private funds has risen, although estimates of the scale of this increase vary.¹²⁹ DAC donors fall way short of the 0.7% norm; on average, they gave less than half of this amount (0.31% of GNI). That also includes aid to Afghanistan (\$4.8 billion) and Iraq (\$9.9 billion), by far the largest recipients. Ethiopia was the third largest recipient (\$ 3.3 billion in 2008). Aid to the least developed countries was only 0.09% GNI (2008).¹³⁰ Nevertheless, it could be said with some caution that the MDG agenda has helped maintain the level of aid, even during times of crisis.

An analysis of 20 policy documents of bilateral aid organisations shows that, to differing degrees, donors have gradually adopted the MDGs.¹³¹ Little priority is given to infant and maternal mortality. Employment, hunger, gender and related Millennium themes like social integration and technology are also underrepresented. In contrast to the PRSPs,

129 UN Department of Economic and Social Affairs (DESA), 'World Economic and Social Survey 2010: Retooling Global Development', New York, May 2010, pp. 54-55.

130 UN, 'Millennium Development Goal 8: The Global Partnership for Development at a Critical Juncture', MDG Gap Task Force Report 2010, New York 2010, p. x.

131 S. Fukuda-Parr, 'Are the MDGs priority in development strategies and aid programmes? Only a few are!', International Poverty Centre, working paper 48, October 2008, pp. 11-13.

considerable attention is devoted to environmental protection (but not to sanitation), democratic governance and, in more recent donor policy documents, climate change. Peace and security also receives a lot of attention, reflecting the need – at any rate among donor countries – to include this theme from the Millennium Declaration in policy, despite its not being part of the traditional development agenda.

MDG8 goals are primarily mentioned in MDG reports referring to international negotiations like Doha (trade), the Paris Declaration (donor coordination) and the HIPC (Heavily Indebted Poor Countries) initiative (debt cancellation). The needs assessment for the MDGs – the estimate of available and required resources to achieve the goals – is drawn up per individual country. As part of their development policies, countries themselves calculate their needs and resources, often in consultation with the donor community. Calculating how much it costs at global level to achieve the MDGs is a tough challenge, which can be approached in different ways: by income group, theme or region.¹³² The UN Millennium Project, for example, has calculated that the estimated MDG funding deficit for all low-income countries was \$73 billion in 2006 and \$89 billion in 2010, and that it will be \$135 billion in 2015.¹³³

The European Union

Some people feel that the European Union (EU) should take the lead in formulating a new development paradigm.¹³⁴ The European Commission has formulated a 12-point action plan to support the MDGs.¹³⁵ The EU is the largest donor and has committed itself to improving the effectiveness of aid.¹³⁶ In addition, the Union itself is a model of regional cooperation and support for weaker member states, even though there is often a degree of friction. The MDGs were developed by the UN, primarily UNDP. If the EU were to take it upon itself to formulate a follow-up policy, the AIV considers consultation with its development partners essential, right from the start. Another option is for like-minded European states to form a group with a number of important development partners. The Netherlands could play a prominent role in this group and should call on the UN to set up a commission or task force to this end.

The Netherlands

A recent report by the Netherlands Court of Audit on accountability for development spending concludes that the Netherlands' policy priorities, its budget articles and the MDGs are largely addressed separately. The MDGs are accounted for in the annual

132 UN, Millennium Development Goal 8: 'The Global Partnership for Development at a Critical Juncture', MDG Gap Task Force Report 2010, New York 2010, pp. 3-4.

133 UN Millennium Project, 'Investing in Development: A practical plan to achieve the Millennium Development Goals', New York 2005.

134 F. Bourguignon et al, 'Millennium Development Goals at Mid-point: Where do we stand and where do we need to go?', Summary of paper for the joint European Commission initiative 'Mobilising European Research for Development Policies', European Report on Development, September 2008.

135 European Commission, 'A Twelve-point EU action plan in support of the Millennium Development Goals', communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, Brussels, 21 April 2010.

136 EU Code of Conduct on Complementarity and Division of Labour.

report on development cooperation, but this cannot be translated directly in terms of the budget and policy.¹³⁷ There is therefore a certain tension between donors' national policy priorities and international goals. The Court of Audit recommends making a sharp distinction between themes that are results-based, and the strategy, channels and conditions that determine the framework for cooperation. The Court also notes that results-based and input-based commitments are not the same, and that it is necessary to distinguish between internal monitoring (to increase learning capacity) and accountability to parliament (and the public).

In the interest of country specificity and ownership, the AIV advises the Dutch government to account to parliament for the budget by recipient country and to include a statement of expenditure by theme, specified per MDG.

A.V The MDGs after 2015?

In this chapter the AIV presents a number of recommendations for a possible contribution by the Netherlands to the process of achieving international consensus on a development agenda after 2015. Its arguments are based on the assessment and criticism of the MDGs as analysed in the previous chapters and summarised briefly below in section A.V.1. They also take account of current global developments, new themes and the requirements of global governance, all of which are addressed in more detail in part B of this report. Three options are examined more closely: abolition of the MDGs (A.V.2), continuation of the current system (A.V.3), or reform and introduction of a renewed MDG system (A.V.4).

A.V.1 Conclusions and lessons learned

The Millennium Declaration that preceded the MDGs is still relevant in specifying a number of important conditions for achieving development. The progress reviews of 2005 and 2010 added a number of significant issues in areas like gender and social security.

Some of the elements in the Millennium Declaration were translated into quantitative goals and targets: the Millennium Development Goals. The main advantages of the MDGs are that they expand the concept of poverty, focus on output (results) and not input (financing), provide a worldwide normative framework for the different actors involved in development cooperation, and promote international consensus.

The MDG system has been successful in communicating a complex development problem to a wider public, but it must be accepted that the majority of the goals will not be achieved by 2015. This is partly because of the limited operationalisation of the goals for developed countries (MDG8) and a failure (with a number of exceptions, including the Netherlands) to comply with international pledges, in relation to Official Development Assistance (ODA) and reform of the global trade and financial system.

A number of countries never entirely embraced the MDG concept because they felt that the process of formulating and setting the goals and targets was driven in the first instance by the donor countries. Some African countries saw the MDGs as just the latest in a series of initiatives for the continent that had mainly failed and not resulted in increased aid flows.

¹³⁷ Netherlands Court of Audit, *Basis voor een goede verantwoording over ontwikkelingssamenwerking*, The Hague, March 2010, p. 18.

A number of themes in the original Millennium Declaration of 2000 were not included in the MDGs, or not to a sufficient extent (some have since been incorporated in the follow-up declarations of 2005 and 2010), but are certainly relevant in a post-2015 system. These include food security, demography, infrastructure in Africa, peace and security, inequality, sustainability, growth and employment, human rights and knowledge. On a number of goals – including climate, gender and global governance – input has been totally inadequate.

A major criticism of the MDG system is that it has no underlying economic theory or a theoretical basis for the choices made. Furthermore, the MDGs take no account of what deprived parts of the world need to do more or less than others to achieve them, nor do they provide much insight into progress made by individual countries. Setting global goals and then implementing them per country has proved insufficiently effective and inspirational.

The choice of 1990 as the benchmark year for the MDGs provides an overly positive image of what has been achieved. The effects of the 2008 financial and economic crisis are difficult to estimate. While the crisis has made it more difficult to implement the MDGs, it was itself the outcome of a failing global financial system. The question of whether just as much progress would have been made without the MDGs is understandable and legitimate, yet difficult to answer scientifically. An accelerated trend since 2000 can only be observed in 20% of the MDG indicators.

Despite this criticism the AIV believes that indicators are useful as a policy instrument, and that benchmarks like those used by the MDGs, should be maintained. The AIV also believes that some of the existing indicators, such as those for education and water, need to be extended so that they also measure quality. It recommends broadening the scope of the indicators to include themes like inequality, wellbeing, sustainability and human rights principles, and target groups such as women.

It is difficult to determine exactly what the MDGs have signified for policy development in developing countries. Donor-dependent countries often tend to say what their donors wish to hear. Some developing countries have adapted the MDGs in their own way by, for example, adding targets for human rights or extra relevant indicators, such as specific diseases. The Poverty Reduction Strategy Papers (PRSPs) that still dominate policy in poorer countries generally refer selectively to the MDGs but, despite reforms, they are still considered by many to be donor-driven and not focused sufficiently on the multidimensional aspect of poverty. To date, the MDGs have been unable to prevent certain issues from being underrepresented, including hunger, gender inequality, employment and reproductive rights. In addition, setting unrealistic goals, e.g. in Africa, does not promote ownership.

To do greater justice to developing countries' own policies, it is equally important to measure progress made in pursuing national priorities and achieving the MDGs. Flexibility in establishing clusters of goals for each country can help to achieve this. It is also important to aggregate national goals and set them off against the global MDGs. A clear link should be established between national policy and the MDGs.

Generally speaking it will not be possible to dictate the levels of effort required to pursue the MDGs though there is peer pressure on those who fail to meet the indicators (naming and shaming). A bottom-up strategy is a more effective way of acquiring support for the MDGs, and today's better informed network society can play a prominent role in this.

To improve linkage between national policy and the MDGs, it is important for developing countries and the emerging economies to play a prominent role in the development of a new strategy. The success of the post-2015 system depends largely on this consultative process.

The MDG agenda and the Paris Agenda on aid effectiveness merit closer coordination to promote donor harmonisation; the number of coordination mechanisms in the Paris Agenda should be limited; implementation at partner country level is the most important. The AIV therefore calls for a link to be made between the Paris Agenda and donor harmonisation around the country-specific MDG themes. There should be an international division of labour by country and theme; it is important to investigate what partner countries feel about this.

If the EU were to take it upon itself to formulate a follow-up policy, consultation with its development partners is essential right from the start. The AIV recommends that like-minded European states form a group with a number of important development partners. Although, as noted previously, the EU is the largest donor and a joint EU standpoint would probably carry more political weight, a group of like-minded countries would have the advantage of being more flexible, increasing opportunities for developing countries to be involved at an early stage. The Netherlands could play a prominent role here and, together with other countries, call for the UN to set up a commission or task force to this end, in which developing countries would also participate.

One point that is important for a number of donor countries, including the Netherlands, is how to coordinate the MDGs, which are grouped by theme, with a country-specific policy. In line with its advisory report no. 69, the AIV recommends that, when accounting to parliament on the budget, the government should specify by aid-recipient country (in the interests of country specificity and ownership) and include a statement on theme-based expenditure per MDG.

A.V.2 MDGs in perspective: should they be abolished?

The MDGs have initiated a broad international discussion, generating greater awareness and clarifying standpoints in the development debate. There has been considerable fundamental and detailed criticism, chiefly that the MDGs are an example of donorship rather than ownership. The AIV finds this criticism justified in some cases.

The AIV also believes that the MDGs lack both a solid basis and a vision of a development process that requires structural change. While some consider that a weakness, others see it as a strength: precisely because they lack any theoretical basis, the MDGs do not have to lead to the kind of 'one-size-fits-all' policy which the WRR, for example, has correctly objected to. Despite the fact that the MDGs were never intended as a one-size-fits-all approach, many – especially in the donor community – have embraced them as a mantra for development, sometimes through lack of a better alternative. The goals have come to be seen in such absolute terms that anything that falls outside them no longer matters. As a consequence, every self-respecting group has tried to get its area of activity included within the MDGs. A number of examples have been given in previous chapters. The fixation with bringing everything under the MDGs has resulted in many people forgetting that sustainable economic growth with a conscious policy of structural change and redistribution can just as easily contribute to social progress as direct attention to the social sector.

Should we then abolish the MDGs? The AIV does not believe we should, for a number of important reasons. The main one is that the MDGs were intended as a global consensus to make development efforts more focused and multidimensional by setting targets and thus creating accountability. If we were now to abolish the MDGs we would be getting off too lightly, especially the developed countries which have had far less to do with accountability. There is general agreement that MDG8 (global partnership), which was added to the process at a later stage, demands very little of the developed countries. The AIV therefore believes that an important element of the evaluation of the MDGs in 2015 should address the question of how the global partnership has developed in reality and what lessons should be learned with a view to improving it.

Where the other goals are concerned, the AIV notes that the MDG system has certainly had a positive impact in certain areas, especially in more recent years. Its main assets have been initiating a global consensus, communicability, universal indicators and the accumulation of statistical data in the form of benchmarks and measurable results. The fixed period, with 2015 as the target year, has undoubtedly exerted additional pressure on donors and local governments to increase their efforts. Unfortunately, it is not possible to determine clearly whether this has simply led to priorities being shifted or to an absolute increase in the aid effort, or at least steps to prevent it being reduced.

A.V.3 Should we continue with the current MDG system?

The AIV therefore finds that, on balance, it is not advisable to abolish the MDG system completely. That is, however, not a recommendation to continue the present system unchanged. It would be a highly undesirable scenario if, in 2015, we were to conclude that not all the MDGs have been achieved and that a new period needs to be set in which to achieve them. The criticism, as presented in the previous sections, is too serious to continue on the same footing. Perhaps one of the most important factors supporting a change of approach is that the world is now a different place than it was at the end of the last century, when the MDGs were formulated.

The world has recently emerged from a serious recession and a financial crisis, which were caused in the industrialised countries but led to increased poverty in parts of many developing countries, and made it even more difficult to achieve a number of social goals. The World Bank speaks of a setback of several years. The global crisis, together with the rapid growth of a number of developing countries, has produced radical changes in the global balance of power. At the time of writing, events are unfolding in the Arab region the consequences of which we cannot yet foresee, but which will possibly also influence a new consensus on development.

In short, it is no longer the G7 of Western countries – or the G8 with Russia on board – that meet to discuss international coordination, but the G20, which also includes a number of developing countries, in which attempts to reach a global consensus are being made. This is a completely different configuration than in the run-up to the Millennium Declaration at the end of the 1990s, when the OECD DAC secretariat was one of the institutions driving formulation of the Declaration and the MDGs based on it. The Netherlands, too, is in a somewhat different position than it was then, partly because it is not a permanent member of the G20. In addition, a growing percentage of development financing now runs outside the DAC.

The G20 has recently reached agreement on a new development agenda (the Seoul Development Consensus for Shared Growth, see annexe IV). The consensus contains six (G20) Development Principles. Principle 6 on ‘outcome orientation’ focuses on ‘targeting,

monitoring and accountability'. The AIV believes that engaging as far as possible with this consensus can considerably increase the chances of reaching a global consensus on a post-2015 system.

Another consideration is the growth of India, China and other developing countries, which is changing the division of poverty in the world.¹³⁸ Poor people do not live only in poor countries; a large proportion of the world's poor now live in middle-income countries or emerging economies.¹³⁹

A situation is emerging with, on the one hand, poor people in poor countries, largely in Africa, and on the other, poor people alongside an emerging middle class in countries with rapidly growing economies. This implies that if we are serious about setting a global goal on reducing poverty and improving access to social services, we can no longer ignore issues of how income and access to services are distributed. There are therefore important arguments not to jettison the current MDG system, but to change it radically.

A.V.4 A post-2015 system for international cooperation

The AIV advises the government to advocate a strongly modified system. It is equally important to take a different approach in trying to achieve international consensus and ownership of the international development agenda. The AIV attaches great importance to the proposal that developing countries should themselves determine their own development within a framework of internationally agreed human dignity. Like the WRR, the AIV has argued that a 'one-size-fits-all' model of development is now a thing of the past.

Taking all this into account, the AIV finds that, in preparing the post-2015 agenda, a process must be set in motion which allows ample scope for different development models and for developing countries – and especially the people in them (who, after all, are what poverty reduction is about) – to fully participate. This is different to the run-up to the Millennium Declaration and the MDGs, which was largely donor-driven. The Netherlands and other donors must, however, identify the contribution they can make to this process. That is one of the aims of this report.

The AIV is therefore of the opinion that an international process of consultation and consensus building must be set in motion forthwith. After all, one of the achievements of the MDGs that deserves to be protected and strengthened is the creation of an international consensus on development. Precisely what indicators are used is less important than the participatory process itself. The AIV recommends setting up an international commission as soon as possible that will, through a participatory process, work on a future system to succeed the current Millennium Declaration/MDG system, possibly with a renewed set of MDGs, and ensuring that this participatory approach continues after 2015.

The original intention of the existing MDGs was to formulate them in the spirit of Amartya Sen's capabilities theory, which is based on the tenet that 'freedom is progress' and a multidimensional view of what constitutes poverty (see section B.II.1). Unfortunately, not all freedoms are incorporated consistently in the current MDGs. To measure development, as many of the freedoms identified in Sen's theory as possible should be included in the

138 R.J. van der Veen, *Waarom Azië rijk en machtig wordt*, KIT Publishers, Amsterdam, 2010.

139 A. Sumner, 'The New Bottom Billion', *The Broker*, issue 23, December 2010.

new MDG system. Besides including social security, this means measuring security and incorporating the human rights approach to development (including participation, non-discrimination and accountability) in all activities aimed at achieving the goals. Because political rights will be a sensitive issue in a global consensus approach, the focus could be placed on institution building; after all, an effective state is indispensable to development, especially in fragile states.

The AIV considers it desirable that new ideas, like the ‘global social floor’ – an internationally recognised minimum level of subsistence proposed in the 2010 MDG Review – play a role in this process and in reviewing the MDGs. The Netherlands can actively promote this. The crisis has shown just how much a global social floor is needed. Rapid growth in some developing countries and the speed with which financial institutions have recovered from the crisis, have convinced a large group of people that a global social floor is possible and may not be rejected for purely financial reasons.¹⁴⁰ The AIV therefore recommends that a new system of MDGs should, if possible, contain a clearly defined and internationally recognised minimum level of subsistence. This might be a task for a subcommittee of experts.

The AIV sees its recommendations as the Netherlands’ contribution to a discussion in which the voice and opinions of people in developing countries and of their governments must also be clearly heard. After all, if we see development aid in terms of ownership and the right to a social minimum, it is up to the recipient – under certain conditions – to determine how it is used.

A number of practical recommendations – some of which have already been mentioned above and others that can be seen as anticipating part B of this report – for the Netherlands’ input in the process of designing a post-2015 system.

1. Focus on the process approach to achieving a new post-2015 system.
2. Do not set new target dates (no new ‘2015’), but measure progress every five to ten years. Review the strategy in a ‘rolling’ process on the basis of the results. Set sustainable targets.
3. There is no need to retain the ‘M’ for Millennium. This is no longer relevant after 2015. Where possible, use the terminology of the G20 and the Seoul Declaration to facilitate international consensus.
4. Refer to actions, strategies and indicators, rather than goals.
5. Limit the current eight goals to a maximum of four or five clusters of goals, for example by grouping health goals together; maintain the indicators and benchmarks agreed so far.
6. Add a maximum of two or three goals or goal clusters, such as peace and (social) security or effective governance, to do justice to themes that are widely considered to be missing from the current system, especially the objective capabilities approach and global public goods, and establish a link between the MDGs and the latter.
7. Embed human rights and gender issues by i) incorporating them throughout as cross-cutting issues by, for example, measuring results according to gender, ethnicity, rural-urban, regional, ‘bottom-top quintiles’ (principle of non-discrimination) and so on; ii) by including references in the post-2015 system to key globally endorsed conventions on human rights and agreements such as Cairo and Beijing; iii) by establishing that all programmes of action must comply with the principles of participation, non-discrimination and accountability.

140 Social Protection Floor Advisory Group (ILO), <www.ilo.org/public/english/protection>.

8. Make sure that donors organise themselves around a new system based on the efficiency principles of the Paris Agenda (division of tasks and fewer national priorities) and, if possible, establish a clear link with MDG themes.
9. In each new goal, describe action to be taken by donor countries, recipient countries and other actors, and specify the roles and responsibilities of the various actors (governments, parliaments, the private sector, trade unions and NGOs).
10. Include a number of indicators of demographic development to support the regular analysis and monitoring of the progress made with development processes, but do not express demographic developments as a goal. Preserve goals and indicators relating to the use of contraceptives, and devote attention to ageing.
11. Ongoing globalisation, recent global developments and the financial-economic crisis of 2008 and 2009 call for a post-2015 system that will introduce improvements to the current international trade and financial systems.

B Towards a different approach: a global development agenda

Introduction

In part B of this report, in response to the government's question whether the development goals should not be seen more in relation to global challenges, and to provide the government with the possible contours of a new international development agenda, the AIV offers an overview of a number of important development themes that have received national and international attention and considers their relevance for a post-2015 system. The first chapter briefly examines current worldwide developments in globalisation, trade and financial systems, technology and demography, which impact on the context for a post-2015 system. This is followed by a chapter on themes and challenges relating to what development is (or should be), and which can serve as a basis for a post-2015 system. The subsequent chapter examines underexposed themes that should be given priority in a post-2015 system. One of the conclusions that emerges from the discussion on these themes is that greater global cooperation is required to confront future challenges. Chapter four therefore addresses a conceptual basis for global cooperation, looking at issues like human rights, global public goods and the need to devote attention to global commons management. The final chapter examines the new challenges for global governance.

B.I Current developments

This chapter takes a brief look at global developments and their consequences, to place the discussion on global governance and the future of the MDGs in a broader perspective. A clear overview of these developments can be found in the UN's World Economic and Social Survey 2010 (WESS),¹⁴¹ the World Bank's Global Monitoring Report 2010,¹⁴² and the UN World Urbanization Prospects report.¹⁴³ As well as analysing trends, this chapter also presents recommendations for achieving a new global consensus.

B.I.1 Globalisation at a crossroads

Globalisation is at a crossroads. The promise of peace and prosperity after the end of the Cold War has not materialised and, instead, we are struggling with food, energy, financial and climate crises and many conflicts (although the number of armed conflicts has fallen since 1992, from 50 per year to around 30. Fewer people are also dying per conflict).¹⁴⁴

141 UN Department of Economic and Social Affairs (DESA), 'World Economic and Social Survey 2010, Retooling Global Development', New York, May 2010.

142 World Bank, 'Global Monitoring Report 2010: The MDGs after the Crisis', Washington 2010.

143 UN Department of Economic and Social Affairs (DESA), 'World Urbanization Prospects 2009 Review', New York, 2010.

144 This refers to conflicts that claim more than 1,000 battle deaths every year. See the Human Security Centre, 'The Human Security Report: War and Peace in the 21st Century', www.humansecurityreport.info (University of British Columbia, Canada), 2005. An update of this report, which originally contained data from 1946 to 2002, was published on 20 December 2006, with additional figures up to 2005.

With fragile states a widespread problem, most of today's conflicts are civil wars.

The UN has observed five trends: a significant shift in the global economy due to the rapid growth of developing countries in Asia, resulting in 'multiple engines of growth'; increasing income inequality (but with reduced poverty, especially in China); population growth and urbanisation; heavy pressure on the natural environment and biodiversity; and an economic process consisting of non-regulated global value chains, dominated by international companies. Management of the global system is weak. There is tension between decision-making at national and global level, which will only intensify if adequate measures are not taken.¹⁴⁵ The AIV endorses the UN's analysis.

The Millennium Declaration stated that market growth strategies alone are not sufficient to combat poverty and that good public and other institutions and social policy are indispensable. The MDGs refocused attention on human development and poverty reduction, often by increasing budget allocations to the social sectors. However, donor policies continued to contain core elements of the structural adjustment policies of the late 20th century, making it impossible to compensate for the impact of external shocks on employment and incomes. As a result, many countries are no longer on track with the MDGs. The scope for many countries to determine their own policies on industry and other matters also remained limited through, for example, intellectual property provisions, international trade rules, the increased role of foreign investments and non-public money flows, which made it difficult to achieve macroeconomic stability.¹⁴⁶

B.1.2 Trade and financial systems

International trade has increased in recent decades, largely due to the rapid growth of intermediate products, often within the global value chains of multinational companies. In addition, trade flows have displayed great volatility. Trade negotiations ran aground at the Doha round of the WTO, exposing the organisation's institutional weakness. The poorer developing countries found themselves facing WTO-imposed restrictions on subsidies to their own industries as well as trade tariffs and protected intellectual rights, leaving them little scope for their own policies. More room needs to be created for a 'common but differentiated approach'.

The UN's MDG8 Gap Task Force therefore advises completing the Doha round negotiations as quickly as possible, with sufficient flexibility and aid to strengthen trade and production in developing countries and prevent the expansion of protectionism as a response to crises.¹⁴⁷ The task force's report also calls for the abolition of all agricultural subsidies by 2013, as agreed earlier, and full 'duty-free and quota-free' market access for the least developed countries to create employment, as well as simplification of 'rules of origin'.¹⁴⁸ The AIV endorses not only these recommendations but also the importance of encouraging both trade between developing countries and increased regional integration,

145 UN Department of Economic and Social Affairs (DESA), 'World Economic and Social Survey 2010: Retooling Global Development', New York, May 2010, chapter 1.

146 *Idem*.

147 UN, 'Millennium Development Goal 8: The Global Partnership for Development at a Critical Juncture', MDG Gap Task Force Report 2010, New York 2010.

148 *Idem*, pp. xii-xiii.

for example by removing reciprocal tariffs and infrastructural obstacles.

In recent years, rather than promoting development, financial markets have further restricted developing countries' policy space by, for instance, lifting restrictions on capital flows and integrating into the global market, resulting in greater volatility. Financial instruments (derivatives) have become increasingly separated from 'real' production sectors, fuelling short-term capital movements and speculation, leading to volatility in capital markets. Self-regulation has not worked and has resulted in costly crises. The G20 has only come up with a partial answer to that problem. Capital flows are much more volatile than trade flows. The policy of liberalisation of capital markets in developing countries, initiated by the IMF, has exposed them to too great risks. They may have acquired better access to financing sources, but macroeconomic management has become more difficult. The large dollar reserves that had to be accumulated for this purpose have in fact led to a flow of capital from developing to developed countries.¹⁴⁹ The AIV agrees with the analysis of the UN and the World Bank and observes that, in addition to a greater influx of foreign capital, the international financial system has resulted in greater volatility which mainly affects developing countries and the people who live in them. A new financial structure is therefore urgently needed as an important condition for development, and should therefore be part of a post-2015 system.

B.I.3 New technology

Despite the crisis, the spread of information and communication technology (ICT) has continued: 68% of the world's population now has a mobile telephone (57% in developing countries). The use of the internet has also increased in recent years: at the end of 2008 23% of the global population (1.6 billion people) used internet, but the percentage is much higher in developed countries.¹⁵⁰ The crisis has, however, had a negative impact on investments and access to fast internet remains a problem in developing countries. Liberalisation of the ICT market can make the use of telecommunications and ICT significantly cheaper.

The AIV is of the opinion that a post-2015 system must devote attention to developing countries' absorption capacity for and access to new technology and to improving knowledge transfer, something which the current MDG system barely touches on. The AIV is aware that access to and transfer of knowledge raise important questions relating to intellectual property. These include the complexity of many rules and the legal infrastructure required to allow the system of intellectual property rights to function, despite the fact that many specific arrangements have been made for developing countries. The system of intellectual property rights must be allowed to function in a way that does justice to the notion of knowledge as a global public good.¹⁵¹

149 UN Department of Economic and Social Affairs (DESA), 'World Economic and Social Survey 2010, Retooling Global Development', New York, May 2010, chapter 5.

150 UN, Millennium Development Goals report 2010, New York, p. 72.

151 See the project on the Millennium Agreement on Intellectual Property Rights and Development conducted by seven researchers from North and South with funding from NWO-WOTRO Science for Global Development and the Ministry of Foreign Affairs. The final report will be published in the summer of 2011.

The International Task Force on Global Goods endorses two initiatives in this respect. Firstly, strengthening the 'common knowledge' platform through international partnerships aimed at improving worldwide opportunities for research and information. Secondly, the task force is working to mitigate the disadvantages of TRIPs (Trade-Related Aspects of Intellectual Property Rights) for developing countries.¹⁵² One way to achieve this would be to conclude a new international agreement to make it easier to transfer scientific knowledge and technological information.¹⁵³ In addition, under the agreement, rich countries would help poor countries improve their capacity to process, distribute and generate knowledge, thus making up for shortfalls in the latter's absorption capacity.

B.I.4 Demographic development

By the end of 2011, there will be around seven billion people living on Earth.¹⁵⁴ That will probably increase to eight billion by 2025, with 4.8 billion in Asia and 1.4 billion in Africa.¹⁵⁵ If these trends continue, the global population will have reached 9.15 billion by 2050, with 5.2 billion in Asia and around 2 billion in Africa. Throughout this period, developed regions will remain stable at or around 1.3 billion.¹⁵⁶ This means that, in 2050, developed countries will account for only 14% of the world's population. The scale the population in some countries will have reached by then is already a cause for concern: Niger 58.2 million (now 15.9), Ethiopia 173.8 (now 84.9), Nigeria 289 (now 158.2), Pakistan 335.2 (now 184.7) and Afghanistan 73.9 million (now 29.1).¹⁵⁷

The birth rate is falling in almost all countries of the world, including the poorest,¹⁵⁸ but in the least developed countries it will still be 2.4 more than the replacement rate in 2050, generating population growth. More than 200 million women wish to use contraceptives but have no access to them. Of 190 million pregnancies more than 50 million end each year in abortion, often conducted illegally and in unsafe conditions, posing an enormous threat to health.¹⁵⁹ Full access to contraception for all who

152 International Task Force on Global Public Goods, 'Meeting Global Challenges: International Cooperation in the National Interest', Stockholm 2006, p. 68. The amount that developing countries will have to pay every year in copyright under TRIPS is estimated at \$60 billion. The original idea was that some of these costs would be compensated by the advantages ensuing from the protection of intellectual property, such as increased trade, supplementary technology transfer and higher foreign investments. These expected benefits are, however, not enforceable.

153 Open access to basic science and technology (ABST).

154 World Population Foundation, *Wereldbevolking 2010, sociale and demografische gegevens over de wereldbevolking*, Utrecht, 2010.

155 UN, Department of Economic and Social Affairs (DESA), Population Division, 'World Population Prospects: The 2008 Revision', <<http://esa.un.org/unpp>>.

156 Developed regions include Europe, North America, Australia, New Zealand and Japan.

157 UN, Department of Economic and Social Affairs (DESA), Population Division, 'World Population Prospects: The 2008 Revision', <<http://esa.un.org/unpp>>.

158 The current birth rate in the poorest countries is approx. 4.08.

159 United Nations Population Fund, <<http://www.unfpa.org/rh/planning.htm>>.

currently want it would lead to a reduction in abortions and a further reduction in the number of unwanted births, and to a substantially lower peak in the global population in 2050 (some demographers believe that the peak need be no higher than eight billion). Education for girls also lowers the fertility rate.

The inactive percentage of the population (under 15 and over 60) will rise in the rich countries to 48% (now 38%), and in Asia to 42% (now 36%), as a result of the falling birth rate there, but will decrease to 38% in Africa (now 46%).¹⁶⁰ This promises to be an economic dividend for Africa, if sensible advantage is taken of the situation. Policy can be based on it, and it can be reflected in the goals for Africa. In Asia, policy will need to take account of ageing.

Urbanisation will rise to 55% in the least developed countries in 2050 (now 29%) and in Sub-Saharan Africa to 60% (now 37%). In rich countries, it is currently 75% and will rise further to 86%.¹⁶¹ Today, urbanisation is not seen as a negative development that should be curbed. Cities have proved to be very good at generating prosperity. Measures to combat urbanisation lead to slums, preparedness to controlled growth of cities and urban prosperity.

There are 214 million international migrants worldwide, 128 million of whom live in developed countries.¹⁶²

The AIV's July 2009 advisory report entitled 'Demographic Changes and Development Cooperation' (report no. 66) notes that demographic trends only become visible in the long term and bring about very far-reaching changes in the field of development cooperation. They are also determinant for global public goods and have a great impact on a number of elements in the MDGs, including economic growth, employment and unemployment, peace and security, food security, environment, water, climate and poverty.

B.I.5 Conclusions

Current developments (and analysis of them) are an important guideline for a post-2015 system.

Globalisation

With a view to a coherent post-2015 system, the AIV shares the UN's observation that it is time for a new consensus, for which successive crises have created both the need and the political space. This consensus will have to encompass success factors for development, a number of which will be discussed in more detail later in this report. The most important of these factors – in line with the WESS report – are as follows:

- industry and infrastructure policy aimed at sustainability, employment and poverty reduction, and reducing CO₂ emissions;
- attention to the development of sustainable agriculture;
- development-oriented macroeconomic policy: in addition to controlling inflation, fiscal

¹⁶⁰ *Idem*.

¹⁶¹ UN, Department of Economic and Social Affairs, Population Division (DESA), 'World Urbanization Prospects: The 2009 Revision', <<http://esa.un.org/unpd/wup/>>.

¹⁶² UN, Department of Economic and Social Affairs (DESA), Population Division, 'Trends in International Migrant Stock: The 2008 Revision', <<http://esa.un.org/migration/>>.

restraint and export promotion, also scope for anticyclical policy with priority for essential investment in development and focused on preserving employment and income;

- social policy aimed at human development, access to land and financial markets;
- universal access to social security through structural transformation of the economy and labour market policy;
- a more equal distribution of income and capital resources (including land);
- investment in human capital (education);
- social policy as an integrated part of economic policy (and not as target group policy);
- a properly functioning state (institutions, legislation);
- space for country-specific policy; and
- policy coherence both within countries and internationally (stable aid flows, financial markets and a fair trade system).¹⁶³

Trade and financial system

A full analysis of a new global trade and financial system is beyond the scope of this report but, in the context of a post-2015 system, the AIV considers the following elements to be important:

- multilateral macroeconomic monitoring with the aim of promoting capital flows to developing countries; the developing countries themselves should ensure a secure environment for investments;
- regulation of financial markets to prevent excessive risk acceptance, and a new global financial authority;
- international cooperation to coordinate taxation of multinational companies;
- re-introduction of mechanisms for compensatory financing (protection against external shocks by providing access to international funding sources);
- better monitoring by the IMF of the consequences of the national economic policies of developed and developing countries for the international economy, especially for countries with reserve currencies; and
- democratisation of the governance of the IMF and the World Bank, and reform of these institutions.¹⁶⁴

Technology and knowledge transfer

- The AIV is of the opinion that a post-2015 system must devote attention to developing countries' absorption capacity for and access to new technology and to improving knowledge transfer, which the current MDG system barely touches on.
- The AIV is aware that access to and transfer of knowledge raise important questions relating to intellectual property. These include the complexity of many rules and the legal infrastructure required to allow the system of intellectual property rights to function, despite the fact that many specific arrangements have been made for developing countries. The system of intellectual property rights must be allowed to function in a way that does justice to the notion of knowledge as a global public good.

Demography

- The AIV advises against including demographic goals in a post-2015 system, as this can have undesirable consequences, including compulsory contraception and abortion.

¹⁶³ UN Department of Economic and Social Affairs (DESA), 'World Economic and Social Survey 2010, Retooling Global Development', New York, May 2010, chapter 2.

¹⁶⁴ *Idem*, chapter 5.

- It does, however, strongly recommend that the new system include both an indicator of the availability of contraceptives and a number of demographic indicators to make policymakers aware of these trends, which mostly have very radical impacts in the slightly longer term.

B.II Themes and challenges for development

There are several theories about what wellbeing development entails. Traditional economics looks at rational choices ('rational choice theory') and defines utility as a ranking of preferences. Wellbeing is thus defined as the extent to which these preferences are fulfilled.¹⁶⁵ Because this definition often contrasts strongly with personal experience, others have been proposed: objective criteria for what is good, such as capability development (objective wellbeing) and a mental state determined by the measurement of happiness (subjective wellbeing).¹⁶⁶ In addition, it is often said that development must be sustainable, i.e. it must not be achieved at the expense of the wellbeing of current and future generations. In the debate on what development is, these arguments often overlap.

B.II.1 Capabilities approach

The capabilities approach merits separate consideration, as it lay at the basis of the Millennium Declaration and the thinking of UNDP. Nobel Prizewinner Amartya Sen argues that progress is more than just a higher income. Progress means acquiring more freedom and income is only one way of achieving that. He calls for a different approach to economics: 'The discipline of economics has a tendency to move away from focusing on the value of freedoms to that of utilities, incomes and wealth. This narrowing of focus leads to an underappreciation of the full role of the market mechanism.'¹⁶⁷

Sen defines development in terms of people's capabilities to overcome their 'unfreedoms' (capability approach). The economics of wellbeing therefore means the freedom to foster a valuable state of 'beings and doings'. Sen identifies five basic freedoms:

1. political and participatory freedoms and civil rights: freedom of expression, free elections, etc.;
2. economic facilities: participation in trade and production, a fair labour market;
3. social opportunities: adequate education and healthcare provision;
4. transparency guarantees: openness of government and economic life; and
5. protective security: law and order, social security.¹⁶⁸

If we look more closely at these five freedoms, which Sen presents as essential for human development, we see that a number of them can be found in the MDGs (e.g. economic and social opportunities), while others cannot (such as political freedoms, transparency, security and social security). The latter are addressed in a variety of UN statements that determine its development strategy, but are not translated into concrete goals. The AIV recommends incorporating them as much as possible in a post-2015

¹⁶⁵ A. van Hoorn, R. Mabsout, E.M. Sent, 'Happiness and Capability: Introduction to the symposium', *Journal of Socio-Economics* 39, 2010, pp. 339-343.

¹⁶⁶ See E. Angner, 'Subjective Wellbeing', *Journal of Socio-Economics* 39, 2010, pp. 361-368.

¹⁶⁷ A. Sen, 'Development as Freedom', Oxford University Press, 1999.

¹⁶⁸ A. Sumner, M. Tiwari, 'After 2015: International Development Policy at a Crossroads', *Rethinking International Development series*, Palgrave MacMillan, 2009, p. 46.

system. This is discussed in greater detail in the sections on human rights, and peace and security. The notion of the global social floor also has its roots in these freedoms. Devoting more attention to them in a post-2015 system also responds to the concerns expressed by civil society, for example in the Global Call for Action against Poverty.¹⁶⁹

Incidentally, the OECD referred to Sen's five freedoms in its guidelines as early as 2001.¹⁷⁰ In addition, UNDP's Human Development Report has also played an important role and, in 2010, presented an overview of human development in the past twenty years.

B.II.2 Sustainability and climate

How many natural resources and sources of subsistence will present generations leave for those that follow? That is an important question and it will remain so in the future. The debate dates back to the renowned report 'The Limits to Growth', published by the Club of Rome in 1972, the outcome of the Cocoyoc conference in Mexico in 1974, and the Dag Hammarskjöld report a year later. The broad definition of sustainable development given in the Brundtland report (1987) includes issues like education and health care, which are considered investments in human capital to ensure that the following generation can enjoy the same standard of living as the current one. The four dimensions of sustainability, as laid down at the Rio conference in 1992, are the institutional dimension (good governance), social justice, environmental protection and economic efficiency.¹⁷¹

The Earth is too small to achieve all the current international goals at the same time, and certainly given the international climate goal agreed at Cancún in 2010, that the Earth must not be permitted to warm up by more than 2° Celsius. Development has been achieved at the expense of the natural environment; the erosion of biodiversity and climate change are the ecological price we have paid for social and economic development. Further development of the Earth will be accompanied by a substantial loss of biodiversity, which is also threatened by the production of food and biofuels for energy.¹⁷² Technological progress has not compensated for the growth in population and consumption. The trend is more people, more consumption and more competition for natural resources. Sustainability is not yet the determining factor in policy at national, European or global level. Citizens and companies, however, expect government to take the lead. Hard international agreements are necessary, with compensation for developing countries. The EU can play a pioneering role here by acting as a forceful intermediary. There is an enlightened self-interest in pursuing development policy.¹⁷³

169 Global Call for Action against Poverty (GCAP), 'The World We Want. Civil Society Mobilization at the MDG+10 Review', New York, 19-25 September 2010.

170 *Idem*, p. 3.

171 J. Martens, 'Thinking ahead, Development models and indicators of wellbeing beyond the MDGs', Friedrich Ebert Stiftung, Berlin, November 2010, pp. 9-10.

172 N.J. Schrijver, 'Development Without Destruction: The UN and Global Resource Management', Bloomington/New York: Indiana University Press/UN Intellectual History Project, New York, 2010.

173 Netherlands Environmental Assessment Agency, 'The Netherlands in a Sustainable World: Poverty, Climate and Biodiversity', Second Sustainability Outlook, November 2007.

The report by Stiglitz and Sen mentioned above distinguishes four ways to measure sustainability: (1) large and eclectic dashboards, (2) composite indices, (3) indices that consist of correcting GDP in a more or less extensive way, and (4) indices that essentially focus on measuring how far we currently 'overconsume' our resources (including the ecological footprint).¹⁷⁴ Each of these indicators has its own limitations. The report concludes that it is, as yet, not possible to devise a single indicator for sustainability, because it comprises too many uncertainties. For example, it is difficult to know what the value of a 'good' like the environment will be in the future, there is much discussion about the relative importance of the various indicators, and CO₂ emissions are a dominant component that can also be measured separately. It is therefore better to use several indicators, and to record both quantitative and qualitative changes in issues that are of importance for the future. The Sen-Stiglitz commission is a proponent of sustainability indicators alongside subjective welfare and economic indicators.

For the management of natural resources, information at both aggregated and local level is of great importance (because this can lead to different conclusions), as well as information on uncertainties and social values. Science never provides exhaustive knowledge of the interaction between mankind and biophysical systems, and cannot weigh direct local interests against global benefits. Enforcing rules is not always an adequate solution because of a lack of willingness or resources, or sources of pollution that are difficult to trace. Sometimes it is more effective to encourage innovative solutions in behaviour or technology. Financial instruments to promote this, such as tradable environmental allowances, have certain weaknesses, which are the reverse of those of shared solutions ('commons', see below). It might therefore be useful to seek a favourable combination of the two. Technical infrastructure is of great importance in determining whether shared resources are used and ensuring effective communication and in establishing links between local and global systems. Complex systems call for layered solutions and institutions that adapt easily to change.¹⁷⁵

The United Nations Environment Programme (UNEP) indicates that people who live in poverty are the most seriously affected by the loss of biodiversity (which some see as a Western preoccupation), as well as by drought and flooding caused by climate change. The degradation of ecosystems has negative effects on agriculture, livestock breeding and forestry, sectors in which the poorest are often employed and on which they depend. It is important that policymakers acknowledge this in analyses and policy on climate change and increasing pollution. Secondly, an energy transition is required, in which the interests of the oil and gas industry – which are legitimate in themselves – must not take precedence. The costs of growth for the environment must be calculated. Thirdly, effective regulation is required to promote investment in a 'green economy'; without this, the private sector will be unable to commit itself. The crisis presents an opportunity to achieve this.¹⁷⁶

174 J. Stiglitz, A. Sen, J. Fitoussi, Report by the Commission on the Measurement of Economic Performance and Social Progress, Paris, 2009, chapter 3.

175 T. Dietz, E. Ostrom, P. Stern, 'The Struggle to Govern the Commons', Science Magazine, Vol. 302, 1907, December 2003.

176 UN Environmental Program (UNEP), Green Economy Report, prepared for the UN summit on MDGs, New York, September 2010.

B.II.3 Measuring wellbeing

There appear to be considerable differences between the assumptions of economic theory (rational choice theory) and experience in the 'real' world ('subjective wellbeing'). These differences cannot be explained purely in terms of psychological misperceptions.

The recent report by Stiglitz and Sen therefore recommends not measuring production, but consumption and income (net national income, NNI).¹⁷⁷ It also recommends looking at household incomes instead of per capita GDP, including public services like health care and education. This must be combined with an estimate of the capabilities (savings and possessions) per household, taking account of possible 'bubbles' in the economy (such as overly high house prices). Average income figures per household should then take account of distribution between income, consumption and savings and between households. Lastly, they must take account of activities per household. This includes, for example, growing vegetables, but also the amount of free time available to the members. After all, the same income with more free time means a higher standard of living.¹⁷⁸ Altogether, this provides a better yardstick of economic performance. The report notes – as stated earlier in this report – that the MDGs do not take account of economic growth factors, with the exception of MDG1 (the poverty indicator of a dollar a day). The report offers useful starting points for including economic income and consumption measurements in a post-2015 system.

Happiness theory (subjective wellbeing) and capabilities theory (objective wellbeing)

In addition to a better method for measuring economic performance, the Stiglitz and Sen report recommends taking account of multidimensional wellbeing factors. It states that subjective methods for measuring wellbeing provide core data on which it is possible to acquire objective information, which should then be included in the statistics (cognitive evaluations on life, happiness, contentment, and negative and positive emotions).¹⁷⁹ Happiness theory is gaining ground, including in emerging economies (e.g. China, which keeps a record of happiness statistics).¹⁸⁰

Besides subjective wellbeing indicators, the report specifies eight objective indicators (not including economic utility): health, education, environmental conditions, political voice, personal activities, social connections and relationships, personal insecurity (crime, natural disasters) and economic insecurity. Clear indicators still have to be developed for the last five. Further research should expose a number of other indicators, including inequality (in gender, age, specific groups), the accumulation of various shortcomings, and the relationships between them.¹⁸¹

To what extent do the subjective and objective theories of wellbeing (happiness and

177 J. Stiglitz, A. Sen, J. Fitoussi, Report by the Commission on the Measurement of Economic Performance and Social Progress, Paris 2009.

178 *Idem*, pp. 11-14.

179 *Idem*, pp. 58-59 and chapter 2.

180 The Economist, 'Don't worry, be happy', The Economist, 19 March 2011, p. 49.

181 J. Stiglitz, A. Sen, J. Fitoussi, Report by the Commission on the Measurement of Economic Performance and Social Progress, Paris 2009, pp. 58-59 and chapter 2.

capabilities theories) differ from each other? Research concludes that there is a large degree of synergy between policies aimed at developing capabilities and those that focus on happiness (in the sense of general contentment with life).¹⁸² Nevertheless, measuring subjective wellbeing can supplement the capabilities theory, in that it can confirm policy choices (feedback) or identify problems by, for example, exposing a lack of opportunities. Happiness research also shows that, if a government were to base its policies on subjective wellbeing they would probably be different. There would be less focus on maximising individual gain and more on meaningful social relationships and participation.¹⁸³

B.II.4 Growth and inequality

In the period from 1985 to the mid-1990s, income inequality increased considerably in most countries in the world, especially the larger ones.¹⁸⁴ According to the World Bank, it then remained almost constant at that higher average level from the mid-1990s to the mid-2000s. Although no reliable data are yet available, there is general agreement that income inequality has increased even further as a result of the 2008 crisis. Reports by Oxfam and others confirm this impression.¹⁸⁵

Pogge observes that the global trade system has largely benefited the world's richest people. If growth in per capita GNP only benefits the elites in a country and does not generate employment, it is inaccurate to speak of progress. It often leads to a form of regression, since it further marginalises the poorest groups, at least in the opinion of those who believe that economic growth is not an end in itself and that progress means that basic human needs are fulfilled. Pogge therefore considers explicit attention to income distribution crucial.¹⁸⁶

Rapid economic growth in a number of large developing countries has also led to a situation in which the majority of poor people in the world no longer live in low-income countries, as was the case before 2000, but in emerging countries. To combat poverty around the world effectively, a post-2015 system will therefore have to devote more attention to the need for national measures to reduce income inequalities within countries.¹⁸⁷

One argument against taking account of inequality within countries is that it could slow

182 R. Veenhoven, 'Capability and happiness: conceptual difference and reality links, *Journal of Socio-Economics* 39, 2010, pp. 344-350.

183 W.L. Tiemeijer, *Hoe mensen keuzes maken, de psychologie van het beslissen*, Advisory Council on Government Policy (WRR), Amsterdam University Press, 2011, p. 111.

184 R. van der Hoeven (ed.), 'Employment, Inequality and Globalization: A Continuous Concern', Routledge, 2011.

185 Green, D. and R. King, 'How Have Poor Women and Men Experienced the Global Economic Crisis', chapter 3 in Bergeijk, P, A de Haan and R.van der Hoeven (eds.), *The Financial Crisis and Developing Countries*, Edward Elgar: Cheltenham, 2011.

186 T. Pogge, 'Politics as Usual: What Lies Behind the Pro-Poor Rhetoric?', Polity Press, 2010.

187 A. Sumner, 'The New Bottom Billion', *The Broker*, issue 23, December 2010.

down economic growth and therefore frustrate poverty reduction in the long term. Recent research has shown, however, that greater income equality is not always achieved at the expense of economic growth.¹⁸⁸ Extremely unbalanced growth does, however, undermine democracy, as it gives rich elites the power to put their own interests first and make politicians listen to them. Large income differences are easy to create and very difficult to eliminate.¹⁸⁹ UNDP concludes that countries where income inequality declined and where there was strong economic growth in sectors in which the poorest were concentrated had the greatest success in reducing poverty.¹⁹⁰

The AIV therefore believes that a post-2015 system should devote attention to inequality and make it explicit in the indicators.

B.II.5 Conclusions

The AIV considers it important, in the run-up to a post-2015 system, to consider a number of newer or still relevant development theories and the extent to which they can give a post-2015 system a stronger foundation.

Capabilities approach

The MDGs were based on the Millennium Declaration, which many intended as a concrete expression of Amartya Sen's capabilities approach. According to Sen, development means more freedom and freedom is progress. The AIV considers it desirable in a post-2015 system to devote more attention to Sen's concept of freedoms, which remains relevant today. The AIV also endorses this approach because the subjective theory of wellbeing shows that people specify these freedoms as decisive for their happiness. This can mean:

1. including, in line with the final declaration of the MDG summit in 2010, indicators for social security (and the social protection floor);
2. including a cluster of goals on peace and security, with a report on the number of conflicts in the world and indicators that show whether a state is capable of offering its citizens physical protection;¹⁹¹
3. including statistics on violence against women under MDG3 or under a new MDG on peace and security; and
4. including indicators on the quality of political institutions, for example on corruption, the rule of law, voice and accountability, and the effectiveness of the civil service. Such indices already exist, e.g. in the World Bank's Governance Matters studies.¹⁹² These indicators would address the degree of freedom of expression, freedom of assembly and democratisation.

188 For an overview, see R.van der Hoeven (ed.), 'Employment, Inequality and Globalization: A Continuous Concern', Routledge, 2011.

189 T. Pogge, 'Politics as Usual: What Lies Behind the Pro-Poor Rhetoric?', Polity Press, 2010, p. 102.

190 UN Development Group (UNDG), 'Beyond the Midpoint: Achieving the Millennium Development Goals', New York, 2010, p. 25 and Annex 2.1.

191 S.E. Rice and S. Patrick, 'Index of State Weakness in the Developing World', Brookings Global Economy and Development, The Brookings Institution, Washington, 2008, p. 8.

192 *Idem*, pp. 8-9.

Sustainability and climate

A special form of wellbeing is that of future generations, i.e. the sustainability prospect. This problem is relevant not only in the future; now too, drought and flooding, and the hunger and high food prices they cause, impact hardest on the poorest groups. Time is pressing, as climate problems, economic, financial and food security crises, and serious social unrest as a consequence of too few socioeconomic opportunities and political freedoms, combined with population growth in certain parts of the world, are already having an impact on the international order. The AIV recommends taking account of the sustainability prospect. This can mean:

1. seeing a post-2015 system as a dashboard of indicators that express sustainability. These indicators measure the progress made by countries in various dimensions; and
2. drawing up benchmarks of desirable indicators and the period in which they should be achieved (sustainable targets) with a view to a sustainable society, with a rolling agenda that measures and updates progress every five or ten years.

Measuring wellbeing

More modern theories of wellbeing now also look at subjective wellbeing, how utility is experienced (instead of the traditional 'fulfilling preferences'). The data gathered by psychologists on this subject are, however, still rarely used in economics. The AIV recommends taking account of the conclusions of the Sen and Stiglitz report in the post-2015 system. This can mean:

- better expression of economic performance than with the current indicators;
- measuring subjective wellbeing in opinion polls on household incomes; this would only require adding a set of questions to the standard questions on income, consumption and possessions;
- including alternative economic indicators under MDG1, which express the state of society more clearly and align more closely with people's experiences.

Inequality

As a result of the growing inequality in many countries and the consequences for both the reduction of poverty and economic and social development, together with the fact that the majority of the poor in the world now live in emerging countries, the AIV urges more attention for income and other forms of inequality in a post-2015 system and incorporation of aspects of inequality in national progress indicators.

B.III Underexposed themes: What (other) priorities?

Part A of this report mentions a number of themes that are underexposed or completely omitted in the current MDG system. The AIV is of the opinion that a post-2015 system should devote more attention to these themes and issues.

B.III.1 Gender

The question is whether gender should be more strongly emphasised in the MDGs by modifying and broadening the indicators for MDG3, or by focusing on it as a theme in all MDGs. In 2005 the UN Millennium Project Task Force on Gender Equality identified seven

strategic priorities to achieve MDG3.¹⁹³ These are strongly related to the outcomes of the Beijing and Cairo conferences on gender.¹⁹⁴

New indicators for gender

An important indicator for MDG3 could be violence against women, which is internationally acknowledged (e.g. in the Beijing Plan of Action) as a major obstacle to sustainable development. Although violence against women continues to have a great impact on the outcomes of the MDGs, its elimination is not an integral part of the goals.¹⁹⁵ It is estimated that one in five women worldwide is a victim of rape at some time in her life.¹⁹⁶ WHO reports that women who are the victims of physical, psychological or sexual violence are usually long-term users of healthcare services.¹⁹⁷ Outside the household – and especially during armed conflicts – women are also frequent victims of violence. In Sierra Leone, between 50,000 and 64,000 female refugees were sexually abused by combatants.¹⁹⁸ There are calls for a separate MDG or indicator to address the problem of violence against women.¹⁹⁹ To enable women to develop fully, they must also have better access to financial and other means of production (e.g. credit, land ownership registration and inheritance rights). Investments in water supply and other infrastructure are important in this respect. Improvements are also called for in relation to childcare and discrimination against women in the law (e.g. in divorce law), while studies are needed of the obstacles facing young women who seek suitable employment.²⁰⁰

193 The seven priorities specified by the Task Force are: 1) strengthen opportunities for postprimary education for girls while simultaneously meeting commitments to universal primary education; 2) guarantee sexual and reproductive health rights; 3) invest in infrastructure to reduce women's time burdens; 4) guarantee girls' and women's property and inheritance rights; 5) eliminate gender inequality in employment by decreasing women's reliance on informal employment, closing gender gaps in earnings and reducing occupational segregation; 6) increase women's share of seats in national parliaments and local governmental bodies; 7) combat violence against girls and women. In: C. Grown, G.R. Gupta and A. Kes (2005), 'Taking action: Achieving gender equality and empowering women', UN Millennium Project, Task Force on Education and Gender Equality, London and Sterling, Virginia: Earthscan, 2005, p. 29.

194 UN Development Fund for Women (UNIFEM), 'Making the MDGs work better for women; Implementing gender-responsive national development plans and programmes', New York, 2010, p. 7.

195 The Millennium Declaration (2000) states as its aim: 'to combat all forms of violence against women and to implement the Convention on the Elimination of All Forms of Discrimination Against Women'.

196 UN Millennium Project, 'Taking Action: Achieving Gender Equality and Empowering Women', Task Force on Education and Gender Equality, London and Sterling, Virginia: Earthscan, 2005.

197 E. Krug et al. (eds.), World Report on Violence and Health, World Health Organisation (WHO), Geneva, 2002.

198 Physicians for Human Rights, Executive Summary, 'War-Related Sexual Violence in Sierra Leone: A Population-based Assessment', 2002, p. 3.

199 See, for example, P. Antrobus, 'Critiquing the MDGs from a Caribbean perspective', *Gender and Development*, Vol. 13(1), 2005, p. 95.

200 Amnesty International, 'From Promises to Delivery: Putting Human Rights at the Heart of the Millennium Development Goals', London, 2010, pp. 16-18.

A barrier to the introduction of new indicators for gender is that measurement is difficult due to the lack of gender-specific information.²⁰¹ Countries should make a greater effort to collect such information.²⁰² Although the UN Commission on the Status of Women publishes an annual report, gender budgeting is developing very slowly.

Mainstreaming

In addition to the criticism that the MDG3 indicators are incomplete, other MDGs are criticised for not devoting sufficient attention to the position of women.²⁰³ Without significant improvements in education for girls (MDG3), other MDGs will not be achieved. Educating girls is an effective way of stimulating economic productivity and also helps reduce infant and maternal mortality, improve nutritional and health status, and combat HIV/AIDS and other diseases.²⁰⁴ In this light it is clear that improving the position of women (MDG3) will also have a positive impact on the other MDGs.²⁰⁵ Conversely, if the other MDGs are gender-blind, MDG3 cannot be achieved and it will be difficult to attain sustainable poverty reduction.²⁰⁶

It would be more effective to devote attention to the role of women in other MDGs, such as sustainable development and combating AIDS and poverty. The role of women is, for example, not an indicator or target in the fight against HIV/AIDS, malaria and other diseases (MDG6), while inequality between men and women must be an important starting point of policy to combat HIV/AIDS.²⁰⁷ In the words of UNAIDS, the problem of HIV/AIDS is 'feminising', not only because women are biologically at greater risk of infection, but also because of the difficulties facing women – due to social, financial and cultural factors – in negotiating safe sex.²⁰⁸ MDG1, too, fails to make explicit reference to

201 In 2005 the UN Statistics Division conducted a review of gender statistics in national reports. It showed that important elements are lacking in the collection, composition and reporting of gender-sensitive data. See UN Division for the Advancement of Women, 2005.

202 OECD, 'Investing in women and girls: The breakthrough strategy for achieving all the MDGs', based on a speech by J. Lomoy, UN Development Cooperation Forum, 4 June 2010, p. 6; and P. Antrobus, 'Critiquing the MDGs from a Caribbean perspective', *Gender and Development*, vol. 13(1), 2005, p. 101.

203 UN Development Programme (UNDP), 'What will it take to achieve the MDGs? An international assessment', New York, June 2010, p. 1.

204 UN Girls' Education Initiative (UNICEF), 'Gender Achievements and Prospects in Education: The GAP Report Part One', New York, 2005, p. 5.

205 UN Development Programme (UNDP), 'What will it take to achieve the MDGs? An international assessment', New York, June 2010, p. 7.

206 N. Jones, R. Holmes, J. Espey, 'Progressing Gender Equality Post-2015: Harnessing the Multiplier Effects of Existing Achievements', *IDS Bulletin*, Vol. 41, No. 1, January 2010, p. 113.

207 See, for example, P. Antrobus, 'Critiquing the MDGs from a Caribbean perspective', *Gender and Development*, Vol. 13(1), 2005, p. 98.

208 UNAIDS, 'Agenda for Accelerated Country Action for Women, Girls, Gender Equality and HIV - Operational plan for the UNAIDS action framework: Addressing women, girls, gender equality and HIV', New York, 2010, p. 16.

women, even though poverty is also feminising.²⁰⁹ In addition, much economic capacity is lost through obstacles to girls and women. Agricultural productivity in Sub-Saharan Africa, for example, could rise by 20% if women had equal access to land, seeds and fertiliser. In India, GNP would rise by 8% if the ratio of female to male employees were to increase by 10%.²¹⁰ If poverty is to be resolved, women (and other target groups) must be at the forefront of any effort to understand the nature of the problem.

B.III.2 Security and development: a coherent approach

A basic level of security is essential for the development of a state, both in socioeconomic terms and in respect of human rights and the rule of law. In fragile states, building up or reforming the security sector (Security Sector Reform, SSR) is essential in strengthening the level of security. Special attention should be given to building up the police, the judiciary and the legal system. A coherent approach to security and development issues is crucial in fragile states. Creating a safe situation is, in the first instance, a task for the military. Building a civil society with good governance and an acceptable level of law enforcement must make further social and economic development possible and bring about sustainable peace. There are no generally applicable blueprints for achieving this.²¹¹

For sustainable development in fragile states, peacebuilding must have local support, strengthen local institutions and be carried out locally. Yet, in practice, this often leads to problems as, in fragile states in particular, (parts of) the local population or authorities and leaders often lack the will or capacity for peacebuilding. In addition the central government of a fragile state often has little or no authority recognised as legitimate and the real power rests with other networks and groups based, for example, on clientism and patronage.²¹²

A post-2015 system would have to include a basic level of security as a condition for development. This makes building or reforming the security sector essential. The World Bank's 'World Development Report 2011: Conflict, Security and Development', states that civil security, the administration of justice, and jobs are the key to breaking through cycles of violence.²¹³ In addition to security sector reform, the report calls for the creation of employment, anti-corruption measures, and involving women in community initiatives relating to security, justice and economic emancipation.

The current MDGs have no relevance in terms of preventing violence. Reducing the number of violent deaths would give an indication of improvements in security, but these

209 AIV, 'Cohesion in International Cooperation', response to WRR report 'Less pretension, more ambition', advisory report number 69, The Hague, May 2010, p. 11.

210 Department for International Development, 'Gender Equality at the Heart of Development: Why the role of women is crucial to ending world poverty', 2007, p. 13.

211 See also AIV, 'Crisis Management Operations in Fragile States: The Need for a Coherent Approach,' advisory report number 64, The Hague, March 2009.

212 R. van der Veen, *What went wrong with Africa. A contemporary history*, KIT Publishers: Amsterdam, 2002.

213 World Bank, 'Conflict, Security and Development: World Development Report 2011', Washington, April 2011.

figures are often not available for fragile states.²¹⁴ Indicators of whether a state is indeed capable of protecting its citizens could include the existence of internal conflicts and displaced people, illegal seizure of power, severe violations of human rights, perceptions of instability, and the percentage of the territory suffering from conflict.²¹⁵ Clearly, a number of these indicators are politically sensitive in negotiations. Indices on the fragility of states focus not only on security, but also on economic, social and political freedoms, which are (or can be) partly expressed in the other MDGs. For example, inequality can be a factor in fragility (as current developments in the Arab region remind us). Economic regulations could also be included in an MDG on peace and security. Such statistics can help to provide early warning of conflicts.²¹⁶ Negotiations on these criteria can build on the Dili declaration on a New Vision for Peacebuilding and Statebuilding, the Geneva declaration on Armed Violence and Development and the Oslo Commitments on Armed Violence.

In the AIV's view, a post-2015 system must devote more attention both to the problem of peace and security and to supporting effective state institutions.

B.III.3 Food security

In many developing countries, agriculture has been neglected so that it can no longer meet the increased demand for food resulting from population growth and changing consumption patterns. Food insecurity has also increased, as more countries have started importing food and because the price of grain and other staple foods is subject to stronger fluctuation. Some see this price volatility as being caused not only by drought and flooding but also by the use of crops for biofuels and greater speculation on the commodities markets. Food prices are currently one of the main causes of poor households' greater vulnerability, but also provide an incentive to increase their own food production.

The World Bank has serious concerns about the impact of the rising prices of staple foodstuffs on poverty.²¹⁷ The prices of products like sugar, maize, wheat and rice are high and changeable, and that is likely to continue in the coming period. A 10% increase in food prices will push another ten million people in the world below the poverty line of 1.25 dollars a day. With a 30% rise, that will be 34 million. They come on top of the 44 million people who sank deeper into poverty during the previous price peak in June 2010.

Because food insecurity can be caused by both national policies in developed and developing countries and the international markets, the AIV believes that a post-2015 system should devote explicit attention to the growing problem of food security and to promoting international coherence in efforts to address it.

A post-2015 system should, however, devote attention not only to international factors but also to national initiatives. There are many examples of small-scale farmers launching

214 *Idem*.

215 S.E. Rice, S. Patrick, 'Index of State Weakness in the Developing World', Brookings Global Economy and Development, The Brookings Institution, Washington 2008, p. 8.

216 *Idem*, pp. 8-9.

217 World Bank, Food Price Watch, Washington, April 2011.

their own successful initiatives to ensure food security, sometimes with the help of other organisations. The lesson that can be learned from this is that we should build on the skills and resources that farmers have at their disposal and on practices that already exist, rather than impose our own, one-sided prescriptions. Successful initiatives from developing countries themselves can be used as a source of inspiration.²¹⁸

B.III.4 Infrastructure

The need for better infrastructure in Africa is immense and there is a large funding gap. It has been calculated that the lack of physical infrastructure in Africa results in around 40% less economic activity than in countries where the infrastructure is better, and as much as 2% less economic growth per year.²¹⁹ The gap between infrastructure in Africa and the rest of the world has only grown larger. In comparison with South Asia, which has a comparable per capita income, Africa is lagging behind, even in areas in which it was ahead in 1970 (at that time Africa had three times as much electricity capacity and twice as many telephone lines). The supply of electricity will have to double in the next decade to meet demand.

There is an enormous lack of financing for infrastructure in Africa, despite its having doubled between 2001 and 2009, from \$17 to \$35 billion. The annual financing deficit is around \$31 billion,²²⁰ most of which cannot be covered by non-governmental funding, as the worst problems occur in fragile states, which are not creditworthy. A regional approach is therefore needed and the summits of the African Union show that there is considerable political commitment to achieving this. The AU, together with the African Development Bank, is working on reforms to the institutional coordination of infrastructure development on the continent (Programme for Infrastructure Development in Africa, PIDA). New initiatives should dovetail with these efforts. The private sector, development banks, donors and stakeholders should work together to create the infrastructure required.²²¹

Creating the right conditions for developing the private sector is closely related to the physical and non-material infrastructure in the countries concerned. It calls for strengthening the national investment climate, for example by removing obstacles and reducing risks, improving institutions, legal frameworks, access to and the functioning of markets, investing in infrastructure, education and health, and promoting access to the formal economy, technical assistance and financial services (with extra attention to improving access for people in deprived situations). Policy must aim at creating the right conditions, not at concrete direct support in any form at all to companies.²²²

A post-2015 system would have to devote greater attention to productivity, taking account of the need for infrastructure and creating the right conditions for private sector development.

218 *Idem*.

219 African Union, African Development Fund, World Bank, 'Africa's infrastructure: An agenda for transformative action', background paper for UN MDG Summit side event, 21 September 2010.

220 *Idem*, p. 1.

221 *Idem*, pp. 7-8.

222 AIV, 'Private Sector Development and Poverty Reduction', advisory report number 50, The Hague, October 2006.

B.III.5 Conclusions

Gender

As equality between men and women is indispensable for balanced development, the AIV recommends devoting explicit attention to it in the post-2015 system and including gender indicators in all MDGs. This means:

- recording statistics on gender and breaking the indicators down by gender;
- clustering these indicators in the separate gender-MDG3 to provide a clear picture of the situation regarding the equal treatment of men and women; and
- specifying the gender-specific dimensions of the new clusters for peace and security (violence against women) and effective governance (women's participation in running society).

Peace and security

The AIV recommends devoting greater attention to peace and security and to effective state institutions in a post-2015 system. This means:

- a basic level of security must be included as a condition for development. Building or reforming the security sector (SSR) is essential to strengthen levels of security and should therefore be an inseparable part of a post-2015 system for fragile states;
- a cluster on peace and security may also contain indicators for early warning of conflicts; and
- a cluster for effective state institutions partly responds to criticism regarding human rights (rule of law), without being too highly charged, and is an important factor in the fragility of states.

Food security

Food insecurity is caused by both national policies in developed and developing countries and the working of international markets. The AIV believes that a post-2015 system should therefore devote explicit attention to the growing problem of food security and that greater international coherence is required to address it.

Infrastructure

The AIV is of the opinion that strengthening infrastructure should be part of a post-2015 system. Private-public partnerships can play a significant role here. This is especially important for Africa.

B.IV Conceptual basis for global cooperation

In donor countries the development debate is dominated by proponents and opponents of global cooperation. Arguments based on international solidarity are pitched against those that advocate 'standing on your own two feet', and are justified by appealing to public support for development cooperation (or the lack of it) and the 'right to development'. Internationally, the debate is even more highly charged, with discussion on the political will, or lack of it, to put certain issues on the agenda. Moral discussions are also often complicated by 'language sensitivities'. To promote the discussion on a post-2015 agenda, the AIV will examine here two important arguments forming a conceptual basis for international cooperation: human rights and global public goods. The first engages with moral issues and international treaties, the second with enlightened self-interest. The AIV will also briefly examine empirical data on cooperation at local level on shared resources (known as 'common resource pools' or 'public commons').

B.IV.1 Human rights approach

Chapter five of the Millennium Declaration refers specifically to the importance of respecting human rights and confirms principles of international equality and shared responsibility. Many researchers emphasise the interdependency of development and human rights.²²³ In 2003, the AIV also published a report on the importance of human rights approaches to development.²²⁴

Although not formulated in terms of 'rights', the MDGs are an important milestone in achieving economic, social and cultural rights. Conversely, human rights strategies support achievement of the MDGs, because they address the discrimination, exclusion and accountability failures that often underlie poverty and development problems.²²⁵ In the human rights approach, promoting development is not seen as charity. Development is considered to be the right of every individual and it is the duty of the state to guarantee it. A human rights approach provides principles on which action should be based. They include non-discrimination, human dignity, participation and accountability.²²⁶

Proponents of a human rights approach emphasise that human rights can strengthen the MDGs in a variety of areas. Firstly, this approach focuses on vulnerable groups, and on people who are discriminated against or whose rights are violated and those who are responsible for this. At the moment, the MDGs are based on average progress by countries as a whole. Secondly, a human rights approach can provide working principles for achieving the MDGs; non-discrimination, participation and accountability can act as guidelines in implementing development policy. Thirdly, changing a goal into a right can encourage people to demand accountability from the state. The MDGs would then no longer be mere targets, but legal obligations to be fulfilled by the state.²²⁷ Specifying human rights in relation to the MDGs could result in improved monitoring mechanisms, for example by making use of information gathered and assessed as part of existing human rights procedures, e.g. under the International Convention on Economic, Social

223 See, for example, P. Alston, 'Ships passing in the night: The current state of the human rights and development debate seen through the lens of the Millennium Development Goals', *Human Rights Quarterly* 27(3), August 2005, pp. 755-829; E. Domínguez Redondo, 'The Millennium Development Goals and the human rights based approach: Reflecting on structural chasms with the United Nations system', *The International Journal of Human Rights* 13(1), 2009, p. 29; M. Robinson, 'The MDG-Human Rights Nexus and Beyond 2015', *IDS Bulletin* 41(1), 2010, p. 81.

224 AIV, 'A Human Rights Based Approach to Development Cooperation', advisory report number 30, The Hague, 2003.

225 Office of the High Commissioner for Human Rights (OHCHR), 'Frequently Asked Questions on a Human Rights-Based Approach to Development Cooperation', New York 2006, p. 11.

226 *Idem*. Other principles that have priority in human rights are universality and inalienability; indivisibility and/or mutual dependence and solidarity; equality and non-discrimination; participation and inclusion; accountability and the rule of law.

227 UN Development Programme (UNDP), 'Human Rights and the Millennium Development Goals: Making the Link', Oslo, 2006. Amnesty International, 'From Promises to Delivery, 2010: Putting Human Rights at the Heart of the Millennium Development Goals', London, 2010 and R.J. Nelson, 'Human Rights, the Millennium Development Goals, and the Future of Development Cooperation', in: *World Development*, 25(1), 2007.

and Cultural Rights (ICESCR).²²⁸ Fourthly, a human rights approach could ensure that attention is devoted to the quality of services, and not only the quantity. Human rights treaties often prescribe minimum criteria, which could also be used to measure the MDGs.²²⁹

Lastly, these rights will continue to be valid after 2015; in the long term, all rights must be achieved for all people. In this respect a human rights approach is more sustainable and focuses on overcoming structural causes of rights violations and underdevelopment.

Unfortunately the current MDGs can also undermine human rights. In Vietnam and South Africa, for example, slums have been demolished (accompanied by illegal evictions) to fulfil MDG target 7.10 (to reduce the proportion of urban population living in slums).²³⁰ Another example is the building of a dam to improve access to drinking water and employment at the expense of the local population's right to shelter and food.²³¹

The human rights approach to poverty and development issues has itself not been free of criticism. It is arguable whether the political will exists to refer to MDGs in terms of rights. Many states are unwilling to do this and to accept liability for violations of those rights. One of the strong points of the current MDGs is that they are based on a political consensus on general development goals. Formulating the MDGs in terms of rights could undermine this consensus.²³² Other critics emphasise that human rights are often formulated too abstractly and that trying to implement them frequently leads to conflict with existing, often unfair, power relations.²³³ Enforcing human rights through the courts can be very difficult, and there are very limited opportunities to do so at international level. At national level, legal proceedings are often expensive and not accessible to marginalised groups. What is more, the state can also refuse to implement a ruling.²³⁴ Lastly, it is not clear from the rights-based approach which issues should be given priority in the development agenda. For example, education might act as a catalyst, but the right

228 C. Doyle, 'Millennium Development Goals and Human Rights: In Common Cause or Uneasy Partners', in: *The International Journal of Human Rights*, 13(1), 2009, p. 7.

229 UN Development Programme (UNDP), 'Human Rights and the Millennium Development Goals: Making the Link', Oslo, 2006.

230 M. Langford, 'A Poverty of Rights: Six Ways to Fix the MDGs', *IDS Bulletin* 41(1), 2010, p. 88.

231 Speech by H.E. Navanethem Pillay (UNHCR) at the Seminar on Human Rights and the Millennium Development Goals, The Hague, 25 and 26 May 2009.

232 Paul J. Nelson, 'Human Rights, the Millennium Development Goals, and the Future of Development Cooperation', *World Development* 35(12), 2007, pp. 2041-2055.

233 B. de Gaay Fortman in: Marc Broere, *Berichten over armoede*, KIT Publishers: Amsterdam, 2009, pp. 176-177.

234 UN Development Programme (UNDP), 'Human Rights and the Millennium Development Goals: Making the Link', Oslo, 2006. Proponents of the human rights approach deny that rights can only be enforced through legal instruments. Civil society and a critical media also play a role.

to education has equal status to the right to health.²³⁵

Aside from the functioning and enforceability of human rights at individual state level, there is also the doctrine of the extraterritorial applicability of human rights: how far can and should states go in defending and achieving human rights beyond their own borders? The nature and scope of such commitments in the field of classic human rights are by now reasonably clear,²³⁶ while in the field of economic, social and cultural rights, they are rapidly crystallising.²³⁷ The AIV advises the government to be alert to these developments in a post-2015 system and to do what it can to flesh them out.

Practical embedding in the MDGs

In theory, there are three scenarios in which human rights approaches could play a greater role in the MDGs. One possibility is that countries add an extra MDG, following the example of Mongolia which has drawn up a ninth national MDG on human rights and democracy.²³⁸ A second option is to indicate how each MDG relates to the existing human rights acquis. For example, MDG2 (universal access to primary education) can be traced back to article 13 of the ICESCR and article 28 (1)(a) of the International Convention on the Rights of the Child (ICRC, 1989).²³⁹ In addition, article 2(1) of the ICESCR emphasises the obligation of both developed and developing countries to seek to achieve MDG8.²⁴⁰ Many countries already use their reporting obligations under international human rights conventions to report on progress on the MDGs.²⁴¹ Some academics go a step further and call for the MDGs to be replaced by Millennium Development Rights (MDRs) after 2015. The MDRs would comprise the positive

235 UN Development Programme (UNDP), 'Human Rights and the Millennium Development Goals: Making the Link', Oslo, 2006.

236 See, for example, Michal Gondek, 'The Reach of Human Rights in a Globalising World: Extraterritorial Application of Human Rights Treaties', Antwerp: Intersentia.

237 See the activities of the global consortium in 'Beyond Territoriality: Globalisation and Transnational Human Rights Obligations (GLOTHRO)' at: <<http://www.esf.org/activities/research-networking-programmes/social-sciences-scscs/beyond-territoriality-globalisation-and-transnational-human-rights-obligations-glothro.html>>, and 'Extraterritorial Obligations' at: <<http://www.fian.org/programs-and-campaigns/projects/the-eto-consortium>>.

238 UN Development Programme (UNDP), 'Millennium Development Goal 9: Indicators and the state of democracy in Mongolia', Ulaanbaatar, 2009. MDG9 in Mongolia embraces respecting and enforcing the Universal Declaration of Human Rights, freedom of the press, free access to information, promoting democratic principles and practices and eradicating corruption.

239 UN Development Programme (UNDP), 'Human Rights and the Millennium Development Goals: Making the Link', Oslo, 2006, p. 11. Table 1 shows which human rights correspond to which MDG.

240 This article calls on member states to ensure international support and cooperation to achieve the rights embraced in the convention. M. Sepúlveda Carmona, 'The obligations of "international assistance and cooperation" under the ICESCR: A possible entry point to a human rights based approach to MDG8', *The International Journal of Human Rights* 13(1), 2009, p. 87.

241 UN Development Group (UNDG), 'Making the MDGs matter: A country perspective, Report on a UNDG survey', 2005.

obligations of the state to protect, respect and comply with social and economic rights, and to guarantee the universal right to participation and freedom from discrimination (right to equal treatment).²⁴² The AIV does not advise adopting this specific approach per MDG, as it is not politically feasible at this time and could undermine the international consensus on the MDGs.

The third scenario entails a general reference to the importance of the human rights approach in the post-2015 system through a differentiated measurement and incorporation of references. This would enable the underlying principles of human rights to be declared applicable to all stages in the MDG process.²⁴³ Updated MDGs could make explicit links to broadly endorsed agreements from the past, through references to Beijing (MDG3), Cairo (MDG5) and relevant articles from widely ratified UN human rights conventions. This would enable a difficult process of renegotiation to be avoided. The AIV believes that this third scenario is the most pragmatic way of incorporating a human rights approach in the MDGs while preserving the international consensus.

B.IV.2 Global public goods

Global public goods (GPGs) are goods and services that, in principle, affect or should be available to everyone. It is important to take GPGs into account in formulating a post-2015 development strategy, given increasing globalisation and interdependence. Moreover, shortcomings in the organisation of international decision-making on these goods have contributed to the failure so far to (fully) achieve the MDGs and will continue to be significant in the process of drawing up the new goals after 2015. Future development can only occur if the most important GPGs are addressed effectively. For example, what will it mean for poverty in the world if we do not prevent infectious diseases, address climate change or prove unable to control the financial crisis?

Some commentators call for an approach that seeks to achieve 'responsible sovereignty' based on collective interest, especially after the financial-economic, climate and food crises. They lay the emphasis on global public goods in the traditional sense of 'goods that affect everyone, from which no one can be excluded,²⁴⁴ and where use by one is not at the expense of use by another' ('non-excludability' and 'non-rivalry').²⁴⁵ Responsible sovereignty implies that a state also has an external responsibility in the sense of 'do no harm' and is no longer only responsible for respect for human rights within its own borders. Sovereignty can also be understood as 'freedom' and, in human rights discourse, when exercising one's freedom it is important to respect the other's right to exercise their freedom. The role of the state must be that of intermediary between external and domestic needs, so that international cooperation occurs on the basis of

242 E. Dorsey, M. Gómez, B. Thiele & P. Nelson, 'Falling Short of Our Goals: Transforming the Millennium Development Goals into Millennium Development Rights', *Netherlands Quarterly of Human Rights*, 28 (4), 2010, p. 520.

243 G. Schmidt-Traub, 'The Millennium Development Goals and Human Rights-Based Approaches: Moving towards a Shared Approach', in: *The International Journal of Human Rights*, 13(1), 2009, pp. 81-83.

244 Below we examine the question of whether the word 'can' also implies 'may'.

245 R. Went, *Internationale Publieke Goederen*, web publication no. 41, Advisory Council on Government Policy (WRR), The Hague, January 2010, p. 12.

enlightened self-interest.²⁴⁶ A global public goods approach would lead to more efficient allocation of resources in international cooperation.

Global public goods present new opportunities to define common interests now that the traditional idea that development is essentially a national public good is changing. In a time in which more and more doubts are being expressed about the effectiveness and efficiency of development aid and international solidarity is no longer taken for granted, global public goods point to the interests that the developed countries increasingly share with developing countries.²⁴⁷

What does the global public goods agenda offer over and above classical international cooperation? In addition to highlighting the above-mentioned need for a joint approach – with the corresponding funding – in a mutually dependent world, the concept of global public goods can also clarify how this need should be met. The categories of public goods vary in degrees of purity: pure (available to everyone and without restrictions), impure (exclusion is possible or use is not unrestricted), club goods (exclusion is possible and use is not unrestricted) and joint products (the results are partly a public good and partly not).²⁴⁸

Types of public goods

Spillover range	Pure	impure	club	joint product
National	<ul style="list-style-type: none"> · Deterrence of enemies · Financial accounting standards 	<ul style="list-style-type: none"> · Surveillance of borders · Interstate highway 	<ul style="list-style-type: none"> · Extension services · Communication network 	<ul style="list-style-type: none"> · Education · Charitable activities
Regional	<ul style="list-style-type: none"> · Watershed management · Malaria cure 	<ul style="list-style-type: none"> · Pest control · Immunizing populations 	<ul style="list-style-type: none"> · Airports · Power grids 	<ul style="list-style-type: none"> · Peace keeping · Reducing acid rain
Global	<ul style="list-style-type: none"> · Curbing global warming · Limiting ozone shield depletion 	<ul style="list-style-type: none"> · Reducing organized crime · Limiting contagions 	<ul style="list-style-type: none"> · INTELSAT · Universal Postal Union 	<ul style="list-style-type: none"> · Protection of rain forest · (some forms of) foreign assistance

Arce and Sandler 2002: 17

Pure public goods are goods from which everyone can benefit, including those who do not pay for them (free riders). This can mean that everyone waits until someone else takes action (prisoner's dilemma) and makes the price difficult to determine, so that the market mechanism does not work sufficiently to supply them. A significant cause of interdependence in supplying goods is the fact that many goods can only be provided

246 I. Kaul, 'Global Public Goods and responsible sovereignty. Special report: collective self-interest.', The Broker, 1 July 2010.

247 R. Went, *Internationale Publieke Goederen*, web publication no. 41, Advisory Council on Government Policy (WRR), The Hague, January 2010, pp. 26-27.

248 *Idem*, p. 15, for a more detailed definition.

if all, or most, countries participate ('summation process'), e.g. in the case of climate change. Sometimes, if the 'weakest link' does not cooperate, the whole process fails, as in the eradication of infectious diseases.

In 2006, the International Taskforce on Global Public Goods identified six major GPGs:²⁴⁹

- 1) preventing infectious diseases;
- 2) combating climate change;
- 3) international financial stability;
- 4) an international trade system;
- 5) peace and security;
- 6) knowledge.

This led to a broadening of the concept as applied by some economists. The Taskforce also made a number of important recommendations.

The 'publicness' of goods is largely a matter of political choice and is not intrinsic to the nature of the goods themselves.

The literature defines 'publicness' on the basis of three elements: decision-making on public goods is participatory, their consumption is available to all, and their benefits are equally distributed ('equity').²⁵⁰ In some respects, this touches on the human rights approach. The definition of public goods must do justice to this by identifying potential public goods: a public good is not only what the market rejects, but also what politicians decide belongs in the public domain. Water can, for example, be made a public or a private good (in that people can be excluded from access to it, and its use by one person may be at the expense of another; yet an accessible water supply can be a public good if it is decided that no one may be excluded from it).²⁵¹ This explicitly does not mean that it must be supplied 'publicly' (i.e. by the government).

The kind of policy initiatives proposed by the GPGs taskforce can focus on:

- strategy to create ownership of the concept of public goods;
- incentive structures to reach agreement; international negotiations are a 'political market';
- analysing possible ways of providing public goods: which actors supply which part of the public good;

249 International Taskforce on Global Public Goods, 'Meeting Global Challenges: International cooperation in the national interest', Final report, Stockholm 2006. There was, however, a crucial difference of opinion on the definition of global public goods. Inge Kaul added a disclaimer to the report (p ii): 'All but one of the members of the Task Force fully endorsed and signed off on this report. Inge Kaul did not.' In her view, GPGs are goods that affect all countries and not, as the reports states, from which all countries benefit. Many developing countries, for example, consider the multilateral trade regime unfair. 'Public' (in GPGs) therefore means the interdependence of countries in the consumption of goods, which should not be confused with the public utility of goods. In Kaul's opinion, developing countries would not accept the report for this reason and the taskforce, sponsored by France and Sweden, was dead in the water.

250 I. Kaul, R.U. Mendoza, 'Advancing the Concept of Public Goods', in I. Kaul, P. Conceição, K. Le Goulven, R.U. Mendoza (eds), *Providing Global Public Goods: Managing Globalization*, Oxford University Press, 2003, p. 92.

251 I. Kaul, P. Conceição, K. Le Goulven, R.U. Mendoza (eds), 'Providing Global Public Goods, Managing Globalization', Oxford University Press, 2003, pp. 2-26.

- promoting the self-production of public goods through technology;
- also giving line ministries responsibility for global public goods, since global public goods are an extension of national public goods; and
- case studies to identify best practices, including evaluation of issue-related global funds.

It should be noted here, however, that acceptance of the concept by developing countries deserves the highest priority, and that there is a long way to go before that is achieved. It is therefore to be recommended that if the Netherlands embraces the global public goods agenda it should explicitly focus on the dialogue with both small and large developing countries (like China) to reach agreement on this concept.

The AIV recommends establishing a link between the MDGs and global public goods. Controlling infectious diseases, for example, is already a global public good. This injects a more philosophical element into the goals, clarifying the question of why we enter into development cooperation: because it is a matter that affects everyone. It also breaks through the discussion on 'here' and 'there', as all countries should work to preserve global public goods.

We can make a distinction between human public goods (global norms) and natural public goods (e.g. the open sea or the atmosphere). 'Millennium Goods' can therefore become part of an international norm-setting framework, with progress measured in terms of moving towards a level that is acceptable for everyone.

A global public goods approach can also reveal the links between the different goals. In contrast to what some commentators advocate,²⁵² i.e. separate ODA and GPG agendas, it is more logical to argue in favour of integrating the two agendas. After all, different countries have different priorities in respect of public goods. The AIV can provide more detailed advice on how this should relate to, for example, the ODA norm. The advantage of this system is that it applies equally to all countries.²⁵³

B.IV.3 Global commons

Nobel Prizewinner Elinor Ostrom (2009) studied how users of the same natural resources (such as fishing grounds or meadows) achieve an effective form of shared use, known as 'commons' or 'common pool resources'.²⁵⁴ She challenged the conventional theory that collective use without ownership rights automatically leads to overuse, rendering either government regulation or privatisation necessary (this is referred to as 'the tragedy of the

252 I. Kaul, 'Global Public Goods: A key to achieving the Millennium Development Goals', discussion draft, Third Forum on Human Development, 2005, p. 10. Severino and Ray also make a distinction between GPGs and human welfare/fighting inequalities in J. Severino and O. Ray, 'The end of ODA: Death and rebirth of a Global Public Policy', Center for Global Development, March 2009 p. 26. This is inspired by a plea to maintain the 0.7% norm.

253 See also J. Martens, 'Thinking Ahead: Development models and indicators of wellbeing beyond the MDGs', Friedrich Ebert Stiftung, Berlin, November 2010, p. 8.

254 See E. Ostrom, R. Gardner, J. Walker (eds), 'Rules, Games and Common Pool Resources', The University of Michigan Press, Ann Arbor: USA, 1994.

commons').²⁵⁵ Collective private systems proved much more effective than government interventions or market-based solutions. Self-regulation often generates a refined system of individual users' rights, responsibilities and sanctions. This theory can be extrapolated to worldwide level ('global commons').

Ostrom's ideas are generally acknowledged as an important contribution to economic theory from political science and anthropology. The 'commons' theory comes close to the concept of global public goods, with the difference that the former reasons from (local) community level, and the global public goods theory from global interdependence. 'Global commons' is actually a system of self-regulation that comes into operation at the moment when a global public good (such as the atmosphere) moves from being inaccessible to accessible and needs to be managed, monitored and protected.²⁵⁶ In this sense the global commons, under the conditions described above, are one possible mechanism for implementing global public goods. 'Common resource pools' also contain impure public goods, because use by one person is at the expense of another.

Ostrom formulated seven principles for successful 'common pool resources': (i) establishing rules for entitlement at the source, (ii) adequate conflict resolution mechanisms, (iii) the duty to maintain the resource in reasonable proportion to the benefits, (iv) monitoring and sanctioning carried out by the users themselves, (v) sanctions should be graduated, becoming stricter as violations are repeated, (vi) democratic decision-making on rules, and (vii) explicit recognition by outside authorities of the right of users to self-organise.²⁵⁷ Ostrom expressed the hope that this insight would also help in finding solutions to the climate problem.²⁵⁸ Commons governance is easier to achieve when it complies with the following conditions: 1) use of resources can be quantified, 2) the rate of change is moderate, 3) there are social networks of users who trust each other, and 4) outsiders can be easily excluded from using the resource. Institutional arrangements should therefore take account of these conditions.²⁵⁹ Knowledge, too, can be seen as a 'global commons'. The digital revolution has generated virtual communities that share information on the basis of rules they have drawn up themselves, for example, on overuse and to combat pollution.²⁶⁰

255 This theory was proposed by biologist G. Hardin in 1968 and is still taught, despite evidence to the contrary; see C. Hess, E. Ostrom, 'Understanding Knowledge as a Commons', MIT Press, December 2006, p. 11.

256 *Idem*, p. 10.

257 Royal Swedish Academy of Sciences, 'Economic governance: Scientific background on the Sveriges Riksbank Prize in Economic Sciences in Memory of Alfred Nobel', Stockholm, October 2009, p. 11.

258 New York Times, Elinor Ostrom and Oliver E. Williamson win Nobel in Economic Science, 12 October 2009.

259 T. Dietz, E. Ostrom, P. Stern, 'The Struggle to Govern the Commons', Science Magazine, Vol. 302, 1907, December 2003.

260 C. Hess, E. Ostrom, 'Understanding Knowledge as a Commons', MIT Press, December 2006.

B.IV.4 Conclusions

In this advisory report, the AIV recommends incorporating human rights implicitly in a post-2015 system, more than is now the case. After all, all the current MDGs reflect human rights, though they are not explicitly embedded in the goals and targets. In a more ideal world, we would advise a 'Millennium Rights' approach, but the AIV does not believe this to be politically feasible for the time being. The advantage of the rights approach is that it is grounded in international treaties and conventions. Below, the AIV recommends incorporating this approach wherever possible.

The AIV recommends establishing a link between the MDGs and global public goods (GPGs). Enlightened self-interest is a less charged argument than moral entitlement, but has the disadvantage of having no grounding in international conventions. The challenge is to define exactly what global public goods are: are they goods from which no one can or may be excluded? International consensus still has to be reached on this issue. The academic discussion is shifting towards 'may', as 'can' is partly dependent on technical factors. 'Public' explicitly does not mean 'provided by the government' but public in consumption, distribution and decision-making.

Human rights

To retain the bottom-up, participatory approach, the AIV recommends incorporating the human rights approach to development cooperation in a post-2015 system by:

1. incorporating, where possible, the principles of participation, non-discrimination, human dignity and accountability; including in a post-2015 system a preamble with regulatory principles on human rights, gender, etc. (see also 'public commons'); ensuring that the process of creating a post-2015 system is participatory;
2. establishing explicit links with major human rights agreements that are widely supported and endorsed, for example, referring to 'Vienna' in MDG2, to 'Beijing' in a new MDG3 and to 'Cairo' in a new MDG5;
3. splitting indicators by upper and lower layers in society to make inequality visible (participation);
4. splitting indicators by target group to make forgotten groups (such as indigenous peoples) visible (non-discrimination);
5. continuing to measure different dimensions of poverty; this increases the pressure on governments to be accountable, especially in relation to gender and target groups;
6. including indicators for assessing the effectiveness of the state and/or state institutions; this would also make opportunities for achieving the rule of law more visible; and
7. conducting an international debate on the extraterritorial applicability of civil, political, socioeconomic and cultural rights.

Global public goods

GPGs must be given an important role in a post-2015 system by:

1. establishing a link between the goals of the post-2015 system and GPGs, i.e. issues that affect everyone and from which no one may be excluded. In the light of achieving global goals, all countries should contribute to this, both by taking measures at national level and through development cooperation and policy coherence. Defining public goods is a matter of political decision-making. The AIV can advise on how contributions should be related to, for example, the ODA norm. The discussion should not be led by funding opportunities or constraints (implementation follows strategy);
2. where possible, integrating in the new strategy achievement of the six most important GPGs, as formulated by the 2006 International Taskforce: 1. preventing infectious diseases; 2. combating climate change; 3. international financial stability; 4. an international trade system; 5. peace and security; and 6. knowledge;

3. conducting a dialogue with large and small developing countries to establish a clear definition of the concept of GPGs, which is a controversial issue internationally. Countries are extremely distrustful of anything that they feel may threaten their sovereignty. A small number of emerging powers (India, Brazil, South Africa) see some merit in the concept, albeit with a limited application;
4. introducing an international dialogue on the concept of responsible sovereignty – by the state acting as an intermediary between domestic and foreign stakeholders to create ownership of the new MDG strategy among donors and recipients and also to make the need for international cooperation clear to the public;
5. advocating the establishment of an international taskforce for responsible sovereignty, that would also represent developing countries.

Public commons

Ostrom (2009) elaborated on non-market-related relationships within the economy by looking at the ‘commons’ (a resource shared by a group of users). The AIV recommends including these insights (which are based on experiences with local community governance) in a post-2015 system for global governance. This means *mutatis mutandis* incorporating Ostrom’s seven rules for successful governance:

1. establishing rules for entitlement;
2. establishing adequate conflict resolution mechanisms;
3. establishing a duty to maintain the resource in reasonable proportion to the benefits;
4. organising monitoring and sanctioning carried out by the users themselves;
5. introducing graduated sanctions that become stricter as violations are repeated;
6. ensuring democratic decision-making on rules;
7. ensuring explicit recognition by outside authorities of the right of users to self-organise.

B.V Towards renewed global governance

B.V.1 Global governance and the network society

The AIV notes that a post-2015 system can benefit from a new system of global governance, as current institutions are based on the economic and political reality of 60 years ago and have proved ineffective in managing today’s increased interdependencies and addressing crises. Reform has been piecemeal and therefore often lacking in coherence.

The new system must be determined by shared rights and obligations, differentiated according to level of development. International organisations must return to their core mandates to avoid the current overlap, while new, more representative organisations are required to address issues like financial regulation, the debt burden, technology transfer, climate and migration, including labour migration.²⁶¹

Global governance is not only a matter of relations between states, but also between NGOs and their networks, civil society movements and transnational corporations.²⁶² More generally, formal institutions do not hold a monopoly on promoting global cooperation, peace, sustainable development and democracy; in these areas in particular, informal

261 UN Department of Economic and Social Affairs (DESA), ‘World Economic and Social Survey 2010: Retooling Global Development’, New York, May 2010, chapter 6.

262 Commission on Global Governance (CGG), ‘Our Global Neighbourhood’, Oxford University Press, 1995.

arrangements have an important role to play.²⁶³

Coherence between national and global policy

Besides the theoretical arguments in favour of responsible sovereignty, global public goods and global governance, practitioners have also been calling for a different approach to development cooperation. This has been expressed in journalistic books by authors like Dambisa Moyo (*Dead Aid*, 2009) and Dutch diplomat Karel van Kesteren, who claims that aid is 'lost in chaos' due to the increase in the number of donors.²⁶⁴ Van Kesteren notes that the Paris Declaration on increasing the effectiveness of aid has largely failed, even in the case of 'donor darlings' like Tanzania. A recent analysis (on hypercollective action) states that the Declaration is overly based on a now obsolete model, the coordination of traditional aid by bilateral and multilateral donors.²⁶⁵ Today, aid is increasingly provided by civil society, citizens, companies, single-issue multilateral funds and new donors like China and Brazil, who are not members of the OECD. Returning to the old model is an illusion, as this would be denying social reality. The alternative – setting up an enormous coordination mechanism for aid – is expensive and threatens to become an end in itself. In its new report 'Attached to the World' the WRR takes a network society as its starting point.²⁶⁶ In the view of the AIV, a society in which temporary networks play a more prominent role is a more realistic starting point.

Arguments in favour of providing only budget support, with a strict division of labour among donors, have proved unfeasible in practice. Developing countries with strong institutional capacity are now choosing themselves which donors they wish to work with and for what goal. Weak countries, by contrast, are often not equipped for effective accountability and therefore benefit from capacity building. In a number of 'ideal' cases, joint budget support can be a good solution.

The question is which approach is the most effective. The advantage of many new actors is that they are often closer to the people for whom the aid is intended. This makes policymaking far less centralised, with one important disadvantage: the absence of an arbiter.²⁶⁷ To solve this problem, Severino and Ray propose regulating the tidal wave of projects as efficiently as possible through legislation, international norms, incentives, information platforms and partnerships. They also suggest improving aid by providing the public with more information on the need for international cooperation, conducting serious consultations with the ultimate recipients of aid during evaluations,

263 Advisory Council on Government Policy (WRR), 'Less pretension, more ambition', Amsterdam University Press, Amsterdam, 2010, p. 249.

264 K. van Kesteren, *Verloren in Wanorde*, KIT Publishers: Amsterdam 2010.

265 J. Severino and O. Ray, 'The end of ODA (II): The birth of hypercollective action', Center for Global Development Working Paper 218, June 2010, p. 3.

266 Advisory Council on Government Policy (WRR), *Aan het buitenland gehecht* ('Attached to the World'), Amsterdam University Press, Amsterdam, 2010, pp. 12-14.

267 J. Severino and O. Ray, 'The end of ODA (II): The birth of hypercollective action', Center for Global Development Working Paper 218, June 2010, pp. 4-11.

and cooperating on the use of indicators to measure the impact of aid.²⁶⁸ Donors can be encouraged to improve their policies by means of indices that compare the impact of their activities: 'cross-donor' evaluations (by analogy to the micro-finance index, which measures performance in providing microfinancing).

These and other initiatives can only develop in an improved, normative global policy framework. A post-2015 system could fulfil this role, as long as it is interpreted as a system of shared goals with an underlying perspective on development, rather than just a framework for input allocation.²⁶⁹ This implies, in a certain sense, accepting the redistribution of prosperity to promote the 'health' of the global socioeconomic system. After all, global demand and employment can also come from low-income countries, not least because these countries (in Africa and elsewhere) are experiencing strong population growth. In the words of the director of the World Bank at the G20 summit in Korea, it is a matter of 'sink or swim together'.²⁷⁰ A renewed framework could herald a new form of international cooperation, based in the first instance on a minimum level of subsistence. This implies that everyone takes responsibility for the ongoing process of globalisation and the imbalances that it has generated in some parts of the world.²⁷¹

From this perspective, multilateral institutions should also take on a new role: rather than implementing projects and programmes, they should manage donors. They can do this by bringing financing together, devising a policy perspective, identifying projects seeking support and contracting them out to donors (or other actors) who can bid for them, preferably working together in partnerships (comparable to the method used by the EU-Africa Partnership for Infrastructure).²⁷² This proposal responds to the widespread criticism that donors give so much money to multilateral institutions without any form of consultation or feedback, ensures that bilateral donors can contribute their own specific knowledge, and can promote the added value of civil society (being closer to the aid consumer) and the involvement of individual citizens.²⁷³

B.V.2 Global financing

Financing development has become increasingly complex. Development and ODA are moving further and further out of line (see figure below). Expenditures are classified under ODA that do not belong there, while development activities are being financed from non-ODA funds.

268 *Idem*, pp. 34-35.

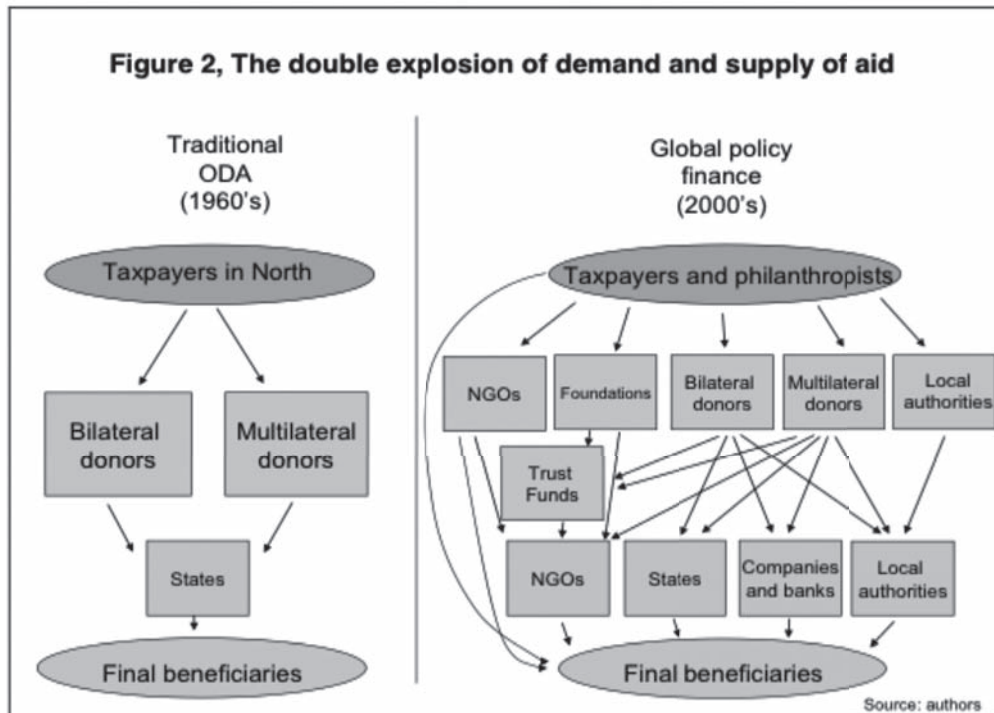
269 *Idem*, p. 41.

270 N. Okonjo-Iweala, Managing Director of the World Bank, 'Why the G20 should be interested in the Development of the G-160+', Speech at the World Bank Conference on Post-Crisis Growth and Development, Busan, Korea, 11-12 November 2010.

271 J. M. Severino, 'Millennium Development Goals: Looking beyond 2015'. Blog on ID4D.org, 2007.

272 J. Severino and O. Ray, 'The end of ODA (II): The birth of hypercollective action', Center for Global Development Working Paper 218, June 2010, pp. 36-40.

273 *Idem*, p. 31.



If global public goods are also included in the analysis and discussion of development funding, the picture becomes extremely complex. A distinction can then be made between social aid, economic support and global public goods, including combating 'global public bads', i.e. the negative effects of national policies on other countries. Opinions can of course differ on exactly what falls into the various categories, but a presentation of all future development financing flows would be a better guideline for policy than a fixation on ODA.

With greater attention to global public goods, there is a clear need to define more precisely what should be financed and how. Some methods of financing are more suited to funding certain development activities than others. For some time now, there have, for example, been calls to devise innovative methods for funding global public goods. The Taskforce on International Financial Transactions for Development recommends a global currency transaction tax, i.e. a tax on foreign currency transactions.²⁷⁴ This would generate revenues and a sustainable flow of funds, only impact slightly on trade volumes and contribute to price stability. A tax of this nature is internationally controversial. Other examples of innovative financing are described in 'The New Public Finance: Responding to Global Challenges',²⁷⁵ and in a UN study addressing proposals such as an environmental tax, a Tobin tax, a development focus on special drawing rights, an international financial

274 Report of the committee of experts to the Taskforce on International Financial Transactions and Development, 'Globalizing solidarity: The case for financial levies', Paris, June 2010. This idea was weighed up against other options, such as a tax on activities in the financial sector, VAT on financial services, a taxation on financial transactions and national taxation of countries' own currency.

275 I. Kaul and P. Conceição, 'The New Public Finance: Responding to Global Challenges', Overview, published for UNDP, Oxford University Press: Oxford/New York, 2006, p. 49.

facility, private donations, a global lottery and migrant remittances.²⁷⁶ A more detailed examination of new funding opportunities is beyond the scope of this report.

B.V.3 Conclusions

The AIV attaches great importance to formulating an improved system of global governance, including the financing components, as part of a post-2015 system. Recent theories on global public goods and institutional development (public commons) can serve as a starting point for this process (as discussed in the previous chapter).

Global governance

The AIV concludes that an ideal scenario for donor coordination is not feasible and should no longer be pursued. It is more realistic to take as a starting point a society in which temporary networks play a more prominent role. They will not replace existing structures, but will operate alongside them. It will remain very important to set norms, both between states and with multilateral organisations, citizens, companies and civil society organisations. This means:

- designing a new MDG system that can act as a norm-setting framework for international cooperation for all actors;
- giving multilateral institutions a role in the management of donors (rather than just programmes) and returning them to their core tasks;
- modifying the G20, so that regions like Africa and the least developed countries have a voice in global decision-making;
- devising a new MDG8 with a clear and coherent global governance agenda; and
- achieving greater coherence between development activities and expenditures in donor countries and reforming trade and financial systems.

Financing

The AIV concludes that financing for ODA and for global public goods currently overlaps. Besides ODA there are more and more ideas on innovative forms of financing. Some forms are better suited than others for certain categories of public goods. This means:

- distinguishing between public goods for which ODA is suitable and those which can be financed in another way.

276 Atkinson, A.B. (ed.), 'New Sources of Development Finance', UNU-WIDER Oxford University Press: Oxford, 2005.

Annexes

Mr F. Korthals Altes
Chairman of the Advisory Council
on International Affairs
P.O. Box 20061
2500 EB The Hague

Date 18 November 2010
Re Request for advice on the development agenda after 2015

Dear Mr Korthals Altes,

The General Assembly of the United Nations unanimously signed the Millennium Declaration in New York in 2000. For the first time in history, measurable development goals were agreed: the Millennium Development Goals for 2015. It is now 2010 and much has been achieved. The MDG Review Summit was held in New York in September to take stock of the situation and to see how progress could be speeded up in the five years that remain.

The first international discussions have now been held on the development agenda after 2015. The Netherlands is taking part in them.

In this connection, I would request the Advisory Council for International Affairs (AIV) to draft an advisory report that will enable the government to determine its position in the debate on the post-2015 development agenda. This request does not concern Dutch policy on the MDGs in the 2011 to 2015 period. I would invite the AIV to provide the government with an understanding of the strengths and weaknesses of the current approach and to trace the outlines of a new approach, in so far as it is emerging from the international discussions referred to above and publications such as the recent report by the Advisory Council on Government Policy (WRR), *Less Pretension, More Ambition*.

At this stage, I believe that an exploratory advisory report would be the most useful. However, I may request a follow-up advisory report at a later stage.

In its response to the WRR report, the AIV has already pointed out that the MDG approach originated in response to the Washington Consensus and the Structural Adjustment Programmes. Publications appeared in the 1980s and 1990s on methods of measuring prosperity and wellbeing that were not only based on purely economic indicators, but also devoted attention to matters such as human dignity and personal development. Thinking of this kind underpinned the series of Human Development Reports launched in 1990, and was reflected more recently in the work of the Stiglitz Commission.

The Millennium Declaration has worked as a catalyst, leading to a broad international consensus on development. The MDGs identified a number of persistent problems that hinder development, such as the subordinate position of women, HIV/AIDS and maternal mortality. Much has been achieved in the fields of education and health care.

However, the current MDG framework is frequently criticised for devoting too little attention to the economic agenda, good governance, participation, empowerment and other political dimensions of the development issue. Criticism has also been voiced about implementation

of the MDG model, in particular that the principles on the effectiveness of aid, as set out in, for example, the Paris Declaration, are not always put sufficiently into practice.

I would request you to examine the questions below from the perspective of both developing countries and donors.

Lessons learned

Main question: What has been the value for development of the Millennium Declaration and the concept of the Millennium Development Goals?

The following subsidiary questions could help focus the answer to this question.

- Has the Millennium Declaration proved sufficiently successful in addressing the problems that hinder or block development?
- Has the Millennium Declaration contributed to the focus on poverty?
- What are the advantages and disadvantages of the way in which the targets have been formulated? With respect to the disadvantages, what issues have been neglected in the past ten years?
- To what extent has the concept of the Millennium Development Goals influenced donor policy in terms of decisions about the allocation of resources and choices of themes and sectors? To what extent have developing countries been able to influence decision-making by donors? To what extent have the Millennium Declaration and the MDGs been a common enterprise of the states that signed the Declaration?
- The goals are formulated in general terms. Has that been an obstacle to country-specific action? Has it affected developing countries' ownership of their own development?
- Has the concept of the Millennium Development Goals contributed to greater policy coherence for development and coordination of aid? If so, how significant was the contribution?
- How did the concept of the Millennium Development Goals influence the evolution and implementation of the development agenda in donor and partner countries?
- To what extent has the Millennium Declaration proved to be a catalyst in increasing donor countries' financial commitment (towards the 0.7% norm)?

Towards a different approach?

In 2000, the MDG targets were set for a period of 25 years, with a baseline in 1990. The international balance of forces has changed considerably in the past ten years. Various interconnected crises have occurred. The question is whether developing countries each carry enough weight at international level to pursue their own policies in a time of cross-border crises. Some countries' policy space seems to be shrinking rather than increasing. Given this context, we might expect that development goals should more often be seen in relation to global challenges such as security, the international legal order, health, environment, water and climate, trade and knowledge development. What are the implications for a new agenda?

I would request the AIV to carry out an objective study of emerging themes in international thinking about development, in order to give the government a better understanding of the possible contours of a new international development agenda: one that inspires, mobilises and is based on consensus between North and South.

Does the AIV's analysis of the lessons learned, the changing international context and

current developments in international thinking on development lead it to expect the international development agenda to take on a completely new form after 2015?

The following subsidiary questions might be useful in answering this question.

- What ideas are currently shaping international thought about development and development processes? Does the AIV believe that they could serve as a starting point for a new global development agenda? (If so, why; if not, why not?) Or does the AIV believe that the current approach (possibly with some adjustments) should be continued?
- Could issues that are linked to interdependence, such as the distribution of and access to global public goods, form the basis for development goals after 2015? If so, what role will development cooperation play?

I would request you to complete your report by February 2011.

Yours sincerely,
(signed)

Ben Knapen
Minister for European Affairs and International Cooperation

List of frequently used abbreviations

AIV	Advisory council on International Affairs
CGD	Center for Global Development
CMR	Human Rights Committee of the AIV
COS	Development Committee of the AIV
DAC	Development Assistance Committee
EU	European Union
FAO	Food and Agriculture Organization
GDP	Gross Domestic Product
GNI	Gross National Income
GNP	Gross National Product
GPGs	Global Public Goods
HIPC	Heavily Indebted Poor Countries
ICESCR	International Covenant on Economic, Social en Cultural Rights
ICRC	International Convention on the Rights of the Child
IMF	International Monetary Fonds
MDGs	Millennium Development Goals
NGOs	Non-governmental Organisation
ODA	Official Development Assistance
OECD	Organisation for Economic Co-operation and Development
PPP	Purchasing Power Parity
PRSPs	Poverty Reduction Strategy Papers
R&D	Research and Development
TRIPS	Trade Related Aspects of Intellectual Property Rights
UN	United Nations
UNAIDS	Joint United Nations Programme on HIV and AIDS
UNDP	United Nations Development Programme
UNCTAD	United Nations Conference on Trade and Development
UNICEF	United Nations Children’s Fund
UNEP	United Nations Environment Programme
US	United States
WHO	World Health Organization
WTO	World Trade Organization

Official list of MDGs

All targets and indicators in *italics* have been added since 2001

** target or indicator that was included in the original MDGs but has been moved to another target or indicator

Official list of Millennium Development Goals, effective 15 January 2008

Goals and Targets (from the Millennium Declaration)	Indicators for monitoring progress
Goal 1: Eradicate extreme poverty and hunger	
Target 1.A: Halve, between 1990 and 2015, the proportion of people whose income is less than one dollar a day	1.1 Proportion of population below \$1 (PPP) per day ¹ 1.2 Poverty gap ratio 1.3 Share of poorest quintile in national consumption
<i>Target 1.B: Achieve full and productive employment and decent work for all, including women and young people</i>	1.4 <i>Growth rate of GDP per person employed</i> 1.5 Employment-to-population ratio 1.6 Proportion of employed people living below \$1 (PPP) per day 1.7 Proportion of own-account and contributing family workers in total employment
Target 1.C: Halve, between 1990 and 2015, the proportion of people who suffer from hunger	1.8 Prevalence of underweight children under-five years of age 1.9 Proportion of population below minimum level of dietary energy consumption
Goal 2: Achieve universal primary education	
Target 2.A: Ensure that, by 2015, children everywhere, boys and girls alike, will be able to complete a full course of primary schooling	2.1 Net enrolment ratio in primary education 2.2 Proportion of pupils starting grade 1 who reach last grade of primary 2.3 Literacy rate of 15-24 year-olds, women and men
Goal 3: Promote gender equality and empower women	
Target 3.A: Eliminate gender disparity in primary and secondary education, preferably by 2005, and in all levels of education no later than 2015	3.1 Ratios of girls to boys in primary, secondary and tertiary education 3.2 Share of women in wage employment in the non-agricultural sector 3.3 Proportion of seats held by women in national parliament
Goal 4: Reduce child mortality	
Target 4.A: Reduce by two-thirds, between 1990 and 2015, the under-five mortality rate	4.1 Under-five mortality rate 4.2 Infant mortality rate 4.3 Proportion of 1 year-old children immunised against measles

1 For monitoring country poverty trends, indicators based on national poverty lines should be used, where available. All indicators should be disaggregated by sex and urban/rural as far as possible.

Goal 5: Improve maternal health	
Target 5.A: Reduce by three quarters, between 1990 and 2015, the maternal mortality ratio	5.1 Maternal mortality ratio 5.2 Proportion of births attended by skilled health personnel
<i>Target 5.B: Achieve, by 2015, universal access to reproductive health</i>	5.3 Contraceptive prevalence rate** 5.4 Adolescent birth rate 5.5 Antenatal care coverage (at least one visit and at least four visits) 5.6 Unmet need for family planning
Goal 6: Combat HIV/AIDS, malaria and other diseases	
Target 6.A: Have halted by 2015 and begun to reverse the spread of HIV/AIDS	6.1 HIV prevalence among population aged 15-24 years 6.2 Condom use at last high-risk sex 6.3 Proportion of population aged 15-24 years with comprehensive correct knowledge of HIV/AIDS 6.4 Ratio of school attendance of orphans to school attendance of non-orphans aged 10-14 years
<i>Target 6.B: Achieve, by 2010, universal access to treatment for HIV/AIDS for all those who need it</i>	6.5 <i>Proportion of population with advanced HIV infection with access to antiretroviral drugs</i>
Target 6.C: Have halted by 2015 and begun to reverse the incidence of malaria and other major diseases	6.6 Incidence and death rates associated with malaria 6.7 Proportion of children under 5 sleeping under insecticide-treated bednets 6.8 Proportion of children under 5 with fever who are treated with appropriate anti-malarial drugs 6.9 Incidence, prevalence and death rates associated with tuberculosis 6.10 Proportion of tuberculosis cases detected and cured under directly observed treatment short course
Goal 7: Ensure environmental sustainability	
Target 7.A: Integrate the principles of sustainable development into country policies and programmes and reverse the loss of environmental resources	7.1 Proportion of land area covered by forest 7.2 CO ₂ emissions, total, per capita and per \$1 GDP (PPP) 7.3 <i>Consumption of ozone-depleting substances</i> 7.4 <i>Proportion of fish stocks within safe biological limits</i> 7.5 <i>Proportion of total water resources used</i> 7.6 <i>Proportion of terrestrial and marine areas protected</i> 7.7 <i>Proportion of species threatened with extinction</i>
<i>Target 7.B: Reduce biodiversity loss, achieving, by 2010, a significant reduction in the rate of loss</i>	
Target 7.C: Halve, by 2015, the proportion of people without sustainable access to safe drinking water and basic sanitation	7.8 Proportion of population using an improved drinking water source 7.9 Proportion of population using an improved sanitation facility
Target 7.D: By 2020, to have achieved a significant improvement in the lives of at least 100 million slum dwellers	7.10 Proportion of urban population living in slums

Goal 8: Develop a global partnership for development	
<p>Target 8.A: Develop further an open, rule-based, predictable, non-discriminatory trading and financial system</p> <p>Includes a commitment to good governance, development and poverty reduction – both nationally and internationally</p> <p>Target 8.B: Address the special needs of the least developed countries</p> <p>Includes: tariff and quota free access for the least developed countries' exports; enhanced programme of debt relief for heavily indebted poor countries (HIPC) and cancellation of official bilateral debt; and more generous ODA for countries committed to poverty reduction</p> <p>Target 8.C: Address the special needs of landlocked developing countries and small island developing States (through the Programme of Action for the Sustainable Development of Small Island Developing States and the outcome of the twenty-second special session of the General Assembly)</p> <p>Target 8.D: Deal comprehensively with the debt problems of developing countries through national and international measures in order to make debt sustainable in the long term</p>	<p><i>Some of the indicators listed below are monitored separately for the least developed countries (LDCs), Africa, landlocked developing countries and small island developing States.</i></p> <p><u>Official development assistance (ODA)</u></p> <p>8.1 Net ODA, total and to the least developed countries, as percentage of OECD/DAC donors' gross national income</p> <p>8.2 Proportion of total bilateral, sector-allocable ODA of OECD/DAC donors to basic social services (basic education, primary health care, nutrition, safe water and sanitation)</p> <p>8.3 Proportion of bilateral official development assistance of OECD/DAC donors that is untied</p> <p>8.4 ODA received in landlocked developing countries as a proportion of their gross national incomes</p> <p>8.5 ODA received in small island developing States as a proportion of their gross national incomes</p> <p><u>Market access</u></p> <p>8.6 Proportion of total developed country imports (by value and excluding arms) from developing countries and least developed countries, admitted free of duty</p> <p>8.7 Average tariffs imposed by developed countries on agricultural products and textiles and clothing from developing countries</p> <p>8.8 Agricultural support estimate for OECD countries as a percentage of their gross domestic product</p> <p>8.9 Proportion of ODA provided to help build trade capacity</p> <p><u>Debt sustainability</u></p> <p>8.10 Total number of countries that have reached their HIPC decision points and number that have reached their HIPC completion points (cumulative)</p> <p>8.11 Debt relief committed under HIPC and MDRI Initiatives</p> <p>8.12 Debt service as a percentage of exports of goods and services</p>
<p>Target 8.E: In cooperation with pharmaceutical companies, provide access to affordable essential drugs in developing countries</p> <p>Target 8.F: In cooperation with the private sector, make available the benefits of new technologies, especially information and communications</p>	<p>8.13 Proportion of population with access to affordable essential drugs on a sustainable basis</p> <p>8.14 Telephone lines per 100 population</p> <p>8.15 Cellular subscribers per 100 population</p> <p>8.16 Internet users per 100 population</p>

Source: UNDP: 'Beyond the Mid-point: achieving the Millennium Development Goals', January 2010



Seoul Development Consensus for Shared Growth

"Narrowing the development gap and reducing poverty are integral to our broader objective of achieving strong, sustainable and balanced growth and ensuring a more robust and resilient global economy for all."

~Toronto Declaration, June 26-27, 2010

In the wake of the most severe economic shock in recent history, the G20 has the opportunity to contribute to the reconstruction of the world economy in a form conducive to strong, sustainable, inclusive and resilient growth. Through the Seoul Development Consensus for Shared Growth, we seek to add value to and complement existing development commitments, particularly those made at the recent High-Level Plenary Meeting on the Millennium Development Goals, and in other fora.

Why Growth Must be Shared

At Pittsburgh we agreed to work together in an unprecedented process of mutual assessment to ensure our individual economic policies collectively achieved an outcome of strong, sustainable and balanced growth. This Framework was borne of a recognition that for the world to enjoy continuing levels of prosperity it must find new drivers of aggregate demand and more enduring sources of global growth. We recognize as a crucial part of this exercise that we need to enhance the role of developing countries and low income countries (LICs) in particular, for the following reasons:

- First, because for prosperity to be sustained it must be shared.
- Second, because we acknowledge that the impact of the recent crisis demonstrated a global interconnectedness that is disproportionately affecting the most vulnerable in the poorest countries. It has been estimated that, as a result of the recent crisis, an additional 64 million people will be living in extreme poverty (i.e., living on less than USD 1.25 a day) by the end of 2010. We therefore have a responsibility to fulfill.
- Third, as the premier forum for our international economic cooperation, because the G20 has a role to play, complementing the efforts of aid donors, the UN system, multilateral development banks (MDBs) and other agencies, in assisting developing countries, particularly LICs, achieve the Millennium Development Goals (MDGs). Our role must relate to our mandate on global economic cooperation and recognize that consistently high levels of inclusive growth in developing countries, and LICs in particular, are critically necessary, if not sufficient, for the eradication of extreme poverty.
- Fourth, because the rest of the global economy, in its quest for diversifying the sources of global demand and destinations for investing surpluses, needs developing countries and LICs to become new poles of global growth – just as fast growing emerging markets have become in the recent past.

Our overarching objective of helping LICs improve and maintain the levels and quality of growth, thereby reducing poverty, improving human rights and creating decent jobs, requires strengthening the relationships among high, middle and low income countries. This entails



promoting sustainable economic, social and environmental development; honoring equity in the partnerships that exist; building stronger and more effective partnerships among advanced countries, emerging countries and LICs; engaging the private sector and civil society; and refocusing our priorities and efforts to remove the bottlenecks for LIC growth. We further believe there is no “one-size-fits-all” formula for development success and that developing countries must take the lead in designing and implementing development strategies tailored to their individual needs and circumstances.

G20 Development Principles

We therefore commit ourselves to a Multi-Year Action Plan to achieve these objectives. This Plan will be based on the following principles, intended to capture the key characteristics of our actions and policies:

1. **Focus on economic growth.** *Be economic-growth oriented and consistent with the G20 Framework for Strong, Sustainable and Balanced Growth, which requires narrowing of the development gap. More robust and sustainable economic growth in LICs will also go hand-in-hand with their capacity to achieve the MDGs. Actions and policies should have the capacity to significantly improve the prospects for inclusive, sustainable and resilient growth above business as usual.*
2. **Global development partnership.** *Engage developing countries, particularly LICs, as equal partners, respecting their national ownership and recognizing that the most important determinant of successful development is a country's own development policy. Ensure that actions foster strong, responsible, accountable and transparent development partnerships between the G20 and LICs.*
3. **Global or regional systemic issues.** *Prioritize actions that tackle global or regional systemic issues such as regional integration where the G20 can help to catalyze action by drawing attention to key challenges and calling on international institutions, such as MDBs, to respond. Focus on systemic issues where there is a need for collective and coordinated action, including through South-South and triangular cooperation, to create synergies for maximum development impact.*
4. **Private sector participation.** *Promote private sector involvement and innovation, recognizing the unique role of the private sector as a rich source of development knowledge, technology and job creation. Encourage specific ways to stimulate and leverage the flows of private capital for development, including by reducing risks and improving the investment climate and market size.*
5. **Complementarity.** *Differentiate, yet complement existing development efforts, avoiding duplication, and strategically focus on areas where the G20 has a comparative advantage and can add value focusing on its core mandate as the premier forum for international economic cooperation.*
6. **Outcome orientation.** *Focus on feasible, practical and accountable measures to address clearly articulated problems that are serious blockages to significantly improving growth prospects for developing countries. Such measures should have the potential to provide tangible outcomes and be significant in impact. Implementation of G20 action on development should be monitored through an adequate accountability framework.*



In close consultation with our developing country and LIC partners, as well as relevant international and regional organizations with development expertise, we have also identified nine areas, or “key pillars,” where we believe action and reform are most critical to ensure inclusive and sustainable economic growth and resilience in developing countries and LICs. These areas are: **infrastructure, private investment and job creation, human resource development, trade, financial inclusion, growth with resilience, food security, domestic resource mobilization and knowledge sharing.** Creating optimal conditions for strong, sustainable and resilient economic growth in developing countries will require reform and transformation across each of these interlinked and mutually reinforcing key pillars.

Guided by our development principles and oriented around the key pillars, we have developed the following Multi-Year Action Plan on Development. We believe these action plans address some of the most critical bottlenecks to strong and sustainable economic growth and resilience in developing countries, in particular LICs, and have high potential for transformative, game-changing impact on people’s lives, helping to narrow the development gap, improve human rights and promote gender equality. We commit to full, timely and effective implementation of these action plans and, to this end, will continue to closely monitor their progress, in synergy with other processes, including preparations for the Fourth High-Level Forum on Aid Effectiveness to be held in Korea in late 2011.

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