

---

# DEFINING DEVELOPMENT IN THE 21<sup>ST</sup> CENTURY

## Implications for Sub-Saharan Africa

---

April 2013

**Sakiko Fukuda-Parr**  
**International Affairs**  
**The New School**

### 1. INTRODUCTION

---

As the international community debates the elaboration of the International Development Agenda post-2015 and the Sustainable Development Goals, the future of development of cooperation is at stake. These debates mark shifts in consensus thinking about development as an international project, how the important objectives are defined, what key constraints are identified, and what strategies are considered as necessary to overcome constraints and achieve objectives. The Millennium Declaration and the Millennium Development Goals (MDGs) marked a departure in how development is defined by achieving a consensus on poverty as its primary, over-arching objective. This is an important achievement in advancing global commitment to human dignity. But as Charles Gore (2010) remarks, this new idea about development replaces an old idea about development. He warned that this could be a 'Faustian Bargain' where developing countries give up the idea of development as transforming the productive capacity of their national economies.

Thus the MDGs mark a major departure from the idea of development as economic transformation that underpinned the post-war framework for international cooperation as support to developing countries to become economically self-sustaining, and around which arrangements for resource transfers and other types of support were developed, including specific arrangements for development aid, trade agreements, debt relief, and capacity building. The focus on poverty is not only new but reframes the architecture of these global economic arrangements. Such shifts in thinking can have fundamental implications for economic and political relations between the rich and poor countries of the world.

This paper explores the implications of these shifts in thinking. It first examines how consensus ideas about development—the MDGs in this case—can exert influence on national and international policy priorities and identifies two mechanisms, through setting standards for

performance and resource allocation, and through creating a narrative. The paper then contrasts the MDG consensus framing of development with earlier conceptions of development in the way that it articulates a motivation as a political priority, identifies key problems, objectives, and unit of analysis. Finally, the paper then examines how priorities of national governments and donors have shifted since 2000.

## 2. HOW GLOBAL GOALS SHAPE IDEAS AND EXERT INFLUENCE ON DEVELOPMENT PRIORITIES

---

What consequences do global goals have on policies and action? The influences are indirect, for the agenda is not an implementation plan comprised of policy reforms and investment projects, and those who elaborated the MDGs do not have control over resources and policies. But as the recent work on the sociology of numbers show (Merry, 2009), indicators can exert influence in two ways: first, by influencing resource allocation by being used as planning targets or indirectly by setting standards for performance or introducing planning targets; and secondly by communicating a narrative of development and a framework for action.

The MDGs have come to be effectively used in these two ways. First, they have become the standard reference framework for international development. They are used as a proxy to judge progress in tackling global poverty. The UN, the World Bank and numerous other international bodies monitor MDG implementation and issue annual reports with detailed data. IMF country reports systematically include data on MDG progress, along with key macroeconomic performance indicators. UN meetings to review progress in achieving MDGs have become both frequent and high-profile political events that are significant for a country's prestige and international standing. MDGs have come to be used by some governments and donors as planning targets that shape priority spending and effort. National development frameworks, notably the Poverty Reduction Strategy Papers prepared by low-income countries as a requirement for benefitting from debt relief, have adopted the MDGs. Moreover, the monitoring of government performance is predicated on the assumption that the goals are hard planning targets for which government must be held accountable<sup>1</sup>.

Second, the MDGs have been most frequently used for communicating global poverty as an urgent challenge and a priority for global action. But in the process, they have also come to redefine development. Political leaders make speeches defending policy initiatives with the warning: 'without such and such action the MDGs will not be achieved'. Economists write research papers on macroeconomic policy choices and evaluate them against contributions to achieving MDGs. Local NGOs advocate national budget reforms 'to achieve the MDGs',

---

<sup>1</sup> However, as I have explained in another article (Fukuda-Parr, Greenstein, & Stewart, 2013), this makes little sense as the methodology of national planning requires consideration of many factors other than globally agreed-upon social objectives.

however critical they may be of these goals, because they are the accepted standard to evaluate policy. Media reports on poverty refer to failure to achieve MDGs as a demonstration of pervasive abject poverty. In other words, MDGs have become a convenient short hand for what they mean by the purpose of development and ending poverty.

This redefinition of development is not based on a theoretical reformulation of the concept. Yet it presents a narrative that can reframe development policy agendas.

### 3. LOCATING THE MDGs IN THE HISTORY OF DEVELOPMENT THINKING AND PARADIGMS

---

The MDG narrative—referred to in this paper as ‘Development as Ending Poverty’—contrasts with earlier conceptualizations of development in the way that the key objectives are defined. It also contrasts in its analytical framing in terms of the way that the problem is defined, and the unit of analysis, the priority concern with inequality and poverty within or between countries, and whether development is understood as a set of outcomes or as a process. While there have been multiple and competing conceptions of development that have been advanced, for the purposes of this paper, they can be grouped into three strands of thought that have dominated development thinking: ‘development as transforming national productive capacity’; ‘development as globalization’; and ‘development as improving human well-being’.

#### 3.1. CORE ELEMENTS OF DEVELOPMENT AS ENDING POVERTY

---

The MDGs are not a theory of development but a list of targets. Moreover, the MDGs were developed as reporting tools to monitor the implementation of the Millennium Declaration’s commitments, in which world leaders pledged to do their utmost to lift their fellow men, women and children from the dehumanizing conditions of poverty. Yet they have come to be used as a consensus framework creating a narrative of development. The MDGs identify ending absolute poverty as the core purpose. As explained by the UN (United Nations, 2008), while each of the eight goals is important, they are intended to be seen as a package. “The goals and targets are interrelated and should be seen as a whole. They represent a partnership between the developed countries and the developing countries to create an environment—at the national and global levels alike—which is conducive to development and the elimination of poverty” (United Nations, 2008 p.2).

Thus the MDG framing of development is motivated by concern with absolute poverty as an urgent social priority, and international action appeals to humanitarianism. The goals focus on human outcomes, and the disregard for the means was an important strength in achieving consensus (Fukuda-Parr & Hulme). In fact, the MDGs grew out of the context of the 1990s when the development community was divided in bitter controversies over structural adjustment lending programs and neoliberal policies. The success of the MDGs was to be able to form a consensus on points of agreement—improving human outcomes—without raising the

divisive issues of policy strategies (Fukuda-Parr & Hulme). The analytical framework of this narrative identifies the problem as the existence of pervasive absolute poverty in the world, with the unit of analysis focused on the individual, and the situation within the context of inequality within countries. However the specificity of country conditions is ignored, as goals do not take account of initial conditions but set the same time-bound targets for all countries.

### 3.2. DEVELOPMENT AS TRANSFORMING PRODUCTIVE CAPACITY

---

The concept of development that dominated the field for much of the 20th century can be characterized as ‘transforming productive capacity of national economies’ (Gore, 2010). Development as an international project emerged in the aftermath of the Second World War, when the world community adopted it as one of its key objectives along with peace and security. It emerged in the context of the decolonization process, motivated by the need for newly independent countries to be economically, not just politically, viable. The motivation focuses on inequality between countries rather than within. In contrast to the MDG narrative, the analytical framework identifies the problem as the weak capacity of newly independent and other non-industrialized countries. The unit of analysis is the country in the context of an unequal world.

Informed by modernization theories<sup>2</sup> and economic growth models<sup>3</sup>, the policy strategy over the 1950s up to early 1980s focused on industrialization and diversification including technological transformation, and built on investment in physical and, later, human capital. In the absence of a significant private sector, public sector investments were considered necessary, requiring capital transfers from rich to poor countries. The purpose of development aid was therefore to provide concessional financing. While mainstream policy strategies focused on national investments, heterodox economists including Structuralists and Dependency theorists identified the workings of the international economic system as key constraints and advocated policy reforms and arrangements in areas of trade, investment, access to capital and commodity markets that would create a more enabling condition for development. Both mainstream and heterodox economists understood development as a long-term process. The main point of concern was as much about the process of transformation in economic and social structures necessary for sustained improvement in living standards as the higher levels of living standards achieved.

Though there sharp divides between the North and the South on the agenda of the South, much of it was reflected in the UN consensus development agendas (Stokke, 2009).<sup>4</sup> The

---

<sup>2</sup> Such as Rostow’s model of takeoff.

<sup>3</sup> Such as Harrod-Domar model, the Solow model, and the New Growth Theories.

<sup>4</sup> For a well-researched history of the four development decades, see Un Intellectual History Project series, notably Olav Stokke, 2009.

First UN Development Decade set a goal of 5 percent annual growth and emphasized the need for financing development. Industrialized countries were urged to cooperate by helping ensure high commodity prices, providing markets for developing country exports, and providing a target of 1 percent of GDP in concessional finance. The Second UN Development Decade (1970s) set an agenda to promote sustained economic growth with a goal of at least 6 percent per annum. The strategy emphasized the important role of the developed countries in helping transfer capital that was beyond the capacity of the countries themselves and maintained the target of 1 percent of GDP to be transferred in the form of development aid. National governments prepared five-year development plans the core of which was long-term investment projects. External donors supported these plans by financing these projects.

### 3.3. DEVELOPMENT AS GLOBALIZATION

The onset of globalization starting in the 1980s not only involved shifts in national policies but had major implications for reconceptualizing economic and political relations between the North and the South. The idea of global market integration is underpinned by the principle that all countries compete equally in global markets, an idea that contradicts the principle behind the development project that starts from the recognition of differentiated levels of development, or inequality between countries. In contrast, the basic problem identified in the premise of the earlier development project was the unequal levels of development amongst countries.

The key problem of developing countries is identified as the weak ability to benefit from global markets—trade and private investments—that would be the engine of economic growth. Poverty reduction is assumed to be a consequence of growth and global integration. Policy agendas from the 1980s pursued liberalization, with the core policies described as ‘Washington Consensus’. While the application of the core macroeconomic policies—fiscal discipline, monetary policy, trade openness, privatization and deregulations—can vary and has become more flexible and adapted to national conditions, the basic principle of maintaining stability as a central objective remains.

The focus on growth contrasts with the MDG focus on poverty and the individual, yet the two paradigms are perfectly complementary in the way that the earlier framing is not. The MDG narrative neatly skirts around the issue of unequal initial conditions, and of defining development by outcome rather than by a process of transformation.

### 3.4. DEVELOPMENT AS IMPROVING HUMAN WELL-BEING

Through the decades, critics challenged mainstream strategies for neglecting attention to what should be the ethical motivation for development, namely to improve human lives. Alternative approaches that incorporated well-being into conceptualizing development and in formulating policy strategies came into prominence from the 1970’s, as international agencies began to launch initiatives such as the ILO’s employment program and the World Bank’s

poverty initiatives under President McNamara. The introduction of Basic Needs in the late 1970s was a major step in bringing human well-being into conceptualizing development.

The 1980s and 1990s were also decades with important evolution in conceptualizing human well-being as central development objectives. While Basic Needs focused on key outcomes and on social investments as a policy strategy, other approaches emerged which emphasized human agency and development as societal change. The work of Amartya Sen (Sen, 1999) on capabilities was a major advance and provided a rich conceptual framework for reconceptualizing development as expansion of human capabilities, or the freedom that people can have to do and be what they would value. Other approaches, including feminism, human rights, and participation also emerged following distinctive theoretical frameworks. These perspectives that emerged in the 1990s were complementary, especially in forging the mutually supportive policy agendas critical of globalization that were influential in shaping the debates and agendas adopted at the UN Conferences of the 1990s. Each focuses on distinct concerns but shares common elements as development frameworks. They describe the central problem or objective as improvement in human well-being—defined in diverse ways—but challenge the notion of economic growth as a central objective by pointing out that the negative consequences of growth on people. But in addition, they emphasize three other elements—equality, participation and transformation—that were not part of earlier conceptions of development as well-being, including Basic Needs. First, they are motivated by a common commitment to equality of individuals. Second, they emphasize participation as an important element of a development strategy, seeing people as agents of change, not just as beneficiaries. For this reason, empowerment of people and groups is an essential means to progress, and power structures are an important obstacle. Just as the earlier conception saw development as a transformation of productive capacities, these approaches understand development to be transformative of social and political arrangements.

While at first glance, capabilities and rights approaches would appear similar to the MDG narrative, the overlap is very limited. The unit of analysis is the individual, but is broader. Capabilities and rights approaches include groups and inequality between countries as inter-group discrimination, and therefore incorporate attention on groups within countries, and focus on disaggregated analysis. Concerned with what people are able to do and not just outcomes or possession of material resources, development is understood as a process of social and political transformation. Feminist approaches exemplify this way of conceptualizing development; while feminist economics opened up the definition of the economy as market activity to incorporate all activities that lead to provisioning of human needs (Power, 2004), policy frameworks go far beyond advocating for equal education and health to women having a voice in decision making in all spheres of life.

Human well-being began to be reflected in consensus agendas. The UN's International Strategy for the Third Development Decade, adopted in 1981, also included objectives to reduce poverty and inequality, and the human dimensions of development—hunger, childhood survival, health, water and sanitation—were prominent among objectives (Stokke, 2009). For the first time, this UN Development Decade set goals for primary education (universal primary

education by 2000), infant survival (120 deaths per 1000 live births in the poorest countries), and employment (full employment by 2000). These themes continued into the Fourth Development Decade of the 1990s. But it was in the 1990s that the development as capability expansion and human rights fulfillment became dominant on UN conference agendas. These agendas were agreed in the context of the controversies over the social impact of structural agenda and the economic liberalization reforms that were being implemented in the 1980s and 1990s throughout the world. An important motivation was to pursue inclusive globalization and that the benefits of globalization were shared broadly by all countries and people within countries (United Nations Department of Economic and Social Development, 2007). The conference agendas reflected the broad human development approach, emphasizing: recognition of human rights from the right to food to women's rights; inequality within and between countries; participation; and inter-connections amongst different dimensions of development.

Table 1: Development Paradigms Compared

	<b>Development as transforming productive capacities of countries</b>	<b>Development as globalization</b>	<b>Development as improving human well-being</b>	<b>Development as ending poverty</b>
<b>Problem described as</b>	Weak capacity in the economy	Weak ability to benefit from global markets	Constrained human lives conditioned by diverse national and global processes	Extensive absolute poverty in the world
<b>Unit of analysis</b>	National aggregate	National aggregate	Individuals, groups, national aggregates	Individual
<b>Approach to inequality and poverty as a concern</b>	Between countries	Within countries	Within and between countries	Within countries
<b>Development as outcome or process</b>	Outcome and process	Outcome	Outcome and process	Outcome
<b>Key motivation</b>	Decolonization and catch up	Free markets, global integration	Humanitarian, human dignity and freedom	Humanitarian

Table 1 summarizes the contrasts between the MDG narrative and other concepts of development. The MDG narrative reflects important shifts in the conception of development and the way that motivations and objectives are defined, problems are identified and policy priorities and agendas are framed. The MDG narrative redefines the motivation of international

development from an economic and political to a humanitarian project; from weak capacity of national economies to individuals living in abject poverty as the inequality issue; and an understanding of development as a process to a set of outcomes. Focusing on outcomes rather than process, and on individuals rather than countries, excludes issues of unequal economic and political relations between countries that development cooperation was originally intended to redress.

#### 4. IMPLICATIONS FOR NORTH-SOUTH ECONOMIC RELATIONS

---

How did the new definition of development change economic relations between the North and the South? Recalling Gore's Faustian bargain referred to earlier in this paper, has the consensus on poverty lead to a neglect of support for national economic development, as Gore predicted?

##### 4.1. DEVELOPMENT STRATEGY: A BASIC NEEDS AGENDA

---

The MDGs influence resource allocation by setting standards and creating a narrative. They create incentives to prioritize public investment in meeting basic needs, with little attention to building productive capacities, or to transforming social structures. One major gap is that the MDGs leave out the economy altogether, even though without economic growth, most MDGs cannot be achieved. Employment was only added as an afterthought in 2005 and is embedded in the broader poverty goal. Agricultural production is indirectly reflected in the hunger target, which in itself is buried in the poverty goal. Indeed, Ha-Joon Chang remarked in his recent paper, "Laudable these goals and targets may be, their sum total does not amount to development in the sense we are talking about, as they pay no serious attention to the transformation of productive structure and capabilities" (Chang, 2010).

The priority issues advocated by the developing countries since the 1950s are poorly represented in this agenda. The issues of aid, trade, debt, technology transfer that are central to the economic prospects for countries to compete and succeed in global markets are included in goal 8, under the heading of strengthening global partnerships. These wording of these issues was notoriously weak, with no quantitative targets. These issues were nonetheless included by the architects of the MDGs, because without them, the developing countries would not have endorsed the goals<sup>5</sup>. Development aid is justified on humanitarian grounds for the sake of charity rather than on developmental grounds for the sake of justice. These trends are manifest for example in the negotiations on climate change in which developing countries have had little success in obtaining concessions based on their greater developmental needs for energy in the future and limited contribution to the problem in the past. These ideational shifts thus have important implications for the political economy of international development.

---

<sup>5</sup> Interview September 12, 2008, with Michael Doyle, former Assistant Secretary General for Strategic Planning and chair of the technical committee who elaborated the MDGs.

The Development as Ending Poverty agenda is also deceptive with regard to human development. While the MDGs incorporate and thus highlight many human development priorities as well as Economic and Social Rights—schooling, health, hunger, gender equality—it is also bereft of the transformative process of development as empowering people, challenging power structures within and between countries. While inequality within and between countries and participation was the hallmark of the agendas adopted at the 1990s UN conference agendas, these are elements that are outside of this framework.

#### 4.2. PRIORITIES IN NATIONAL AND DONOR PROGRAMMES

National and international development policies continue to give priority to objectives of macroeconomic stability and economic growth, justified by the theory that growth is not only a necessary but also a sufficient condition for reducing poverty. While national and international policies appear to set higher priorities for social sector investments to meet basic needs, other important elements of the human development strategy are neglected such as equality, pro-poor economic growth, empowerment and democratic governance. A study by the author (Fukuda-Parr S. 2010) of 22 Poverty Reduction Strategy Papers (PRSPs) found that these national strategy documents almost all identify poverty reduction as the over-riding goal and action plans focus on economic liberalization and social investments. They emphasized commitment to the MDGs but were selective in which ones they emphasized among the multitude of targets and indicators. Almost all of them included among core objective and action plans, specific strategies in areas of primary education, health and economic governance. For these areas except governance, the strategies set quantitative targets in line with the MDGs. What is striking is the absence of the strategic elements of a socially transformative agenda—empowerment, distribution, employment generating growth, and democratic governance. Of the 60 MDG indicators, those that received virtually no mention were those most important for ensuring that growth is inclusive and pro-poor, and that development empowers those who are marginalized; less than 4 out of 22 documents mentioned employment, natural resource conservation, protecting orphans from the HIV/AIDS pandemic, women’s political representation, violence against women, and social integration of migrants. And while the objective of PRSPs are to generate growth and reduce poverty, there is little by way of proactive government support for these objectives such as infrastructure development, expansion of credit financing or technological upgrading. The growth is expected to come through the private sector by creating a stable macroeconomic environment to foster investments.

With respect to donors, the same study (Fukuda-Parr S. 2010) also analyzed policy statements of the 21 largest bilateral donors. As in the PRSPs, these donor policy documents emphasized poverty but not empowerment, social integration, equality, and pro-poor growth, the themes that are central to human development. There has been a perceptible increase in funding for social sectors and within these sectors to primary basic services ODA for other MDG priorities, notably food production and agriculture—which are important for reducing hunger and malnutrition and for reducing rural poverty—also increased but much less

markedly. The proportion of aid allocated by DAC donors to basic social services increased from 10.1 percent in 1999 to 21.0 percent in 2009 while the proportion of ODA for building trade capacity declined from 38.5 percent in 2001 to 28.9 percent in 2009 (Tables 2-3, figures 1-4). There was a corresponding decline in aid allocations to economic infrastructure and services from 24 percent to 15 percent, and production sectors from 12 percent to 7 percent and in budget support from 8 percent to 5 percent.

From the late 1990s, global diseases and health in general received high priority attention from both official donors and new foundations such as the Gates Foundation. This has led to new initiatives and new financing such as the establishment of the Global Fund to fight AIDS, Tuberculosis and Malaria. Manning (Manning, 2009) argues that some of this increase was encouraged by the institutionalization of MDGs that drew attention to neglected priorities in child and maternal health.

Table 2. ODA commitments by DAC donors 1990-2010 (US\$millions, constant 2010)

	1990	1995	2000	2005	2010
<b>Social Infrastructure and Services</b>	19,844	20,231	20,919	34,174	44,333
<b>Production Sectors</b>	10,322	6,755	4,405	5,997	8,977
<b>Agriculture</b>		2,142	2,219	3,042	5,372
<b>General Budget Support</b>	1,155	1,291	561	1,826	2,365
<b>Education Total</b>	8,631	7,307	5,522	6,656	9,470
<b>Basic Education</b>	..	775	1,166	1,910	2,510
<b>Health Total</b>	2,441	2,845	2,385	4,076	5,116
<b>Basic Health</b>	..	1,266	1,329	2,532	2,945
<b>Food crop production</b>		83	66	102	239

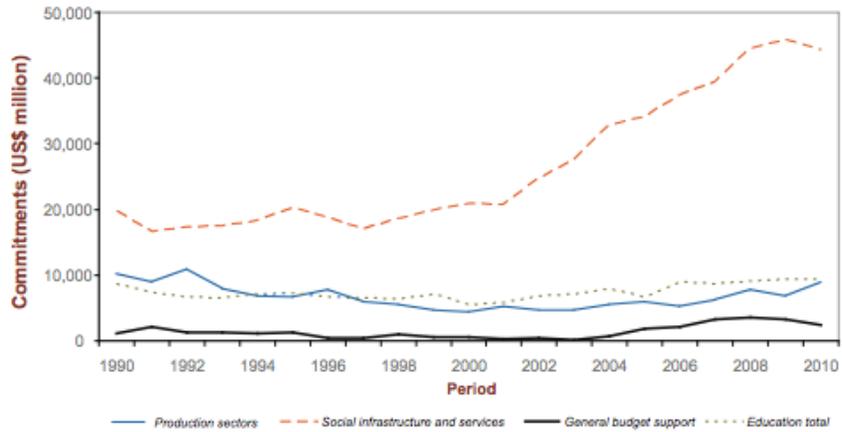
Source: UN 2011 [http://mdgs.un.org/unsd/mdg/Resources/Static/Data/2011\\_percent20Stat\\_percent20Annex.pdf](http://mdgs.un.org/unsd/mdg/Resources/Static/Data/2011_percent20Stat_percent20Annex.pdf) accessed April 14, 2012.

Table 3. ODA allocations of DAC donors to MDG priorities (percent of sector allocable ODA)

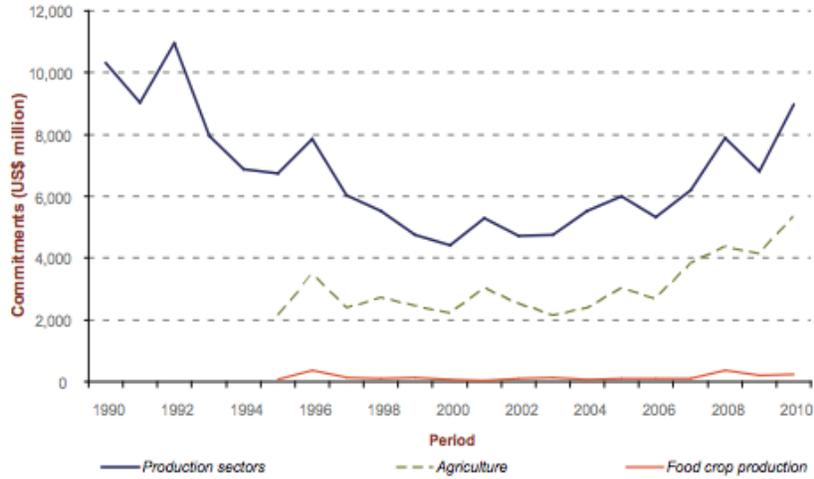
	1999	2001	2003	2005	2007	2008	2009
<b>Basic social services (MDG indicator 8.2)</b>	10.1	14	15.7	15.9	19.9		21
<b>Aid for trade (MDG indicator 8.9)</b>		38.5	29	30.7	27.7	34.4	28.9

Source: UN 2011 [http://mdgs.un.org/unsd/mdg/Resources/Static/Data/2011\\_percent20Stat\\_percent20Annex.pdf](http://mdgs.un.org/unsd/mdg/Resources/Static/Data/2011_percent20Stat_percent20Annex.pdf) accessed April 14, 2012.

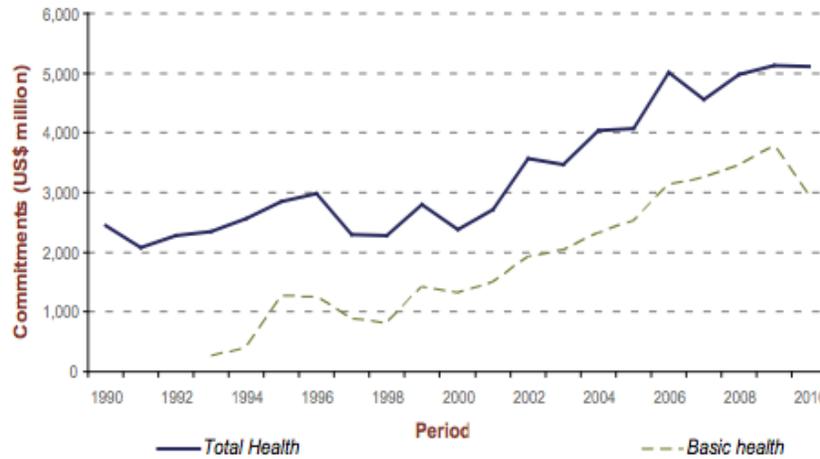
**Figure 1. Sectoral allocation of ODA commitments by OECD/DAC bilateral donors 1990-2012 (\$2010 million)**



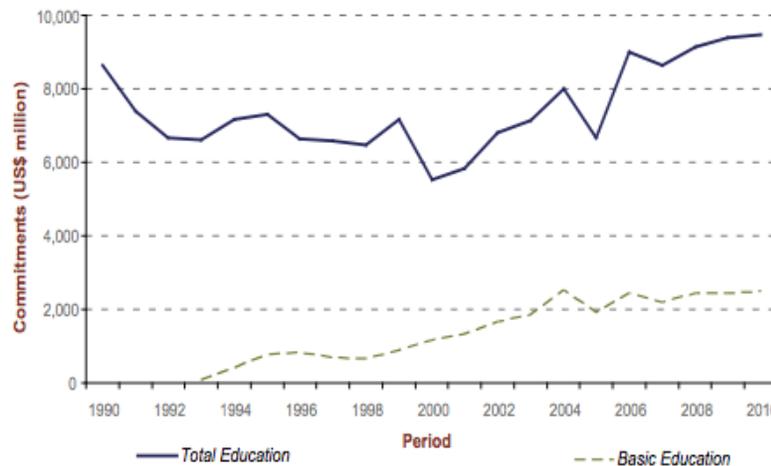
**Figure 2. Allocation of ODA commitments by OECD/DAC bilateral donors selected sectors, 1990-2010 (\$2010 million)**



**Figure 3. Allocation of ODA commitments by OECD/DAC bilateral donors to the health sector, 1990-2010 (\$2010 million)**



**Figure 4. Allocation of ODA commitments by OECD/DAC bilateral donors to education, 1990-2010 (\$2010 million)**



Source, Figures 1-4: OECD.org, <http://www.oecd.org/dac/stats/international-development-statistics.htm>

While the MDGs and the consensus on poverty drew from the UN conference agendas for inclusive globalization, the policy content of most PRSPs and donor policy statements contain little attention to issues that were at the core of the inclusive globalization agenda of the UN conference plans of action. And while it was the criticism of the distributional consequences of the Washington Consensus policies and the broader liberalization agendas that drove the demise of the structural adjustment programs of the 1980s and 1990s, and the rise of poverty and human concerns to the fore of international agendas, maintaining a stable macroeconomic environment, economic growth, and liberalization remain key objectives. Stringent macroeconomic policies aimed at maintaining low inflation, minimum balance of payments and

budgetary deficits still remain at the core of the economic management and development strategy, coupled with strengthening institutions of economic governance such as property rights. While they are no longer conditions in structural adjustment loans, they are core provisions for access to debt relief from the HIPC initiative and from the IMF under the Poverty Reduction and Growth Facility (PRGF).

Though the Washington Consensus may be ‘dead’, the basic macroeconomic policy prescriptions for macroeconomic stability and privatization of economic activity remain at the core of both World Bank and IMF lending operations and conditions. Structural adjustment loans have been discontinued, but the macroeconomic policy prescriptions continue under IMF lending programs and conditions for accessing debt relief. It should be noted that much of the criticism of the Washington Consensus was only partly about what the core policy prescription that were included (measures to ensure macroeconomic stability) but also about what they left out (human well-being, poverty and inequality), the rigidity with which the policy prescriptions were applied (ignoring trade-offs involved such as cutting social expenditures), and the aid architecture (conditionality) with which they were implemented.

The post-2000 architecture of international development has changed in terms of instruments and narratives but not in content. The structural adjustment loans have been replaced by HIPC and IMF PRGF. The policy frameworks on which the funding was based is now the national government’s PRSPs with a focus on poverty and has replaced the Policy Framework Papers, which required IMF and World Bank approval. These new instruments conform to the narrative of the partnership paradigm emphasizing national ownership, but they retain the same policy content that condition access to financing. Most importantly, the narrative of development and development aid has been reformulated around the moral imperative of eliminating dehumanizing poverty, an unacceptable condition for a world of immense financial and technological means.

While the years following the introduction of the MDGs were striking for the ambitious and high-profile political commitments made by the G8 countries, such as the pledge to double development aid to Africa (or 0.51 percent of their GNIs) made at the Gleneagles Summit in 2005, they have largely not been implemented (United Nations, 2011) though a few countries have made significant increases in their support to Africa.<sup>6</sup> Moreover, no significant international poverty initiatives were launched, and the rich countries have not shifted their positions on critical international economic policies including trade, finance, investment and technology transfer. As the title of the UN MDG Gap Task Force 2011 report, “The Global Partnership for Development: Time to Deliver”, makes clear, donor countries have fallen far short of implementing their Goal 8 targets for aid, trade, debt and technology (United Nations MDG Gap Task Force, 2011). So far, the only tangible progress in these areas has been reduction of the debt burden of the poorest countries. Multilateral trade talks—the Doha Round, labeled

---

<sup>6</sup>The US doubled aid to Sub-Saharan Africa between 2004 and 2009, one year ahead of the pledge; Canada doubled funding from 2001 levels; Norway surpassed the pledge to maintain ODA at 1 percent of GNI, and Switzerland increased its ODA to 0.41 percent of GNI.

the ‘development round’—have become deadlocked, largely over differences between developing and developed country positions on agricultural subsidies in the developed countries. Aid commitments have increased in volume, but these trends started before 2000 and have slowed since 2006. Moreover ODA still remain at 0.31 percent of donor GNI in 2010, far short of the UN target of 0.7 percent GNI. There has been substantial reallocation to the Least Developed Countries (LDCs)—from \$21 billion in 2000 to \$29 billion by 2009 (2009 prices and exchange rates). But this is still only 0.10 percent of donor GNIs compared with the UN target of 0.15-0.2 percent GNI (UN 2011 p.10, table 1).

Surprisingly, the consensus on poverty as a policy priority has not led to fundamental debates or new thinking about policy alternatives for faster poverty reduction. While poverty reduction was identified as the ‘overarching’ objective, development strategies continued to follow the approach of the 1990s that emphasized macroeconomic stabilization as the priority objective through the application of Washington Consensus policies to promote aggregate economic growth through private investments. Greater focus has been placed on social sector investments to meet basic needs and on social protection, including conditional cash transfers.

For sure, important studies have been published, and there have been many departures from the structural adjustment programs of the 1980s. Social investments and protection, including initiatives such as conditional cash transfers, have emerged as important priorities. But the core macroeconomic strategies have remained unchallenged. The MDGs did not propel new thinking about challenging the macroeconomic policy approaches of the Washington Consensus framework, since their implications for poverty reduction have not emerged into mainstream international policy debates. In other words, the core Washington Consensus policies aimed at macroeconomic stabilization and liberalization have continued to dominate development strategies, only supplemented by emphasis on social investments. New development strategies and approaches have emerged not from mainstream thinking and advice from the international community, but from innovation within developing countries such as Brazil and China that have not been in IMF policy-based lending programs. These approaches have included not only alternative growth strategies, but also poverty reduction strategies, particularly in Brazil and several other Latin American countries which have achieved not only stable economic growth and weathered the global financial crisis, but have also reduced inequality. These policy approaches have been more interventionist in promoting expansionary macroeconomic policies, expanding employment, and raising incomes of the poorest, such as through minimum wage legislation.

### 4.3. OUTCOMES

---

Whether the MDGs have had an impact on the pace of poverty reduction and development outcomes is difficult to assess, since it is impossible attribute any recent trends to the MDGs as opposed to the myriad of other factors that have driven national poverty outcomes. But the problem remains that poverty reduction has continued globally, but too slowly and unevenly. Overall, the pace of progress has not accelerated, while the trends have

been uneven across regions with Sub-Saharan Africa showing faster progress than other regions.

The UN and other international agencies assess progress made against the 2015 targets, focusing on the level of achievement. According to the 2011 UN MDG Progress Report (UN 2011), globally, the 2015 targets for income poverty (goal 1) and water (goal 7) are on track to be met, while steady progress continues in reducing child mortality (goal 4), malaria and other global diseases (goal 6). Primary schooling has been advancing, but the pace has begun to slow down and the goal of universal enrollment may not be achieved. More alarmingly, there has been either stagnation or regress for some goals and targets. The proportion of people who are hungry (goal 1) has plateaued at 16 percent since 2000/2002 and the number of undernourished people has grown from 817 million in 1990/92 to 830 million in 2005/2007. Employment and decent work (goal 1) has shown a setback in many countries, while progress has been slow in gender equality and empowerment, other than in primary education (goal 3) and in reducing maternal mortality (goal 5).

The impact of the MDGs on changing policy behavior and outcomes would be reflected, if the pace of progress were improved rather than whether the goals were likely to be achieved. Countries have different starting points and for many, achieving the MDGs may not be feasible even if they were to adopt improved efforts resulting in better performance (Clemens, Kenny, & Moss, 2007). In another paper (Fukuda-Parr, Greenstein, & Stewart, 2013) my co-authors and I argue that the criterion for success should be improvement in performance, as measured by the pace of progress. We proposed a methodology for this criterion and made estimates for 24 indicators.

Our findings were disappointing for the country level, but more encouraging for Sub-Saharan Africa and South Asia as regions. We found improved performance by a majority of countries for just five of the 24 indicators studied. On the other hand, the majority of Sub-Saharan African countries showed improved progress for 16 indicators. At the global level, the pace of progress improved for under-5 mortality rate, measles immunization and gender parity in primary schooling, but not for attended births or improved water source. For income poverty, the pace improved in all developing regions. Disaggregated to regions, South Asia and Sub-Saharan Africa, the two regions with the highest concentrations of poverty showed consistent improvement and performed better than the other regions. In Sub-Saharan Africa, progress has been made at a faster progress since the MDGs were introduced across all but one indicator for which data are available. In South Asia, improvements are faster for all indicators except child mortality and child malnutrition. While it is not possible to attribute the improved progress to the MDGs, the record of improvement is encouraging.

In brief, the impact of MDGs on outcomes and policy is ambiguous, uneven and limited at best, but has been a significant factor in shaping international debates. The MDGs did not introduce a new concept or policy strategy, but created a narrative that has raised global awareness of poverty as a compelling moral challenge requiring urgent action. The narrative has become a consensus framework for debate on international development. MDGs are widely accepted among the key stakeholders including national governments, donor agencies, NGOs,

and local civil society groups, regardless of views that any of these actors might hold individually about their relevance as a development strategy. The importance of this new awareness and consensus should not be underestimated considering that the pursuit of development priorities in the globalized and democratically-governed world requires the public at large to share commitments to these priorities as a matter of ethical imperatives of a common humanity. The MDGs are associated with an increase in social sector investments, notably in aid allocations, but this is continuation of a trend that started prior to the introduction of the MDGs. If there is causation, we might ask if donor policy drove the MDGs rather than the other way round.

## 5. CONCLUDING REMARKS: 'DEVELOPMENT' IN TRANSITION

---

As the international community proceeds to define a new international development agenda, what is at stake is as much about a list of priority objectives as what it implies in defining the meaning of development. The experience of the MDGs highlights some key issues to be considered for the new agenda.

First, inequality and poverty within countries should not be a priority at the expense of inequality between countries. The MDGs have been instrumental in institutionalizing ending poverty as a global priority, and equitable and sustainable development as a universal challenge. This has been a great advance. At the same time, countries face widely divergent conditions and constraints and opportunities. Second, the focus on essential Basic Needs should not be at the expense of a broader range of development objectives including economic transformation and social change. As a framework for promoting development and ending poverty, the MDGs were not instrumental in mobilizing greater support for social investments in Sub-Saharan Africa. However, their major weakness is the extremely narrow scope as a Basic Needs agenda, which marginalized productive sectors and the challenge of development as a transformative process that builds productive capacity of economies and that empowers people.

Third, the new agenda should go beyond setting outcome goals to making commitments for policy agendas. While the simplicity of quantitative targets on human outcomes has been the core strength of the MDGs, does not comprise a strategy. As noted, progress over the last decade has been important but uneven and inadequate for the poorest countries. The corollary to these trends has been the failure to address the systemic problems of protecting developing countries from the consequences of global market integration. A leading example of these trends is the inadequate response of international cooperation to protect the poor against the consequences of climate change, and the crises of global financial, fuel and food markets. Seen in this light, the MDGs could arguably have provided a convenient 'cover' behind which the economic model of the 1990s—augmented by the Washington Consensus—could be continued without controversy. The MDGs perhaps co-opted the language of human development, and the inclusive globalization while 'defanging' critical debates about the impact of the liberalization agendas on poverty and inequality.

But the new consensus will require a more effective strategy for equitable and sustainable development that is more than a list of goals. Simple, quantitative, and concrete goals make effective communications device and targets set benchmarks essential for monitoring progress. But that does not make an adequate agenda.

## REFERENCES

---

- Chang, H.-J. (2010). Hamlet without the Prince of Denmark: How Development has Disappeared from Today's Development Discourse. In S. K. Christiansen, *Towards New Developmentalism: Markets as Means Rather Than Master*. Abington : Routledge.
- Clemens, M., Kenny, C., & Moss, T. (2007). The Trouble with the MDGs: Confronting Expectations of Aid and Development Success. *World Development* , 35 (5), 735-751.
- Fukuda-Parr, Greenstein, J., & Stewart, D. (2013). How should MDG Implementation be measured: Faster Progress or Meeting Targets. *World Development* , 41 (1), 19-30.
- Fukuda-Parr, S. (2013). *Global Goals as policy goals: intended and unintended consequences*. IPC. Brasilia: International Centre for Inclusive Growth.
- Fukuda-Parr, S. (2010). Reducing Inequality – The Missing MDG: A content review of PRSPs and bilateral donor policy statements. *IDS Bulletin* , 41 (1), 26-35.
- Gore, C. (2010). The MDG Paradigm, Productive Capacities and the Future of Poverty Reduction. *IDS Bulletin* , 41 (1), 70-79.
- Manning, R. (2009). *Using Indicators to Encourage Development: Lessons from the Millennium Development Goals*. Retrieved April 24, 2013, from Danish Institute for International Studies Report 2009/1:  
[http://www.diis.dk/graphics/Publications/Reports2009/DIIS\\_report\\_2009-1\\_Using\\_indicators\\_to\\_encourage\\_development.pdf](http://www.diis.dk/graphics/Publications/Reports2009/DIIS_report_2009-1_Using_indicators_to_encourage_development.pdf)
- Merry, S. E. (2009). Measuring the World: Indicators, Human Rights and Global Governance. *Current Anthropology* , 52 (53), 83-95.
- Power, M. (2004). Social Provisioning as a Starting Point for Feminist Economics. *Journal of Feminist Economics* , 10 (3), 3-19.
- Sen, A. (1999). *Development as Freedom*. New York: Knopf.
- Stokke, O. (2009). *The UN and Development: from Aid to Cooperation*. Bloomington: University of Indiana Press.
- United Nations Department of Economic and Social Development. (2007). *United Nations Development Agenda: Development for All*. New York: United Nations Publications.
- United Nations MDG Gap Task Force. (2011). *The Global Partnership for Development: Time to Deliver*.
- United Nations. (2008, January 8). *Millennium Development Goals Indicators*. (U. S. Division, Producer) Retrieved April 24, 2013, from <http://www.unstats.un.org/unsd/mdg>
- United Nations. (2011). *Millennium Development Goals Report 2011*. New York: United Nations.
- Vandemoorte, J. (2009). MDGs conundrum: Meeting the targets without missing the point. *Development Policy Review* , 27 (4), 355-371.