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¹ This paper was prepared for the ODI/UNDP Cairo workshop on a post-2015 Global Development Agreement, 26-27 October 2011. We are grateful to Alex Evans for substantial inputs into the paper, and to Nergis Gulasan, Selim Jahan, Paul Ladd, Duncan Green and Charles Kenny for comments on an earlier version.
1. Introduction

The aim of the Cairo workshop, jointly convened by UNDP and the Overseas Development Institute, is to start a conversation across different regional and institutional perspectives on the future structure and content of a post-2015 global agreement on development, and on the political dynamics likely to bring it about or to act as barriers. This paper sets out the scene and identifies four key questions to be discussed at the workshop.

The MDGs represent two things: a global consensus on the main priorities for tackling poverty; and a political agreement about the level of accountability governments are prepared to accept for making changes. This paper takes these two aspects of the MDG agreement separately. After a short history of how the MDGs came about, the paper then looks in detail at poverty in the 1990s and today. It summarises key data on progress towards the targets since the 1990s, and considers some key features of poverty and development today that are not covered by the MDGs. Turning to the political aspects of an agreement, the paper then sets the MDGs in the context of other global agreements, and the post-2015 discussion in the context of current trends in global governance. The paper concludes by summarising the key questions to be addressed in the workshop.

2. A brief history of the MDGs

The MDGs have their origin in the flurry of international development conferences and initiatives which took place during the 1990s. The first of these was the 1990 World Summit for Children, which set specific goals for (among others) infant, under-five and maternal mortality, universal access to primary education, reduction in malnutrition, and universal access to safe water and sanitation. Other key events in the same year included a World Conference on Education for All, an UNCTAD conference on least developed countries, the first UN Human Development Report, and the 1990 World Development Report, which, according to one observer, marked the ‘rehabilitation’ of the concept of poverty within the Bank.¹ Other conferences, on environment and development, human rights, population, social development and women followed in the next five years.²

This crowded timetable of summits continued until 1995, when fatigue began to manifest itself. Instead of conferences, the conversation about target setting moved to a smaller set of meetings focused around the OECD’s Development Assistance Committee (DAC). This group launched a process to “draw up a list of the declarations agreed at UN summits and see if these could be pulled together into something more coherent”.³

In May 1996, the Groupe published a paper entitled Shaping the 21st Century: the Contribution of Development Cooperation.⁴ Included in the 20 page paper, which had been signed off by all OECD members, was a set of proposed ‘International Development Goals’ (IDGs) – which would, in large part, form the basis for the MDGs (six of the MDGs were listed).
However, the IDGs lacked a serious action plan, and it appeared that their principal cheerleaders were donors who were progressive but with limited influence, principally Denmark, the Netherlands, Norway and Sweden. Larger donors, like the US, UK, Japan and France, were less engaged, and it appeared that the IDGs might become just another piece of international rhetoric.

What shifted the debate was the emergence of two parallel coalitions – a group of donors who built political momentum and a technical alliance between the OECD, UN agencies, the World Bank and the IMF, who did the work on how such goals could be monitored.5

By 1998 plans were underway for a Millennium Summit that would launch a set of Millennium Development Goals. A strong coalition of donors, and political impetus from the UN Secretary General provided the momentum that the process needed. The Millennium Goals, and the set of targets and indicators through which they were to be monitored, were drawn from two key documents. One was drafted by John Ruggie at the request of Kofi Annan. Entitled ‘We the Peoples’, this contained a long list of goals and a broad range of issues. A second document, co-produced by the IMF, OECD, UN and World Bank contained a narrower set of goals and targets drawn from the work done by the OECD. After intense debate and much political negotiating between institutions and governments, a Millennium Declaration, substantially based on the ‘We the Peoples’ document, was agreed by member states in 2000. One crucial addition was the insertion of a paragraph listing some time-bound targets with which to measure progress on the overarching goals. Richard Manning tells the story of how this became the MDGs we know today:

A group of staff from the UN (Secretariat, Funds and Programmes, and several Specialised Agencies), OECD, IMF and World Bank... reconvened in June to July 2001 under the chairmanship of Michael Doyle from the UN Secretary General’s Office. Its task was to agree a set of goals that would highlight key commitments in the Millennium Declaration that could be quantified, and for which there were established indicators for which reasonable data existed... The results of this exercise, a framework containing 8 Goals, 18 Targets and 48 Indicators, were annexed to the Secretary-General’s Road Map of 2001. This list became the authoritative statement of the MDG framework, despite the fact that, ironically, it was never endorsed as such by the General Assembly... 6

The MDGs were informally endorsed at the UN Conference on International Financing for Development at Monterrey in 2002, and it was there that funding commitments started to be made on the basis of the MDGs.

When we talk about ‘the MDGs' today, in fact this usually refers to the set of targets and goals that came after the original Millennium Declaration of 2000 – and within that set, some get more attention than others (the fact that there is a target on full employment, for example, is often forgotten). The Declaration has a longer and higher set of aspirations, and should not be confused with the very specific and time-bound set of indicators which comprise the 8 MDGs and 21 targets through with progress towards the Declaration is to be measured.
Several factors seem to have been crucial in the success of the international effort to agree specific goals for global development:

- The wider political context for agreeing international development goals could hardly have been more auspicious, with the end of the Cold War, a ‘long boom’ of prosperity for OECD countries and widespread public and media preoccupation with economic globalisation.
- The MDGs were developed during a period in which multilateralism was broadly on the ascendant, but which also included a period of summit fatigue during which a smaller group dynamic within the OECD was critical.
- Powerful individual countries like the US and UK had considerable agenda-setting and ‘championing’ capacity. Within them, key individuals – such as Clare Short in the UK and Colin Bradford in the US – mattered a great deal.

After their formulation it took time for the MDGs to gain traction. Governments in Europe were faster to embed the MDGs within their bilateral programmes than their counterparts in other OECD countries and – crucially – many developing countries. As late as 2005, in the build up to the World Summit, the government of the United States argued for removing the references to the MDGs in the draft Summit Outcome Document, with the rationale that they had never been agreed (although they were eventually persuaded to retain them). The final 2005 World Summit Outcome document reaffirms the UN Millennium Declaration on the first page, but only begrudgingly recognizes the MDGs in the paragraph seventeen.

Civil society groups – including in the north, but especially in the south – were also initially lukewarm to the goals. Particular concerns included how the goals would fit with national ownership of development priorities, the reductionist nature of the targets (and the incentives and behaviours that this would create), the overriding focus on social and human development at the expense of economic aspects related to employment and infrastructure, the focus on the symptoms of poverty rather than underlying causes, and the much weaker structure of MDG 8, which sets out what the global community is expected to do to contribute to the goals. The global partnership for development was seen as being incomplete in its formulation, with fewer and less binding numerical targets, and indicators that did not sufficiently measure the effort of development partners.

In time, many northern NGOs increasingly saw the political opportunities afforded by the goals, but many in the global south still felt that they do not sufficiently capture a balanced sense of the transformational change inherent in ‘development’. Even though that feeling remains strong, recently some groups have aligned themselves with the political opportunity represented by the MDGs.
3. The state of the MDGs in 2011

The MDGs targets were based on historical trends, projecting forward the trends of the 1970s and 1980s to 2015. Inevitably, since the 1990s those trends have shifted, with progress on some indicators accelerating while others have stalled. This section details progress at global and regional level of the main MDG indicators since the 1990s.

Summary of Global Progress on key MDGs, 1990-2015

A huge amount has been achieved since 1990. At a global level indicators for the first seven MDGs (income poverty, primary completion, gender equality in education, nutrition, child mortality, maternal mortality, and water) have all improved since 1990.

At a global level three of these seven are 'on-track' (income poverty, gender and water) and three are 'off-track' but not too much so (nutrition, primary completion and child mortality) and one is very 'off-track' (maternal mortality).

There has been faster progress in the 2000-2008 period for income, primary completion, child and maternal mortality than in the 1990s. At a country level, half of countries are 'on-track' for the income, education, gender and water MDGs and a quarter to a third of countries are on-track for nutrition, child mortality and maternal mortality. MDG 8, lacking quantifiable indicators, is the hardest to assess, but while aid has increased, the there has been slow progress on making the trading system more favourable to developing countries, and providing universal access to essential drugs.

It is important to note that these improvements are national averages which can mask inequalities within countries. In some cases, progress is concentrated among the better-off in a given country. Research by Save the Children found that in some cases progress on child mortality, for example, was achieved nationally even were the poorest are saw no change – and occasionally, as in Burkina Faso, an increase - in death rates.

Were the MDGs unfair to Africa?

The MDGs were intended as global targets, and were calculated on the basis of global trends in key indicators. They were never intended to be applied to individual countries. However, perhaps inevitably, they have been used to evaluate progress at country level. Doing so has very different implications for different countries and regions.

Progress on the MDGs is calculated in a relative sense, and each country has its own starting point. The target on infant mortality, for example, was to reduce the global infant mortality rate by two-thirds between 1990 and 2015. When assessed as national targets, the assumption is that each country should be looking to reduce its own IMR by two thirds in the same period. This means very different things depending on the starting point. Vietnam, for example, had an IMR of 56 deaths per 1000 live births in 1990, and has reduced that to 15, thus achieving the MDG at a national level. Compare that with Malawi, which started the 1990s with an IMR of 209 per 1000 live births, and had reduced this to 111 by 2007. Malawi has not achieved the MDG at a national level, and yet in absolute terms has reduced its IMR by more than Vietnam (41 fewer children out of every 1000 were dying in Vietnam by the end of the period, compared with 98 in Malawi).
Progress on the MDGs is normally calculated on a relative level, as the targets demand. But when absolute progress (countries that have seen the biggest positive change on the indicators, regardless of their starting point) across all the MDGs is set aside relative progress (countries with the fastest rates of progress relative to their starting point), the top performers at a national level look quite different.

**Table 1: Absolute and relative progress on the MDGs, top 10 achievers**

<table>
<thead>
<tr>
<th>Absolute progress</th>
<th>Relative progress</th>
</tr>
</thead>
<tbody>
<tr>
<td>Benin</td>
<td>Ecuador</td>
</tr>
<tr>
<td>Mali</td>
<td>China</td>
</tr>
<tr>
<td>Ethiopia</td>
<td>Thailand</td>
</tr>
<tr>
<td>Gambia</td>
<td>Brazil</td>
</tr>
<tr>
<td>Malawi</td>
<td>Egypt</td>
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<tr>
<td>Viet Nam</td>
<td>Viet Nam</td>
</tr>
<tr>
<td>Uganda</td>
<td>Honduras</td>
</tr>
<tr>
<td>Nepal</td>
<td>Belize</td>
</tr>
<tr>
<td>India</td>
<td>Nicaragua</td>
</tr>
<tr>
<td>Cambodia</td>
<td>Armenia</td>
</tr>
</tbody>
</table>


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This table is based on a simple aggregation of rankings of the annual rate of progress on selected MDG indicators (1.1 (poverty); 1.3 (hunger); 2.1 (education); 3.1 (gender disparity in primary education); 4.1 (child mortality); 5.2 (maternal mortality); 6.1 (HIV/AIDS); 7.8 (water)).
<table>
<thead>
<tr>
<th></th>
<th>Improvement since 1990?</th>
<th>'Distance progressed to global goal' (100% = goal attained)</th>
<th>On Track?</th>
<th>Faster Progress 2000-2008 vs 1990-2001/2</th>
<th>Faster than Historical Patterns?</th>
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</thead>
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<tr>
<td><strong>Global progress</strong></td>
<td></td>
<td></td>
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<td></td>
<td></td>
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<tr>
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<td>Y</td>
<td>80</td>
<td>Y</td>
<td>Y</td>
<td></td>
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<tr>
<td>Undernourishment</td>
<td>Y</td>
<td>77</td>
<td>N</td>
<td>N</td>
<td></td>
</tr>
<tr>
<td>Primary Education</td>
<td>Y</td>
<td>90</td>
<td>N</td>
<td>Y</td>
<td>N</td>
</tr>
<tr>
<td>Gender Equality*</td>
<td>Y</td>
<td>96</td>
<td>Y</td>
<td>N</td>
<td>N</td>
</tr>
<tr>
<td>Child Mortality</td>
<td>Y</td>
<td>69</td>
<td>N</td>
<td>Y</td>
<td>Y</td>
</tr>
<tr>
<td>Maternal Mortality</td>
<td>Y</td>
<td>57</td>
<td>N</td>
<td>Y</td>
<td>Y</td>
</tr>
<tr>
<td>Drinking Water</td>
<td>Y</td>
<td>88</td>
<td>Y</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>National progress</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>% of countries making progress</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Poverty</td>
<td>63</td>
<td>47</td>
<td>51</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Undernourishment</td>
<td>55</td>
<td>25</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Primary Education</td>
<td>75</td>
<td>55</td>
<td>35</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gender Equality*</td>
<td>61</td>
<td>89/82**</td>
<td>46</td>
<td></td>
<td>56</td>
</tr>
<tr>
<td>Child Mortality</td>
<td>95</td>
<td>36</td>
<td>32</td>
<td></td>
<td>51</td>
</tr>
<tr>
<td>Maternal Mortality</td>
<td>83</td>
<td>30</td>
<td></td>
<td></td>
<td>33</td>
</tr>
<tr>
<td>Drinking Water</td>
<td>73</td>
<td>66</td>
<td></td>
<td></td>
<td>34</td>
</tr>
</tbody>
</table>

Sources: Kenny and Sumner (2011) based on Fukuda-Parr and Greenstein (2010), Leo and Barmester (2010), World Bank (2011) and authors own estimates based on World Development Indicators and Hogan et. al. (2010) data. Notes: *Represents the proportion of developing countries for which the appropriate data is available **Gender Equality for primary and secondary education, respectively.
MDG 1: Behind the global figures on incomes

While the aggregate figures on income poverty are encouraging, the global figure masks considerable variation between countries and regions. Income poverty trends are measured by both changes in the incidence of poverty (per cent population) and changes in the absolute number of poor people.

Figures on the incidence of poverty are particularly encouraging. The percentage of the world's population living on less than $1.25 a day has fallen from 42 per cent in 1990 to 25 per cent in 2005. It is projected to fall to 14 per cent in 2015. In absolute terms, these figures represent a fall from 1.8bn poor people in 1990 to 1.4bn in 2005 and a projected 0.9bn in 2015.

However, the success on income poverty is very heavily concentrated in China, which, because of its size, dominates the global average. The figures on absolute poverty in some other regions are much less positive. The absolute number of poor people rose slightly in South Asia between 1990-2005 (although this is projected to fall significantly by 2015), and that the number of poor people in Sub-Saharan Africa increased from 300m in 1990 to almost 400m in 2005. The projection is for there to be 350m people in Africa living on less than $1.25 by 2015. Globally, outside of China there are predicted to be more people living on less than $2 a day in 2015 than there were in 1990.

Table 3: Global poverty estimates, 1990-2015

<table>
<thead>
<tr>
<th>Population poor (%)</th>
<th>People poor (millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>US$1.25 poverty line</strong></td>
<td></td>
</tr>
<tr>
<td>East Asia and Pacific</td>
<td>54.7</td>
</tr>
<tr>
<td>China</td>
<td>60.2</td>
</tr>
<tr>
<td>Europe and Central Asia</td>
<td>2.0</td>
</tr>
<tr>
<td>Latin America and the Caribbean</td>
<td>11.3</td>
</tr>
<tr>
<td>Middle East and North Africa</td>
<td>4.3</td>
</tr>
<tr>
<td>South Asia</td>
<td>51.7</td>
</tr>
<tr>
<td>India</td>
<td>51.3</td>
</tr>
<tr>
<td>Sub-Saharan Africa</td>
<td>57.6</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>41.7</td>
</tr>
<tr>
<td><strong>TOTAL MINUS CHINA</strong></td>
<td>1,133.4</td>
</tr>
<tr>
<td><strong>US$2 poverty line</strong></td>
<td></td>
</tr>
<tr>
<td>East Asia and Pacific</td>
<td>79.8</td>
</tr>
<tr>
<td>China</td>
<td>84.6</td>
</tr>
<tr>
<td>Europe and Central Asia</td>
<td>6.9</td>
</tr>
<tr>
<td>Latin America and the Caribbean</td>
<td>19.7</td>
</tr>
<tr>
<td>Middle East and North Africa</td>
<td>19.7</td>
</tr>
<tr>
<td>South Asia</td>
<td>82.7</td>
</tr>
<tr>
<td>India</td>
<td>82.6</td>
</tr>
<tr>
<td>Sub-Saharan Africa</td>
<td>76.2</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>63.2</td>
</tr>
<tr>
<td><strong>TOTAL MINUS CHINA</strong></td>
<td>1,792.7</td>
</tr>
</tbody>
</table>

The most significant rates of poverty reduction between 1990 and 2005 were achieved in East Asia and the Pacific. These regions saw reductions of nearly 70 per cent in the proportion of people living on less than $1.25 per day, and over 50 per cent reduction in the proportion of those with less than $2 a day. These positive trends are expected to continue to 2015 when the total number of people living below the $1.25 poverty line in East Asia and the Pacific is predicted to be 119m – just 13 per cent of the 1990 figure.

MDGs 2-7: Behind the global figures on health, education, water and sanitation

As with income, the global progress on non-income poverty is distributed unevenly between regions. The proportion of children aged under 5 who are underweight has decreased across all regions of the world since 1990, with an average 23 per cent decrease in all developing countries. However, progress in Southern Asia and sub-Saharan Africa has been slower than the average, with less than a 20 per cent reduction in underweight, compared to an above-average 60 per cent decrease in Latin America and Eastern Asia.

Many regions of the developing world have now attained levels of primary education enrolment at between 90 and 95 per cent. However, the average enrolment rate across developing regions remains slightly lower due in particular to the effect of sub-Saharan Africa, which despite an increase of over 30 per cent in the decade leading to 2008/09 has an enrolment level of just 76 per cent.

Related data also shows that these two regions have achieved a 60 per cent reduction in deaths per 1000 live births between 1990 and 2009. In sub-Saharan Africa, the infant mortality rate remains above one in 10, nearly 20 times the number of deaths experienced in developed countries. Elsewhere, countries in Southern Asia have witnessed a decrease in the infant mortality rate from over 120 deaths per 1000 live births to under 70 over the last two decades. With the exception of Southeastern Asia, sub-Saharan Africa and Oceania all other parts of the world have reduced child mortality rates by more than half, representing a significant improvement in nutrition and other health indicators in young children.

Progress on access to water and sanitation, the two targets under MDG 7 with specific indicators, presents a mixed picture. In most regions less than 15 per cent of the population lack access to unimproved water, a significant improvement on 1990. However, in sub-Saharan Africa forty per cent of the population are still using untreated water. Similar patterns are evidence for sanitation. In every region apart from South Asia and sub-Saharan Africa more than half the population now has access to improved sanitation. In sub-Saharan Africa the proportion is just 31 per cent, while in South Asia it is 36 per cent.

Inevitably, some of these goalposts have shifted since the 1990s. While the MDGs focus on getting children into school, success in that area has revealed huge disparities in the quality of education that children receive. Although infectious diseases are being curbed through a huge increase in vaccination programmes, HIV prevention, and the like, so chronic conditions like diabetes and heart disease are on the rise in developing countries. The WHO estimates that by 2030 chronic diseases will kill more people in Africa than maternal mortality, and infectious diseases combined.
### Table 4: Non-income MDGs, 1990-2009

<table>
<thead>
<tr>
<th></th>
<th>1990</th>
<th>2000</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Proportion of children under age 5 who are underweight (%)</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Developing regions</td>
<td>30</td>
<td>23</td>
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</tr>
<tr>
<td>Southern Asia</td>
<td>52</td>
<td>43</td>
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<tr>
<td>Sub-Saharan Africa</td>
<td>27</td>
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<tr>
<td>South-Eastern Asia</td>
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<tr>
<td>Western Asia</td>
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<td>7</td>
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</tr>
<tr>
<td>Eastern Asia</td>
<td>15</td>
<td>6</td>
<td></td>
</tr>
<tr>
<td>Latin America &amp; the Caribbean</td>
<td>10</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>Adjusted net enrolment ratio in primary education (%)</td>
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<td></td>
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<tr>
<td>Developing regions</td>
<td>82</td>
<td>89</td>
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<td>Southern Asia</td>
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<td>Sub-Saharan Africa</td>
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<td>Eastern Asia</td>
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<tr>
<td>Latin America &amp; the Caribbean</td>
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<td>95</td>
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<tr>
<td>Under 5 mortality rate (Deaths per 1,000 live births)</td>
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<tr>
<td>Developing regions</td>
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<td>Southern Asia</td>
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<tr>
<td>Sub-Saharan Africa</td>
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<td>South-Eastern Asia</td>
<td>73</td>
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<td>Western Asia</td>
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<td>Eastern Asia</td>
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<tr>
<td>Latin America &amp; the Caribbean</td>
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<tr>
<td>Population using unimproved sources of drinking water (% population)</td>
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<tr>
<td>Developing regions</td>
<td>28</td>
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<tr>
<td>Southern Asia</td>
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<tr>
<td>Sub-Saharan Africa</td>
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<td>Eastern Asia</td>
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<tr>
<td>Latin America &amp; the Caribbean</td>
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<td>7</td>
<td></td>
</tr>
<tr>
<td>Population using improved sanitation facility (% population)</td>
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<tr>
<td>Developing regions</td>
<td>42</td>
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<td>Eastern Asia</td>
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<td>56</td>
<td></td>
</tr>
<tr>
<td>Latin America &amp; the Caribbean</td>
<td>69</td>
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<td></td>
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</tbody>
</table>

Note: Primary enrolment for years 1998/9 and 2008/9; Water and sanitation for 2008.

These are national level averages. Although the MDGs were intended as global level targets, and applying them at the national, let alone the sub-national level is perhaps not the point, an examination of sub-national patterns of progress on the different indicators can reveal which groups are the hardest to reach and who is being left behind.
the general trend towards improvements in most indicators. This in turn can help to inform future policy.

There are considerable differences in improvements between urban and rural populations, and worse than average outcomes for the poorest groups. In South Asia, while nationally 42 per cent of children are underweight, the figure is 56 per cent for the poorest 20 per cent of children. Gender differences are more complicated. In some cases gender disparities are worse for boys (outside Asia, under-five mortality is usually higher among boys than girls) or the same at early ages and worsening during childhood (nutrition and health indicators are – in general – the same at early ages – but adolescent girls are less likely to be literate than boys for example) or there are more complex interactions between gender and poverty (gender parity in education is much less likely in the poorest 20 per cent group).

Table 5: Selected MDG and national averages vs women, rural population and the poorest

<table>
<thead>
<tr>
<th></th>
<th>National Average</th>
<th>Women</th>
<th>Rural</th>
<th>Poorest 20%</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>MDG 1 – Underweight prevalence in children under five (%), 2003–9</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Developing countries excl.</td>
<td>23</td>
<td>24</td>
<td>28</td>
<td>40</td>
</tr>
<tr>
<td>China</td>
<td>22</td>
<td>21</td>
<td>25</td>
<td>29</td>
</tr>
<tr>
<td>Sub-Saharan Africa</td>
<td>42</td>
<td>42</td>
<td>45</td>
<td>56</td>
</tr>
<tr>
<td>South Asia</td>
<td>28</td>
<td>27</td>
<td>30</td>
<td>34</td>
</tr>
<tr>
<td>LDCs</td>
<td>6</td>
<td>7</td>
<td>8</td>
<td>n.a.</td>
</tr>
<tr>
<td>China</td>
<td>43</td>
<td>43</td>
<td>46</td>
<td>57</td>
</tr>
<tr>
<td><strong>MDG 4 – Measles coverage %, 2008</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Developing countries excl.</td>
<td>81</td>
<td>64</td>
<td>61</td>
<td>51</td>
</tr>
<tr>
<td>China</td>
<td>72</td>
<td>58</td>
<td>55</td>
<td>45</td>
</tr>
<tr>
<td>Sub-Saharan Africa</td>
<td>74</td>
<td>59</td>
<td>58</td>
<td>44</td>
</tr>
<tr>
<td>South Asia</td>
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<td>65</td>
<td>62</td>
<td>56</td>
</tr>
<tr>
<td>LDCs</td>
<td>94</td>
<td>n.a.</td>
<td>n.a.</td>
<td>n.a.</td>
</tr>
<tr>
<td>China</td>
<td>70</td>
<td>56</td>
<td>54</td>
<td>40</td>
</tr>
<tr>
<td><strong>MDG 5 – skilled attendant at delivery, 2003–9</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Developing countries excl.</td>
<td>63</td>
<td>-</td>
<td>50</td>
<td>28</td>
</tr>
<tr>
<td>China</td>
<td>46</td>
<td>-</td>
<td>36</td>
<td>24</td>
</tr>
<tr>
<td>Sub-Saharan Africa</td>
<td>42</td>
<td>-</td>
<td>33</td>
<td>17</td>
</tr>
<tr>
<td>South Asia</td>
<td>38</td>
<td>-</td>
<td>29</td>
<td>24</td>
</tr>
<tr>
<td>LDCs</td>
<td>98</td>
<td>-</td>
<td>97</td>
<td>n.a.</td>
</tr>
<tr>
<td>India</td>
<td>47</td>
<td>-</td>
<td>38</td>
<td>19</td>
</tr>
</tbody>
</table>


Similar patterns are to be found for progress on other MDGs: research in South Asia showed that improvements in sanitation between 1995 and 2008 largely bypassed the poorest 40 per cent of the population in the countries studied. Different inequalities intersect and overlap: in China, for example, 46 per cent of people living in extreme poverty come from a minority ethnic group, while in Brazil the population of African
descent tends to be concentrated both among the poorest by income group and the poorest regions of the country.\textsuperscript{21}

**MDG 8: progress on a global partnership for development**

The targets attached to MDGs did not have specific dates attached, which has itself been a source of some contention for NGOs and others. However, indicators mention trade, new technology and essential drugs, and addressing the specific needs of LDCs – which is interpreted as a commitment to increase aid.

The Doha round of trade talks was launched in 2001, the same year as the MDGs. Ten years later, it is still not completed. Globally, the commitment in MDG 8 to ‘develop further an open, rule-based, predictable, non-discriminatory trading and financial system’ has clearly not been met. Despite this failure, the percentage of goods from developing countries which enter rich country markets duty-free has increased since the 1990s, and average tariff levels have fallen. Actual trade patterns among developing countries vary enormously. Exports from many Asian countries have continued to increase, and high commodity prices have been a boon for some exporters. However, least developed countries have lost out, with their share of world trade declining to less than one per cent of exports in 2008, and their exports becoming more concentrated on fewer products, making them vulnerable to increasingly volatile markets, particularly for primary commodities.\textsuperscript{22}

Aid volumes have gone up since the 1990s, and debt service ratios for developing countries have gone down, in some cases considerably. As of March 2011, 32 of 40 countries had reach completion point in the HIPC process, leading to cancellation of a significant part of their debts.\textsuperscript{23} Despite the economic crisis, 2010 saw $128.7 billion of net ODA spending, the highest ever real terms level, surpassing even 2005 which saw exceptional debt relief.\textsuperscript{24} However, these data also put G8 members off track for their spending commitments made at Gleneagles in 2005. The DAC secretariat estimated that these commitments implied raising spending from $80 billion to $130 billion in 2004 dollars – which would entail a 2010 total of around $155 billion after adjustment for inflation, $25 billion short of current DAC ODA.\textsuperscript{25} However, most countries have not delivered on the promises of 2005, in which they committed to providing the volume of aid that was then estimated to be needed to meet the MDGs.

Since the 1990s, OECD donors have been taking tentative steps to make their aid more effective, by aligning it more directly with the development strategies of developing country governments. The ‘Paris Declaration’ on aid effectiveness, agreed by the OECD’s Development Assistance Committee in 2005, contained 13 specific targets, to be achieved by 2010, on improving the coordination and the responsiveness of aid. However, the DAC’s own assessment finds that only one of these targets has been met.\textsuperscript{26}

Action on trade rules and on aid is very much the business of governments. However, the other targets in MDG 8 require a combination of public and private sector involvement to be achieved. Access to essential medicines remains limited in many developing countries, with less than half of all public sector health facilities in many countries stocking a range of essential drugs, and drugs for chronic diseases in particularly short supply. The negotiations around intellectual property and generic drugs in the WTO, and a range of public-private initiatives in the area of essential medicines show that progress can happen, but the job is still far from complete.
Access to some technologies has been expanding rapidly in developing countries, driven by private sector investments in mobile phone and internet connections. The rapid developments in mobile phone use and the range of services available show that the private sector can make a huge contribution to driving development, if the incentives and the environment are right. Other areas, such as the spread of green energy provision, or the development of low cost housing or cooking technologies, could benefit too from an environment where the private sector saw marketing to the poor as a viable business strategy.

Since the 1990s, no international gathering of leaders has been complete without the obligatory mention of the need to achieve the MDGs. Despite this, action at the political level in many rich countries has been limited, with many failing to increase aid or to make concessions on trade deals.

**Did the MDGs change anything?**

Correlation is not causality, and the fact that the existence of the MDGs coincided with improvements in some MDG indicators does not necessarily mean that the MDGs themselves were responsible for those improvements. As noted above, the MDG targets were extrapolated from existing trends, so it is at least plausible that the improvements were not related to the MDGs. In which case, there might be no need for a new global agreement at all. We can't know what would have happened in the absence of the MDGs, so in some ways this is an impossible question. But, we can look at changes since 2001 for an indication.

**Did the MDGs change the debate?**

At a global level, the MDGs have certainly changed the rhetoric of development – no global leaders communiqué is now complete without a reference to the importance of achieving the MDGs, and MDGs have been the basis for campaigning and advocacy both North and South. They have also changed the terms of the academic and popular debate: a search of publications on the Google database reveals that since 2000 the term ‘Millennium Development Goals’ has overtaken the ‘human development index’ in terms of number of references, and is gaining on GDP per capita.
Did the MDGs change aid spending?

Changing the debate, of course, was not the point. The point was to improve outcomes, in part by galvanising more resources for development (the MDGs, after all, had their origins in the main aid donors’ club, the OECD DAC).

The MDGs were agreed in 2001, a year or two after the nadir of aid spending at the end of the 1990s. Since 1999, total aid per capita to low income countries has been rising more or less continuously (to 2009). This does not coincide exactly with the MDGs, but it seems likely that the increase in aid was born of the same drivers as the MDGs themselves – a renewed political interest in development and a benign international environment in which to give it. The MDGs were instrumental in mobilising the aid promises made at Gleneagles in 2005, as described above. In the absence of a counterfactual it seems reasonable to argue that the MDGs were part of the political armoury used by both governments and campaigners to maintain rising aid levels through this period.

The MDGs have also been used in decisions about how to allocate this growing volume of aid. Some donors have made this specific - the European Commission, for example, makes some of its aid provided through budget support conditional on progress toward the MDGs through ‘MDG contracts’28. Overall, aid has tended to be allocated disproportionately to countries furthest from the MDG targets, providing further weight to the argument that the poverty focus of the MDGs was at least correlated with aid spending in recent years.29 Africa, of course, was been a particular focus of G8 summits prior to the economic crisis of 2009, and aid to Sub-Saharan Africa increased from $12 billion in 2000 to $42 billion in 2009.30

The MDGs have also coincided with an increase in aid spending on social sectors such as health and education, with absolute aid spending on the social sectors doubling between 2000 and 2008.31 While again, this might have been correlation rather than causality, aid has tended to be concentrated on the areas specified in the MDGs – for
example, within education, basic education has received the majority of the new resources.

*Figure 2: Absolute levels of ODA from OECD donors (million US dollars, current prices)*

[Graph showing absolute levels of ODA from OECD donors from 1995 to 2009.]

Source: OECD database; Melamed and Masamvu (forthcoming)

**Did the MDGs change national level policy?**

In the end, implementation of the policies to achieve the MDGs has to happen at national level within developing countries. More resources can help, but even in the most aid-dependent country they are a small part of the story of national development. The MDGs were a ‘global promise’, which in theory bind developing country governments as well as donors to make the changes needed to achieve them. Have the MDGs made any difference to national level policies?

A recent UNDP survey found that of 118 countries, 86 per cent had adopted one or more of the goals, targets or indicators as part of their national level objective setting. A smaller number had integrated the MDGs into their policy making to a quite considerable extent, including by adapting or adding to the goals to make them more relevant to national level issues and priorities. A survey of Poverty Reduction Strategy Papers found that almost all had some commitment to the MDGs, though the degree and specifics varied considerably, and some issues, such as hunger and nutrition, were given much less attention than others. It is difficult if not impossible to know the extent to which this was translated into spending decisions by individual governments, but certainly spending on social sectors for developing countries as a group has risen during the period covered by the MDGs.

**Did the MDGs change development outcomes?**

All of the resources and the government level action are means to an end. The central test of the MDGs must be if they actually improved outcomes for poor people. This is
the hardest of all to assess, since even if the MDGs were having a significant impact, it would be only one of a range of factors driving progress.

Attempts to assess if progress on the range of MDG indicators has been faster since 2000 are inconclusive – the results depend very much on the method used. There is no way of establishing definitively if the MDGs have contributed to faster progress on the indicators in any particular case, or, if they helped in preventing a loss of momentum in some areas.

What lessons can be drawn from current assessments of the MDGs for future goal setting? The key finding seems to be that though there is reason to believe that the MDGs influenced the level and allocation of aid spending, the impact of that on development outcomes is tenuous. This has a number of implications for a future agreement:

If the primary intention of a post-2015 agreement is to mobilise resources for development, greater attention should be paid to where resources can be allocated in the most effective way. Some targets might be amenable to achievement through resource mobilisation (for example, childhood vaccination rates), while others are less so (for example, employment rates).

Future resources for development will come as much from developing countries themselves as from donors. A future agreement will have to work both for donors and for national governments in developing countries.

If, instead, the primary intention is to mobilise global action for long term development, greater attention should be paid to how resource flows fit with other policy levers such as trade policies, and how an agreement could most effectively combine different types of incentives for policy makers to tackle the most pressing global barriers to development. This may involve something quite different to the current MDG framework. This approach would be more in line with the ‘G20 consensus on development’ agreed at the Seoul meeting of the G20, where the focus was more on trade and other economic policy instruments, and less on the traditional aid focus of the G8.

4. Challenges to the MDG framework since the 1990s

The MDGs reflect the prevailing understanding of the time about what poverty is, and the priorities for tackling it. Inevitably, our understanding of poverty, and the information we have about it, has changed considerably since then. Participatory poverty assessments have provided much more detailed information about how poor people understand poverty, and work on wellbeing has converted some of that understanding into metrics that could be used for indicators.

**Participatory poverty assessments and surveys: how poor people understand poverty**

Policy makers and researchers know a great deal more about how poor people themselves define poverty, and their priorities for action in tackling it than they did in the 1990s. During the 1990s the World Bank and other donors started to invest more in participatory exercises to complement the quantitative analysis based on poverty lines
and other indicators. The most ambitious of these was the Bank’s ‘Voices of the Poor’ study, which involved tens of thousands of people across the world. More recently, survey companies such as Gallup and Globescan have started to include representative samples of people from developing countries in their regular polling exercises, generating extra information on the needs and concerns of poor people.

These new approaches have thrown up some challenges to the MDGs. Firstly, a range of issues not included in the current set of targets – such as the threat of violence, or emotional issues such as the humiliation involved in being poor – turned out to be high on the agenda of poor people, as ways of defining poverty and as priorities for action. Secondly, they revealed that existing issues should be looked at through a different lens – so that material dimensions of poverty are seen as important, but for poor people assets are as important an indicator of material poverty as incomes, the more commonly used measure in the MDGs as elsewhere. Thirdly, they highlight dynamic aspects of poverty – the ever present vulnerability to risks and to changing circumstances which can push people below the poverty line, and the strategies people take to avoid risks, which can sometimes take priority over short-term increases in income.

Fourthly, within the MDG approach, the priority given by poor people to different dimensions of poverty often does not reflect what donors prioritise through their spending. A recent Gallup World Survey exercise surveying 26 countries in Sub-Saharan Africa to establish African views about the relative importance of different MDGs found that, unsurprisingly, reducing poverty and hunger ranked top, followed by reducing the spread of HIV and AIDS and then providing more jobs for young people. Despite its inclusion in the survey, providing jobs is an area that did not figure highly in the MDGs, and has been neglected by donors for many years. There is clearly something of a disconnect between the outcomes considered important by poor people and those prioritised by donors through the MDGs framework, a disconnect that should be rectified in any new post-2015 strategy.

**Wellbeing**

Ideas around ‘human wellbeing’ are emerging as a complement to the more traditional and material ways of conceptualising and measuring poverty and deprivation. The commission recently appointed by President Sarkozy of France is one of several recent attempts to look at alternative measures of progress. The commission, which included both Joseph Stiglitz and Amartya Sen, identified eight dimensions of wellbeing which are critical to happy and fulfilled lives:

- Material living standards
- Health
- Education
- Personal activities including work
- Political voice and governance
- Social connections and relationships
- The present and future environment
- Security, both economic and physical
In the development landscape, the five-year, multi-country research of the ESRC Wellbeing in Developing Countries (WeD) network (e.g. Copestake, 2008; McGregor, 2007; White, 2008, 2010) was crucial in formulating ideas and starting to identify indicators to measure progress in this area. The project defined its approach in terms of seven indicators of wellbeing, drawing more on subjective and psychological dimensions of wellbeing than the Sarkozy Commission’s list, which includes ‘enjoying peace of spirit’; ‘experiencing self-worth’ and ‘sustaining close relationships’, among others. These different dimensions can be summarised into three categories: (i) needs met (what people have); (ii) meaningful acts (what people do), and; (iii) satisfaction in achieving goals (how people are).

New thinking about development assistance

As well as changes in the understanding and measurement of poverty, there have been big changes since the 1990s in understanding the role that outside assistance can play in reducing it. These are pulling to two opposite directions. One strand of thinking is about results and outcomes, and how aid can be tied more directly to specific outcomes, to improve accountability of donors to their taxpaying publics and to tackle the growing perception that ‘aid doesn’t work’. The British and American official aid agencies have been enthusiastic promoters of this approach. Examples of this approach are:

- The ‘cash on delivery’ approach to aid, developed by the Centre for Global Development in Washington
- The ‘results agenda’ in the UK’s DFID, and the resulting ‘results-offer’ process for allocating the UK’s bilateral aid

A second strand, deriving more from academic literature, implies a greater humility about the role that outsiders can play in development, and a greater awareness of the limited and uncertain benefits of aid and other forms of assistance. This approach focuses more on how aid can usefully be inserted into national level processes, and how the outcomes can be assessed. Examples are:

- The ‘growth diagnostics’ framework developed by Dani Rodrik and applied (in a somewhat different version) through the UK’s International Growth Centre
- Increasing interest in how donors can relate to political processes in developing countries, for example in ODI’s ‘Africa Power and Politics Project
- A growing academic focus on the role of complexity, and an associated interest in what aid and development can learn from other processes such as biological evolution

These two approaches are not as contradictory as they first appear. Certainly, being more specific about what aid is intended to do, and how, can help to build accountability not just to donor country taxpayers but also to poor people themselves. This does not necessarily preclude a greater awareness of the complexity of development – rather, it implies greater realism about what aid can achieve given those complexities, and a greater awareness of the other policy levers, both domestic and external, that are required to achieve long term change.
5. New poverty trends since the 1990s

Changes have not just been at the level of research. The context of poverty has changed since the 1990s as well. The opportunities and challenges poor people face, and the barriers to progress, have changed since the 1990s, with new forces emerging to shape the dynamics of poverty and the lives of individuals and households as they experience it.

Climate change and other environmental challenges

Climate change, biodiversity loss, and other environmental challenges are affecting both the dynamics of global politics and the nature of global poverty. The Millennium Ecosystem Assessment (2005) concluded that over 60 per cent (15 out of 24) of the ecosystem services that support life on Earth and underpin human well-being are being destabilized. Biodiversity loss is being exacerbated by climate change and the rapid depletion of non-renewable natural resources. These challenges threaten development progress and affect the poorest and most vulnerable disproportionately. Therefore a post-2015 development agenda would need to address issues such as sustainable management of biodiversity and ecosystem services, transitions towards low-emission development pathways and building resilience to environmental risks as well as to climate change.

Climate change has affected both the dynamics of global politics and the nature of global poverty. As the impacts of climate change on weather patterns become clearer, it becomes more evident that a very large number of poor people will be increasingly vulnerable to its effects. These make life more uncertain for people already living extremely precarious lives. Of the top 20 countries most at risk of extreme weather in 2015, 19 are countries with large numbers of poor people. They include middle income countries (China, Colombia, Cuba, India, the Philippines, Sri Lanka, Vietnam, Honduras, Thailand, Zambia) and other much poorer countries (Kenya, Somalia, Mozambique, Bangladesh, Djibouti, Ethiopia, Bolivia, Madagascar, Zimbabwe). The impacts on poverty vary by country and by group. Some countries, such as India and Indonesia are likely to see dramatic increases in the size of the population vulnerable to sea level rises. With respective increases of 80 per cent and 60 per cent the two countries are likely to house a combined total of over 58 million of the most vulnerable people by 2050. A further 6 million people in China will also be exposed to sea level rise to make the total in that country 22 million. Nigeria, the Philippines and Egypt will also see the size of their vulnerable populations more than double between 2008 and 2050. Of the LICs, the size of Bangladesh’s vulnerable population is set to grow to around 27 million people – more than double the 2008 size and the second largest vulnerable population within the countries listed.

A further impact on poverty is through projected losses in agricultural productivity. Here Africa is the continent predicted to be worst affected by 2050. In the period between 2008 and 2050, some areas of Africa are forecast to lose an average of between 10 per cent and 20 per cent in agricultural productivity. Areas in Central Africa and the Southern and Northern extremes of the continent are predicted to experience significant losses of at least 18 per cent while East Africa is likely to be affected less severely, with productivity losses in the region of 10-14 per cent.
The impact of all these, and other changes, on poverty overall is of course still uncertain and dependent on many other factors. Some argue that the impacts of climate change on poverty will be outweighed by economic growth, so that climate change may slow the pace of poverty reduction but will not halt the general positive trends.\textsuperscript{47} However, the consensus seems to be the impact of climate change will fall more heavily on the poor than the rich due in particular to higher food prices, degradation of natural resources such as land and water, and biodiversity loss which affects agriculture.

**Demography, migration and urbanisation**

People are on the move everywhere. Within developing countries, high rates of overall population growth, together with significant rural–urban migration, have contributed to rapid urbanization and related unplanned expansion of low-income settlements on the outskirts of many large cities, or slums.

For poor individuals and households, urbanisation brings greater opportunities with access to a more varied labour market, new business opportunities and greater access to services such as health and education. Incomes in urban areas can be as much as 2000 per cent higher than in the rural areas where migrants come from.\textsuperscript{48} There are also new risks: urban populations are often reliant on integration into informal employment markets to earn cash income to meet their ongoing consumption needs, and are particularly vulnerable to changes in market prices. In a highly competitive labour market small changes can lead to significant losses of livelihood.\textsuperscript{49}

Calculating the numbers for urban poverty is difficult because of lack of data, given the informality of many settlements, and because of the nature of migration, which often involves travel back and forth between rural and urban areas and the expansion of peri-urban settlements. The impact of urbanisation is also felt by rural populations, as remittances flow between households in different areas.

Less than a third (around 300 million) of people living on less than a dollar a day worldwide lived in urban areas in 2008.\textsuperscript{50} However this varies considerably by region: in Latin America, three quarters of people who live on less than $1.25 per day live in urban areas.

Alternatively, if one makes the assumption that slum dwellers, whatever their income, constitute the urban poor, the figure was around 830 million people in 2010. As with absolute poverty, the proportion of people living in slums has fallen since 1990, but the absolute numbers have been increasing. Overall reductions in the incidence of slum dwellings between 1990 and 2010 have been most significant in Asia with an average shrinking in the size of slum populations of more than a third to bring the overall proportion under 35 per cent of the total urban population. In sub-Saharan Africa, despite a nearly 30 per cent reduction in the size of urban slum populations, over 3 in 5 urban dwellers are still living in slums, nearly double the proportion found in any other developing region. The absolute numbers of people living in slums have risen since 1990 in every region of the developing world due to the greater numbers of people now making up the urban population. In sub-Saharan Africa, the number of people living in slums has nearly doubled over the period 1990-2010.

People are also on the move between countries. While the overall numbers are difficult to assess – not least because much migration is illegal – the UN DESA estimates that
there are around 214 million migrants in the world today, sending an estimated $440 billion back to their home countries in 2010 (up from $132 in 2000), of which $325 billion went to developing countries. Migration can bring huge gains to migrants, to source countries and to destination countries, but political pressures mean that migration is still highly restricted. One estimate has the potential gains to the global economy of liberalising the movement of people at between 50 to 150 per cent of global GDP. These are astonishingly large numbers.

Driving some of this increase in mobility is the increasing youth of the population in many developing countries. Increasing life expectancy and declining fertility has meant that the proportion of people of working age has increased in both LICs and MICs in the last 20 years. This creates the kind of dynamic population likely to migrate internally or internationally, and also offers the possibility of a ‘demographic dividend’. An IMF working paper estimates that between 40-50 per cent of the remarkable rise in per capita incomes in India since the 1970s is due to the changing structure of the population. In China, an aging population structure might start to slow growth rates at some point in the future, while in Africa, still-high (though declining) fertility rates mean that the demographic dividend might be slower in coming. The impact is not only economic – a growing, increasingly educated, and young population are also likely to demand political reforms, as the governments of Egypt, Tunisia and Libya discovered to their cost during 2011.

**Poverty in middle income countries**

In 1990, more than 90 per cent of the world’s poor lived in LICs. Now, more than 70 per cent – up to a billion of the world’s poorest people or a “new bottom billion” -- live in middle-income countries (and most of them in stable, non-fragile middle-income countries). Over this period several countries with large populations (and specifically large poor populations) have shifted from LIC to MIC status as their average per capita incomes have risen. Recent projections suggest the number of LICs may well fall to around 20 in 2025, moving more of world poverty towards the MICs over time.

One key issue for MICs is the role that domestic resource mobilisation can play in financing development. Domestic taxation is a much larger part of the story than in many low income countries. Martin Ravallion has estimated the marginal tax rates (MTRs) on the ‘rich’ (those earning more than $13 per day) required in order to end poverty in each country. The rate varies considerably: in India, for example, the poverty gap would require an MTR on the ‘rich’ of over 100 per cent. In general, Ravallion argues that most countries with an average per capita income over $4,000 would require very small additional taxation to end poverty (as an example, Palma, notes Brazil’s Bolsa Familia which he notes distributes US$50/month to 11 million families cost about 0.5 per cent of GDP in 2005) and Soares and his collaborators find that due to ‘outstanding’ targeting, Conditional Cash Transfers in Brazil, Mexico and Chile have cost less than 1 per cent of GDP and have accounted for 15-21 per cent of the reduction in inequality.

As more countries become richer, and poverty is a function of national as well as global inequality, the capacity to redistribute will become an important issue for poverty alleviation in middle-income countries. Thus a better understanding of the redistributive preferences of the expanding middle classes in MICs will be important for
donors. Public service provision will be crucial: clearly, if public services are of low quality, the middle classes are more likely to consider themselves a loser in the fiscal bargain and less willing to support redistributive fiscal policy. For any future post-2015 agreement, the issues will be how to share responsibility for financing development between the international community and the national governments of countries where the majority of the world’s poor are located, and what, other than provide finance, a global agreement can contribute to overcoming barriers to poverty reduction in middle income countries.

**Chronic poverty: Vulnerability and exclusion**

Since the 1990s there has been a growing awareness of the importance of vulnerability and exclusion in understanding and explaining poverty. The Chronic Poverty Research centre, which has led the research effort in this area, was set up to ‘challenge the apparent omission of almost a billion people from the 2015 poverty target of the MDGs’. The focus was on the half of the world’s poor who would remain poor even if the MDG target was reached: on identifying them, analysing why they would remain poor, and devising policy recommendations to tackle poverty in these hard to reach groups.

Around half a billion people – that is just over one third of all people living on less than $1.25 a day – are likely to be chronically poor. These are people who are likely to remain poor all their lives, and to pass their poverty on to their children. Their poverty is structural – caused by social relationships like discrimination on the basis of ethnicity or disability; or by economic relationships such as ‘adverse incorporation’ into labour markets; or by geography – the chronically poor are more likely to live in remote areas ill-served by roads or other infrastructure; or by personal circumstances such as ill-health or bereavement.

The combination can means that particular groups are particularly likely to be trapped in poverty: Scheduled tribes in India, ethnic minorities in Vietnam, residents of northern provinces in Uganda. Shocks – economic, environmental or conflict-related can push people into chronic poverty very fast, while escaping it requires the painstaking building up of assets over time.

The increasing number and severity of both environmental and economic shocks since the 1990s has focused more attention on vulnerability and risk as key aspects of poverty. NGOs have been developing models of ‘disaster risk reduction’ – trying to reduce the potentially devastating consequence of environmental shocks by increasing community preparedness, while there has been increasing interest in social protection and other transfers partly for their role in providing a minimal level of security of income.

As poverty falls in fast-growing middle income countries, an increasing number of those remaining are likely to be chronically poor, and to be poor because of discrimination and exclusion as much as because of a society-wide lack of opportunity. Deliberate policy measures are therefore required to address poverty in this group: measures such as social protection to provide insurance against shocks, rules such as those on asset ownership and transfer of assets to prevent particular groups, such as widows from being forced into poverty, and spending decisions which prioritise remote regions and excluded groups.
Growth and jobs

The 1990s were an era where there was more optimism about the potential for growth to reduce poverty than there is today. The phenomenon of ‘jobless growth’ haunts much of Africa, characterizes much of India’s recent experience, and is also present in Latin America. And the ILO estimates that around 40 per cent of workers worldwide are still poor – not earning enough to keep their families above the $2 a day poverty line. The majority of chronically poor people in India are wage earners, whose jobs are insecure and low paid, and offer very little possibility for accumulating wealth or avoiding risk. These trends are linked to two failures of growth: to create employment and to increase the productivity of employment.

There appears to be something of a quantity/quality trade off emerging in the global demand for labour, as over time the impact of productivity growth seems to be to slow down the rate of employment growth. While in the 1960s, a one per cent increase in output per worker was associated with a reduction in employment growth of 0.07 per cent, by the first decade of this century the same productivity increase implies reduced employment growth by 0.54 per cent.

It is clear that for poor people, and for governments reeling from the impact of the Arab Spring, employment and the lack of it, are a crucial issue. The current MDGs have a target (1b) on full employment, but this has been hard to operationalise and largely ignored. A future agreement may want to include targets or other commitments on growth and/or employment, such as those emerging from the ILO’s ‘Decent Work Agenda’, if it is to properly reflect the preoccupations of poor people and developing country governments alike.

6. Global governance and politics in 2015: successes, failures and current trends

Global governance has a bad reputation of late, with failures to agree binding climate change targets and the slow death of the WTO’s Doha round held up (rightly) as examples of a weak commitment to multilateralism by key powers. However, there are examples of successful multilateral agreements (table 6). Summarising these is useful to illustrate the range of possible types of agreement which could be negotiated as part of a post-2015 development strategy.

Existing agreements are highly diverse, in the types of problem they were trying to solve, the instruments chosen to solve these problems, and the impact they have had on resource flows between countries and policies within countries. Some focus on domestic policy, and involve signatories agreeing to do or not to do different things in the domestic arena. Others are focused on outcomes, where the signatories agree to meet particular goals, with the process for doing so not necessarily specified. Both types of agreement have their successes and failures. Success seems to be linked either to agreements which go with the grain of current thinking and action – as with the MDGs or the Montreal Protocol – or which have a strong monitoring framework and clear incentives to comply, as with the WTO.
<table>
<thead>
<tr>
<th>Name of agreement</th>
<th>Policy area</th>
<th>Type of agreement</th>
<th>Monitoring system</th>
<th>Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Montreal Declaration on reducing the hole in the Ozone layer</td>
<td>Environment</td>
<td>Outcome: 1 specific goal</td>
<td>UNDP, UNEP, UNIDO and the WB</td>
<td>The phasing out of CFCs and reduction in the use other ozone depleting chemicals in manufactured products Some changes to domestic trade policy</td>
</tr>
<tr>
<td>WTO</td>
<td>Trade</td>
<td>Policy focus limits scope for national level trade policies</td>
<td>Peer monitoring system with regular reports Dispute settlement with sanctions</td>
<td>Established standards for treatment of victims of war</td>
</tr>
<tr>
<td>Geneva Conventions and their Additional Protocols</td>
<td>Human rights</td>
<td>Policy focus: limits on how governments conduct wars</td>
<td>International Humanitarian Law: Ratifying nations must “enact any legislation necessary to provide effective penal sanctions for persons committing or ordering to be committed any of the grave breaches (violations)” of the Conventions</td>
<td>Improved harmonised reporting;</td>
</tr>
<tr>
<td>Good Humanitarian Donorship (GHD)</td>
<td>Aid</td>
<td>Outcome: set of indicators that monitor how donors are delivering against some of their core commitments</td>
<td>Self &amp; peer monitoring</td>
<td></td>
</tr>
<tr>
<td>Antarctic Treaty</td>
<td>Environment</td>
<td>Policy focus: limits on national governments freedom of manoeuvre in Antarctic</td>
<td>28 consultative nations, The Antarctic Treaty Secretariat. Dispute resolution - negotiation, arbitration, or, adjudication by the International Court of Justice.</td>
<td>Peaceful use of Antarctica</td>
</tr>
</tbody>
</table>
The environment for such agreements has changed since the 1990s. A combination of economic and climate related shocks have increased global risk and insecurity, but the political impact of both has been, paradoxically, to close down the space for policymakers to deal collectively with the causes of these shocks.

**Economic shocks**

The current economic crisis contrasts markedly with the economic situation that obtained during the MDGs’ gestation period. During the 1990s, OECD economies were experiencing a “long boom”.\(^6^9\) Sovereign debt and major financial crises were confined to Africa and Latin America during the 1980s and early 1990s, and then to Russia and Asia in the second half of the 1990s, but did not spread to OECD countries.

While the current crisis is heavily concentrated in OECD economies, emerging and developing countries are also vulnerable to some aspects of it. There are impacts on trade flows, on migration patterns, and on the volume of investment flows, but in general there is still global optimism about the economic prospects for most developing countries and regions, while the outlook for Europe and the USA is grim for several years to come.

However, there are political ramifications of the crisis: it seems clear that one impact of the economic crisis is to place donor countries in an introspective mood in which policymakers will be under more pressure to ‘focus on problems at home’.

**Climate and resource shocks**

Today’s political context for issues of environment, resource use, climate change and sustainability is very different to that of the 1990s. The degree of political paralysis on this issue is evident in the lack of action. The problem of climate change is still outpacing the solution. Since 1990, \(\text{CO}_2\) concentrations in the air have risen from 354 to 390 parts per million (ppm).\(^7^0\) The International Energy Agency forecasts emissions will rise by another 21 per cent a year from 2008 to 2035 under the modest policies agreed at Copenhagen.\(^7^1\)

The economic impacts of climate change are increasing – but will not necessarily be drivers for action on the issue. Firstly, oil markets are much tighter. In 1990, oil cost $23 a barrel (just under $40 in 2011 dollars).\(^7^2\) Today, Brent crude is at $110, having reached $147 in 2008.\(^7^3\) The IEA is warning that investment in new production is inadequate to meet future demand, setting the stage for further volatility in future.\(^7^4\) Since high prices are primarily the result of steep demand increases, they are unlikely to result in significantly lower carbon emissions. They are, however, a major driver of global inflation, with especially severe impacts on import-dependent low income countries.

For most of the 1990s, food prices were in a long term slump. Now, prices are much higher as a result of heightened demand (growing population, an expanding global middle class, more crops going to biofuels), tighter supply (under-investment in agriculture, more expensive inputs, low stock levels, ‘Green Revolution’ yield gains running out of steam, droughts and extreme weather events) and other factors (including policies such as subsidies and export bans, and – to an uncertain extent – the effect of large amounts of capital flowing into commodity index funds).\(^7^5\) The FAO Food...
Price Index now stands at 231, as compared to 90 in 2000; the number of undernourished people has risen from around 850m in 1990 to close to a billion. Looking ahead, food demand is projected to rise 50 per cent by 2030 even before other demand sources for land – including biofuels – are taken into account.

The impact of these changes is to intensify a global competition for resources, both within states and internationally. 80 million hectares of land access deals have been agreed since 2001 (with over half the total in Africa), replicating the scramble for oil and mineral resources already underway in many developing countries. As supply / demand balances tighten further in future, security of supply concerns may drive more ‘resource nationalism policies, as well as panic measures like food export bans – although these pressures might catalyse more international cooperation instead.

The combined effect of these shocks may well prove to have narrowed the political space for collective global action, leading to a paradoxical situation in which, as Mark Malloch Brown puts it, “the dilemma of the modern politician is that the answers are abroad but the votes are at home”. Economic upheaval has seen increased pressure on politicians to concentrate on ‘issues at home’, despite the fact that the global economic crisis can reasonably be argued to stem at least in part from a failure to manage risks globally. When policymakers do manage global risks effectively (as in the risk of an avian flu outbreak in 2009), they can find themselves criticised for overreacting.

**Changing global politics**

The global balance of power has changed enormously since the 1990s. While then the G8 was the core economic grouping which essentially led global discussions on most issues of importance, current global governance is both more diffuse – with the rise of the G20 – and more concentrated, with growing talk of a ‘G2’, consisting of the USA and China as the major economic and political global power bases. An alternative view is that there is little effective leadership at all.

At the 2011 World Economic Forum in Davos, much of the conference talk was around the idea that far from moving from a G8 to a G20 world, international relations was in fact sliding into a ‘G Zero’ model. The term, coined by Ian Bremmer and David Gordon, refers to a situation in which, “For the first time since the end of World War II, no country or bloc of countries has the political and economic leverage to drive an international agenda.”

Certainly, the G20 has not quite lived up to its early promise. Early hopes that the G20 would become a key global leaders’ forum appear over-optimistic, as the body’s track record since 2008 shows limited appetite for taking on a broader role than economic crisis management (and even there, the G20 has arguably failed to live up to the expectations set at the 2009 London Summit).

Other multilateral institutions have fared even worse. Two of the most important multilateral processes for development – the Doha round and UNFCCC talks on what should follow Kyoto after its expiry in 2012 – appear to be at risk of becoming ‘multilateral zombies’ (staggering on, never quite dying). Prospects for the Rio 2012 sustainable development summit appear poor. Much as in 1995, a period of ‘summit fatigue’ appears to be setting in.
The UN too has found itself struggling in the changing context for global governance. Its role in the economic crisis was somewhat eclipsed by that of the G20, and growing questions about the effectiveness of summit processes like the UNFCCC, and problems with systems coherence, have compounded its problems.

However, regional multilateralism has shown continuing innovation in the last few years, particularly among emerging economies, which have shown considerable appetite for creating and testing out new cooperation forums. Among the most significant are the BRICs, which have held annual summits since 2009; BASIC in the climate change context (Brazil, South Africa, India, China), which played a pivotal role at Copenhagen; the India-Brazil-South Africa dialogue forum, or IBSA; and the Shanghai Cooperation Organisation, a mutual security body that brings together Russia, China and several Central Asian states.

**Changing national and regional politics**

The limited prospects for multilateral action also apply at the level of individual countries and blocs:

- *The European Union* is in highly introspective mood as it confronts the continuing economic crisis in the Eurozone, which both raises questions about the future of the European ‘project’, and illustrates Europe’s struggle to act collectively even when the future of the European project may be at stake.

- *The United States* is in a state of political sclerosis, to the extent that wrangling over how to reduce the US’s budget deficit led to serious discussion of the possibility of a sovereign default, and an actual downgrade of US debt by Standard and Poor’s.

- *Emerging economies* have become indispensable to collective action on most global issues – including aid. But while emerging economies are becoming more confident in foreign policy, they appear for the most part reluctant to set major global agendas. Instead, there is often a tendency to emphasise G77 solidarity and a rigid north/south divide – overlooking the extent to which this divide has become much more blurred in recent years. There is also increasing concern that emerging economies’ expansion is also contributing to deadlock in some political processes (e.g. climate change, trade).

- *Low income countries* have limited opportunities for influencing top level multilateral agendas, particularly given their de facto exclusion from the G20. But they can exert leverage where they organise themselves successfully into blocs. One long-standing example of that is the AOSIS group of small island states in the climate context, who have achieved high visibility and moral suasion despite their tiny size and invisibility in most other multilateral contexts.

**Changing development financing**

These changes have particular ramifications for the narrower world of aid and development finance. Emerging economies are now becoming aid donors rather than (or in some cases as well as) being recipients. Aid from non-OECD members reached $11.2 billion prior to the financial crisis, with aid from the BRICs more than doubling. This compares to a total of $129 billion in ODA spent by OECD DAC members in 2010.

Perhaps more fundamentally, many low income countries increasingly regard emerging
economies as providing the development models that they aspire to follow. As The Economist sums up, “the establishment donors’ aid monopoly is finished”. The G20’s new approach to development, as articulated in the declaration from the Seoul G20 meeting, is far from a new Washington Consensus but may prove to be as influential in the next 50 years.

As well as new countries, other new actors have emerged as key players in global aid debates. While foundations such as Ford and Rockefeller have existed for decades, the emergence of new philanthropic donors on the scale of the Gates Foundation is new since the 1990s. Although Gates was founded in 1994, it was scaled up dramatically after 2000, and now has an endowment of $36.3 billion. Philanthropic donors now have tremendous reach, influence and agenda-setting capacity in international development and other sectors.

At the same time as the sources of development finance are becoming more diverse, the importance of external finance for development is shrinking in many countries. Even low income countries are on a path of diminishing aid dependence, and there is increasing attention being paid to the vital issue of how domestic resources can be more effectively mobilised for development. Global policy has a role here, in reducing the opportunities for capital flight and for tax evasion which are a drain on the exchequers of many developing countries.

Changing societies

There have been a myriad of incremental changes to the social landscape since the 1990s. The dramatic upheavals of the Arab spring show how incremental change can, under some conditions, lead to very rapid transitions. Two transitions in particular stand out as global phenomena:

- **The growth of social network technologies.** In 1987, only university researchers had ever heard of email. Today, 2.1 billion people have internet access, and access in low income countries may be about to grow exponentially as cellular telecom networks go 3G. While the political impact of social network technologies has so far been notable primarily for their role in enabling relatively short-term ‘surges’ of activity, such as protests, they also have the potential to facilitate more enduring forms of political participation, such as transparent ‘crowdsourcing’ in public sector budget processes.

- **The coming of age of a generation of ‘global teenagers’.** Many emerging economies are now witnessing significant declines in their dependency ratios as ‘bulges’ of young people mature and enter the workforce. While the political impact of this will clearly differ from country to country – in particular, depending on whether economic opportunities are available or not – history suggests that profound social and cultural change may well result even when economic opportunities are available (e.g. the baby boomers in developed countries). Interestingly, while the views and values of the ‘Millennial’ generation in developed countries have been mapped exhaustively by sociological researchers, marketers and pollsters, much less is known about their more numerous brethren in emerging and developing countries.
7. Key questions for post-2015

Given the current context for poverty and for global politics, what are the options for a post-2015 global agreement on development? An agreement will almost inevitably have multiple objectives – among them, to incentivise appropriate action on development; to be effective at inspiring global action and campaigns and to be useable as a monitoring framework. The following is a list of key questions to consider in designing a new framework that is appropriate to current realities.

1. What would we want a global agreement to do, and how?

There’s a huge range of development problems that could be the focus of a new agreement, and a huge range of instruments with which to tackle them. A new agreement will act as a set of incentives to encourage action on certain issues using certain instruments. The MDGs, for example, focused on social development, and the main instrument that they incentivised was aid. But it shouldn’t be a given that that is the most useful role a new agreement can play.

What, for example, could a new agreement do to tackle one of the most pressing global issues of all – the lack of jobs? Most of what needs to happen to create jobs is at the national level, and governments don’t, presumably, need to go through the pain of global negotiations to be persuaded that trying to get their citizens into jobs is a good idea.

What could a global agreement add here? What is the range of collective actions that would have an impact on jobs, and what type of agreement could most effectively incentivise those actions? There might be policies on, for example, trade, or technology transfer, or intellectual property, that could be usefully given a push through a global agreement – but it won’t necessarily be through a targets and goals approach. Limiting the scale of ambitions to developing a new set of targets might rule out effective action on some of the most urgent problems that confront the poorest people.

And who would this agreement be for? The MDGs can be seen as an agreement between donor and recipient countries about a set of priorities for collaboration and a monitoring framework. The goals and targets approach worked well for that. But the world is different now. Most poor people live in countries that are both donor and recipient, or neither. Why should their governments be interested in a global agreement? What would be in it for them? Something that was all about aid would probably bypass the majority of the poorest people in the world. So what are the barriers to poverty reduction in middle income countries that could be usefully addressed through a global agreement? What kind of agreement would be most effective at tackling those barriers?

- What are the changes at a global level that would make the most difference to development? (more aid, better trade rules, an improved system for intellectual property, or mechanisms for technology transfer, for example)
- Of these, which can be feasibly incentivised through a global agreement?
2. How could an agreement be designed to encourage these changes at global or national level?

Given what we know about global agreements, there are a huge range of possible ways of designing a global agreement to bring about, or at least to encourage, changes in domestic policy and in the relations and resource flows between states. The right agreement will depend on the actions and combinations of actions that are required. The targets and goals approach in the MDGs has been very successful for getting action on some of the targets in MDGs 1-7, though less so on others or in Goal 8. This is an approach that has been successfully used in other very different agreements such as the Montreal Protocol on CFCs. But it is not the only way. Depending on the problem, another model might be the WTO, where states take on obligations about the limits of their domestic policy making, and are monitored on their compliance. Other models include the league tables approach of the UNDP’s Human Development Report, or the prizes awarded by the Mo Ibrahim foundation. Depending on the changes sought, a new type or combination of types of agreement might be more appropriate than the targets and goals approach of the MDGs, or it might be that this remains the most effective for the problem at hand.

- What are the pros and cons of the targets and goals approach adopted by the MDGs?
- What are the ideal structures for an agreement given the changes that are needed?
- What is realistic to expect in the current global climate?

3. How should a new global agreement link to the national level?

The MDGs were set at a global level, but were, perhaps inevitably, used for national level monitoring too. This was unfair to many countries, whose starting point or trajectory was significantly different to the global average. One common response to this has been to argue that any new agreement should be built up from national level goals.

However one might argue that people in individual countries can and should monitor their own government’s promises and delivery as part of national politics. Would an international agreement really make that more likely to happen? What if governments set low targets? Is it fair for people in different countries to have different expectations from what is supposed to be a global agreement? A new agreement will have to square the circle of national level accountability and global equity.
• How could a global agreement reconcile global goals or other instruments with the importance of national level sovereignty, in a context of varying commitment to development in both Northern and Southern countries?

4. **What kind of politics and coalitions are needed to produce a new global agreement?**

Any new agreement will have to be mediated through the political processes which are required to get it agreed. As the history of the MDGs told above illustrates, the politics are key to getting an agreement accepted in the first place, and then to ensuring that states continue to honour whatever new obligations are created. Theoretical and practical insights about the ideal form of an agreement will have to be heavily modified in order to ensure that a proposal is also politically acceptable. There is also always the possibility that no new agreement will emerge – that governments made insular by economic problems will decide they will let the MDGs quietly die with no successor in place.

• What are the current global trends working for and against an agreement?
• Who are the key players, and what are the key moments, involved in getting a post-2015 global development strategy first discussed and then agreed?
• What single narrative or idea can best convince key actors of the need for an agreement and the feasibility of negotiating one?
8. Conclusion: the road to 2015

The MDGs were designed for the world of the 1990s, nearly a whole generation ago. While much has stayed the same – the daily grind of poverty is still an experience shared by too many of the world’s population – much has also changed. There are improvements, in the form of the huge leaps forward in health and education outcomes for millions of people. There are new contexts – poverty in urban areas, poverty in the more risky context of environmental and economic uncertainty. There are new politics – a new group of donor countries, a new and more confident group of middle income countries set to make their mark on global agreements and processes.

Above all, there is the experience of ten years of having the MDGs, and learning what makes an effective global agreement on development. There is much that worked, and much to retain in any future strategy. But there are also changes needed for the new context: greater attention to who is benefitting from aggregate improvements; a need to take into account the importance of risk and vulnerability in the lives of the poor; and a need to make sure that any new agreement is founded on what poor people themselves really consider the main problems of poverty as they experience it.

But a new agreement is not a certainty. For those who believe that some global commitments on poverty reduction and development are both possible and necessary, there are two tasks. The first is to convince that an agreement is needed, and that it can be one that brings the world together to promote development and end poverty. The second is to show what such an agreement might look like, and how it would work to solve today’s problems of poverty and development.
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