

Making Sense of the MDGs

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ABSTRACT *Several misunderstandings have arisen about the Millennium Development Goals (MDGs). Most widespread is the view that each and every country must achieve the same numerical targets. This is obviously incorrect because the global performance is the aggregate of MDG-plus and MDG-minus countries. Another misconception is that a universal strategy exists for achieving the MDGs. This view contradicts the historical fact that different countries have applied different means towards achieving the same end – namely, human development. A third misunderstanding is that the cost of achieving the MDGs can be determined with precision over a multi-year period. Jan Vandemoortele¹ identifies growing disparities within countries as the main reason why the global targets will not be met by 2015. He outlines four practical steps for formulating homegrown and endogenous MDG-based national development strategies. He underscores the need for a new partnership between the rich and the poor, one that is based on ‘ideas changing minds’ rather than on ‘money changing hands’ because a partnership that is primarily based on money is inherently unequal.*

KEYWORDS *millennium summit; global targets; indicators; costs; negotiations; partnership*

Four basic questions

Several misunderstandings and misconceptions have arisen about the MDGs since they came into being in late 2001. The four questions below are meant to help correct these. Some answers may challenge received wisdom, but as the late economist John Kenneth Galbraith said, ‘The conventional view only serves to protect us from the painful job of thinking’.

Question 1: Are global targets new?

Contrary to common belief, global target setting is an established practice. As early as 1961, governments agreed at the United Nations to aim for an average rate of economic growth of 5 percent per year during the so-called ‘First Development Decade’, a target that was actually surpassed. In 1966, the objective was set to eliminate smallpox, which was achieved in 1977. Not all internationally agreed targets have been achieved.² The

missed opportunities might tempt some to dismiss the MDGs as targets that are 'easily set but never met'. That would be a mistake. Global targets have made and continue to make a difference, mostly by mobilizing actors and by generating resources, both at the global and local levels.

Question 2: Why do the MDGs cover the period 1990–2015?

It can be safely assumed that a 25-year period was chosen because it is normally associated with the time span of one generation.³ World leaders made a promise that the current generation will 'spare no effort to free our fellow men, women and children from the abject and dehumanizing conditions of extreme poverty' (United Nations, 2000). The starting year is 1990 because it witnessed two world summits: on education in Jomtien and on children in New York. They were followed by several others (e.g. Rio de Janeiro, Cairo, Copenhagen, Beijing) that generated a series of globally agreed targets on many dimensions of human development.

Question 3: Why are some aspects not included in the MDGs?

The MDGs were not developed from scratch. They resulted from an incremental process of generating a political consensus through world summits and international conferences in the 1990s. In 2000, the Millennium Summit summarized the key commitments made at the various gatherings. A year later, an inter-agency group at the United Nations extracted the key targets with a view to keeping them in the spotlight beyond the normal shelf life of declarations issued by world summits. They were adopted by the General Assembly in late 2001 under the name 'Millennium Development Goals'. Their conception followed the golden rule of 'less is more', based on the recognition that public attention for human development can only be generated and sustained around a limited number of clear targets.

The MDG targets were selected on the basis of two main criteria: (i) whether internationally agreed indicators existed for measuring progress

and (ii) whether reasonably good data were available to document global trends. Since there is no consensus on how to measure good governance or the quality of education, for instance, these aspects of the Millennium Declaration were not included among the MDGs. Although most of the missing aspects were due to non-measurability, some were absent by commission, not omission. The original MDGs did not cover reproductive health, for example, because there was no inter-governmental consensus at the time on this particular dimension of human development.⁴

Question 4: Why are the targets not uniform?

The MDG targets aim to reduce hunger and poverty by one-half, infant and child mortality by two-thirds, and maternal mortality by three-quarters. Why are the numerical targets that way? Why do they not call for a reduction in poverty by three-quarters instead of by one-half? Why do the MDGs not aim at reducing everything by three-quarters?

The reason is that most global targets were set on the premise that global trends over the past 25 years would continue for the next 25 years. Were progress for child survival, for instance, to continue as in the 1970s and 1980s, the global under-five mortality rate (U5MR) in 2015 would be two-thirds lower than in 1990. Were the global net enrolment ratio (NER) to continue its increase of the 1970s and 1980s, universal primary education could be achieved by 2015. Figure 1 illustrates that these targets are essentially based on an extrapolation of past trends at the global level.

Therefore, the question whether progress is on track can only be asked at one level, namely at the global level. It cannot be asked for any specific region or country because the numerical targets were set in line with global trends, not on the basis of actual trends for any particular region or country.

It is unfair and unhelpful, for instance, to lament that sub-Saharan Africa is not on track to meeting the MDGs, simply because these targets were not set specifically for that region. Such lamentation is often interpreted as saying that

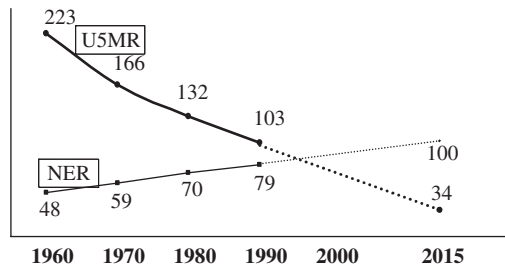


Figure 1: Global targets are extrapolated global trends. Source: UN staff estimates

if it were not for Africa, the world would be on track for meeting the targets by 2015, which is obviously an incorrect view. It begs the question whether Africa is missing the target or whether observers are missing the point.⁵ What is seldom mentioned is that Asia has fallen behind its own historical trends since 1990, in spite of the often spectacular economic growth.

Thus, the MDGs are not meant as a uniform yardstick for measuring performance across countries. Their contents apply universally because they reflect fundamental social and economic rights but their numerical values cannot be applied to each country or every region. World leaders agreed to set global targets on the understanding that aggregate trends in the recent past made them feasible for the near future at the global level, not necessarily in each and every country. The spirit of the Millennium Declaration was not to impose a one-size-fits-all yardstick for judging national performances regardless of historical backgrounds, natural endowments and particular challenges.

Is the world on track for 2015?

The most frequently asked question is about the feasibility of the MDGs, to which journalists and politicians expect a short and clear answer. To a large extent, however, the answer will depend on the choice of the indicator. The fact is that all indicators are imperfect but some are more imperfect than others.⁶

Indicators have two basic ingredients: observation and transformation. The reliability of an indicator tends to decline as more transformation

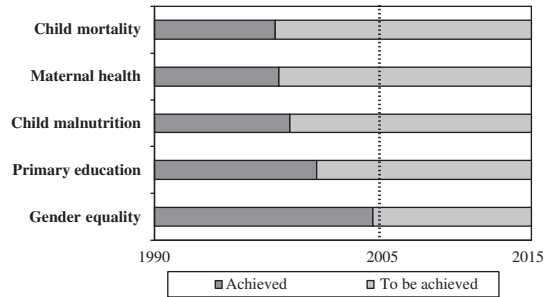


Figure 2: Global progress 1990–2005. Source: UN staff estimates

is involved. For instance, it is easier to observe whether a child is malnourished than to determine whether s/he struggles to survive on less than US\$1 a day. The latter cannot be readily observed; it needs a large set of information and complex calculations, creating many occasions for omissions and errors to occur.⁷

It is easier to observe whether a child is currently enrolled in school than to estimate how many children will complete primary education, which requires assumptions about repetition, dropout, re-entry and final dropout. Hence, the 'completion rate' is a less reliable indicator than the 'enrolment ratio' – albeit that the former is more relevant for measuring progress.

Among the initial 48 indicators for monitoring the global MDGs, the five that best combine reliability and coverage are: (i) U5MR, (ii) underweight among children, (iii) NER in primary education, (iv) ratio of girls to boys in primary school, and (v) proportion of births attended by skilled health personnel.⁸

Figure 2 indicates global progress for these five indicators between 1990 and 2005 – spanning 60 percent of the entire MDG period. The three health-related indicators show that the world achieved about half of the progress it should have in order to be on track for 2015. Progress towards universal primary education was slightly better, with a global shortfall of about one-third. Progress *vis-à-vis* gender equality in primary school was nearly on track.

It is not entirely clear why the 'roaring' 1990s did not produce faster progress because the world witnessed rapid growth and globalization, driven

by booming trade and soaring capital flows. Yet, it did not translate in sustained social progress.

Several factors explain this apparent paradox, including persistent gender discrimination, stagnant aid flows with excessive donor-ship, crippling debt burdens, weak commodity prices, growing number of countries in conflict, not-so-good governance and the HIV pandemic. It should be noted that the latter makes the global MDG agenda quite ambitious because the targets for 2015 are extrapolated from the 1970s and 1980s when HIV and AIDS had little or no impact.

A major factor that explains the global slowdown is the growing disparity within countries. Widening gaps are evident in many areas of human development. While the measurement of income distribution is shrouded in data imperfections and methodological uncertainty, data for social indicators are less problematic for assessing trends in disparity.

Household surveys not only indicate that a child born in a poor family is more likely to suffer from malnutrition, to be out-of-school or to face premature death than her/his counterpart born in a rich family in the same country, but they also confirm that such gaps have widened in recent years in most countries.

The disparity in under-five mortality, for instance, increased in all six countries displayed in Figure 3. It shows that in the late 1980s, a poor child was about twice as vulnerable of dying before her/his fifth birthday as a child born in a rich family in the same country. Ten years later, that disparity had soared to a ratio of 3:1 and more.⁹ After a careful statistical analysis of 25 countries with relevant data, two UNICEF colleagues concluded that the reduction in the U5MR for the poor was 'modest, and in most cases not statistically significant' (Minujin and Delamonica, 2003).

Inequality seems to have become the ugly underbelly of prosperity in many countries. Disaggregated data on various sectors of human development and from different countries indicate that progress has failed to benefit the poorest and the most disadvantaged children.

In sum, the world is not on track for 2015.¹⁰ The storyline about the MDGs since 1990 can be summarized in three brief points: (i) progress at the glo-

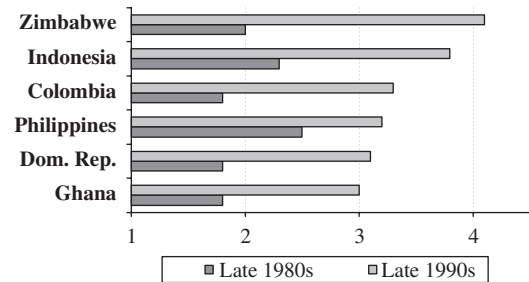


Figure 3: Progress was not pro-poor. (Ratio in U5MR between bottom & top quintiles). *Source:* derived from Minujin and Delamonica, 2003

bal level has continued, (ii) but at a slower pace than in the 1970s and 1980s, and (iii) much of it has by-passed the people who are most in need of it.

To a large extent, the last point explains the second one. Unlike income, social indicators have upper limits – for example, the life expectancy of a billionaire is not significantly higher than that of a middle-class person. Because public investments have continued to disproportionately benefit better-off people, they have started to yield fewer results as their social indicators are approaching the natural bounds. As long as investments and policy reforms do not prioritize the poor and the most disadvantaged, then 'average' progress for a country will continue to slow down.

How much will the MDGs cost?

The second question that is frequently asked is about the affordability of the MDGs. This seemingly straightforward question has no easy answer either. Estimating the cost of the MDGs is indispensable for linking the targets to the national budget, but none of the attempts has yielded robust results.¹¹

It cannot be over-emphasized that the price tag of the MDGs will depend on strategic choices because different policies and different delivery mechanisms exist for reaching the MDGs. Each involves a different unit cost and a different cost function. Generic drugs, for instance, are less expensive than brand-name medicines. Home-based care is less costly than institutional care. Day schools are less pricey than boarding schools. Community-driven initiatives and

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grass-roots involvement lower the cost of delivering education, health care and water supply. Some interventions combine high impact with low cost, such as simple hand washing.

A major misunderstanding has arisen in recent years that a universal policy-mix exists for achieving the MDGs. Such a proposition would be ahistorical. Different countries have followed different approaches and strategies for achieving social and economic progress. Homegrown and endogenous strategies have continuously changed. The idea that the world has discovered a one-size-fits-all MDG strategy is tantamount to repeating the fundamental mistake associated with the so-called 'Washington Consensus' – namely, that a single development strategy exists that is applicable to all countries all the time. The simple fact is that it cannot be known in advance with any reasonable degree of certainty how a specific MDG target will be achieved in a particular country. Therefore, it cannot be known with any sensible degree of precision how much it will cost to meet the MDGs in that country.

The recent focus on the resources gap has led to the impression that achieving the MDGs will ultimately depend on foreign aid, thereby creating the illusion that the global targets are attainable in each and every country provided the donors deliver the money. Such a misunderstanding about the role of foreign aid, combined with a misplaced faith in the accuracy of MDG costing, has led to the belief that a tripling of global aid is necessary and sufficient for achieving the MDGs everywhere.¹²

Foreign aid is important but it cannot deliver the MDGs. While it would be foolish to deny that the MDG agenda requires more and better aid, it would be unwise to argue that the agenda can be realized through an aid-led development strategy. Several observers have pointed to the danger of reducing the debate about human development and pro-poor policies to an argument about aid.¹³

Four practical steps

The global MDGs are meant to help re-align national priorities with the objective of human development and poverty reduction. But this is

not yet the case. A survey of 118 countries indicates that only one-third of the national strategies were amended to reflect the MDGs. Only one-fifth of the countries had adjusted the national budget in line with the targets. In only 22 percent of the cases did parliamentarians formally discuss the MDGs (UN Development Group, 2005). The same holds for the PRSPs, for which independent evaluations concluded that their 'actual achievements thus far fall considerably short of potential'.¹⁴ In particular, their linkage with the national budget was found to be weak.

Aligning the country's development strategy with the MDG agenda involves four practical steps. The first two are essentially political in nature; the last two are more technical in scope.

Step 1: Tailor the global targets to make them context-sensitive

The most widespread misunderstanding is that global targets must be achieved by each and every country. The correct interpretation is that the MDGs encourage all countries to strive for accelerated progress but that ultimately their applicability can only be tested and judged against what is realistically achievable under country-specific circumstances. To be meaningful, national target setting requires adaptation, not mindless adoption of global targets. No country should be gullible *vis-à-vis* numerical targets set in far-away places such as New York, Rio de Janeiro, Cairo, Copenhagen, Beijing, etc. This would contradict the aim of seeking a greater sense of ownership of the national development agenda.¹⁵ No stigma should be associated with setting national targets that are less ambitious than the global ones. A judicious balance between ambition and realism is essential for successful target setting. When targets are over-ambitious, they will not trigger much action; when they lack a sense of urgency, they will not motivate people or mobilize extra resources.

Step 2: Set intermediate targets for political accountability

The MDGs must be linked to the political agenda of today's government. Targets for 2015 will not

necessarily shape the agenda for policy reforms or the national budget because the deadline will not occur on the watch of the current government. Hence, intermediate targets are needed as stepping stones towards the 2015 MDGs so as to solidify the political commitment to an agenda for human development that is quantifiable and time-bound.

Step 3: Translate targets into specific programmes and policies

Once intermediate targets are set, actionable propositions and pro-poor policy reforms can be identified for the next 2–3 years so as to make the necessary progress towards the agreed benchmarks. Actions will range from immunizing children to iodizing salt, training teachers and building schools, drilling boreholes and planting trees, treating AIDS patients and distributing bed nets, enforcing laws against gender discrimination and child labour, abolishing user fees for basic social services, enlarging revenue through progressive taxation, restructuring budgetary spending in favour of the poor, and sequencing home-grown economic, financial and trade policies.

Step 4: Cost programmatic and policy interventions

Such specific actions and pro-poor policy reforms can then be costed for the next two–three years with some degree of accuracy to align fiscal policy and to inform annual aid negotiations. The fourth step will ensure that the national budget is linked with the targets agreed under step 1. Given the methodological and data weaknesses, it would be ill advised to estimate the costs over an extended period of time. The longer the time horizon, the less reliable they become, with each additional year lessening their accuracy. A ten-year costing exercise will generate a large cost estimate with little or no practical meaning for policymakers.

Conclusion

Despite the slow progress observed since 1990, the global targets remain achievable; they are not 'mission impossible'. Target-driven approaches have shown that rapid progress can be achieved relatively quickly – as was the case with smallpox, river blindness, guinea worm, polio and ozone-depleting CFCs, just to mention a few.

But realizing the MDGs will take more than accelerating growth or scaling up investments, it will require a quantum leap in imagination to make progress pro-poor. This will need a radical overhaul of the partnership between rich and poor countries and between rich and poor people within countries.

Currently, the dimension of 'money changing hands' dominates that partnership. Recent progress in foreign aid, debt relief and in budget allocations for basic social services is welcome but a partnership that is primarily based on money is inherently unequal and thus unstable. If the MDGs were merely a process of 'money changing hands', they would have been achieved a long time ago. The call for scaling up MDG investments does little more than perpetuate a partnership dominated by money.

To be effective and sustainable, the partnership must start with 'ideas changing minds'. This will require a readiness to listen and an ability to unlearn and relearn. Only then will a meaningful debate emerge about homegrown and endogenous options for achieving agreed goals and targets. As long as key partners – both international and national – are unable or unwilling to question their theories, to change their perceptions, or to abandon their preconceived notions, the global targets will remain elusive.

Ongoing negotiations on trade and trade-related intellectual property rights, for instance, show little evidence that any idea is changing any mind. Repeating standard recipes and defending entrenched positions will only prolong this generation's legacy of broken promises.

Notes

- 1 In 2001, the author co-chaired the UN inter-agency group that put together the MDGs. At the time of writing this article, he was UN Resident Coordinator in Pakistan. The views expressed are not necessarily those of the United Nations.

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- 2 2005 saw the deadline pass for three global targets. The first one was to have gender parity in primary school enrolment. Although it was not achieved, the gender parity ratio increased from 0.87 in 1990 to 0.94 in 2005, which cannot be categorized as a failure. The second target was to eradicate polio by 2005, when some 2,000 cases were still reported worldwide but down from nearly 25,000 in 1990. The third target was to give three million HIV-infected people the access to life-saving drugs by the end of 2005. The '3 by 5' initiative of the World Health Organization delivered for about a million people.
- 3 A recent misinterpretation is to refer to mid-2007 as the mid-point for the MDG period. This is incorrect as it would imply that the targets are to be achieved between 2000 and 2015.
- 4 In November 2007, four new targets and ten indicators were added to the MDG framework, including reproductive health. Such expansions are ill-advised, not only because several targets are ill-defined or overly ambitious, but mainly because they risk undermining the power of the MDGs as a clear and easy-to-understand framework for communicating with the public on human development.
- 5 For an insightful critique of the MDGs *vis-à-vis* Africa see Easterly (2007). Much of his critique applies beyond African countries. Most MDG targets are expressed in relative terms, and proportional changes tend to be inversely related to the initial level, simply because of a larger denominator. For example, reducing U5MR from 10 to 5 per 1,000 live births yields a 50 percent reduction; whereas lowering it from 250 to 200 gives a 20 percent reduction – albeit that the latter is 10 times larger in absolute terms. UNICEF data on U5MR in 190 countries confirm that the steepest reductions in relative terms have been observed in the countries with low initial U5MR. The ratio of U5MR in the worst 20 countries over U5MR in the best 20 countries increased to 46:1 in 2006; up from 27:1 in 1990. At the same time, the former group reduced its average U5MR by 40 points, against only four points for the latter group of countries. In other words, it is important to understand that performance can be interpreted in several ways – all valid but none complete.
- 6 Hence the oft-quoted remark attributed to Benjamin Disraeli, British Prime Minister in 1868 and 1874–1880, that 'there are three kinds of lies: lies, damned lies, and statistics'.
- 7 It is ironic that one of the most frequently used MDG indicators is among the most problematic ones – namely the proportion of people living on less than US\$ 1/day. It is difficult to take the US\$ 1/day statistics at face value (Reddy and Pogge, 2003). The indicator augments the danger of 'misplaced concreteness' whereby conclusions are drawn on the basis of deductions from abstractions rather than on the basis of direct observations.
- 8 The five indicators that are most problematic include (i) proportion of population below US\$ 1/day, (ii) proportion of population below a minimum level of dietary energy consumption, (iii) primary completion rate, (iv) maternal mortality ratio, and (v) proportion of population with access to safe drinking water.
- 9 The quintile distribution is not based on income, which is notoriously difficult to measure. Instead, it is based on wealth, using household assets that can be directly observed such as the possession of a bicycle or a radio, the size of the dwelling and the type of construction materials.
- 10 For statistical updates on global and regional progress, see United Nations (2007) and UNICEF (2007).
- 11 All estimates are biased by implicit assumptions, methodological choices and data weaknesses. Global cost estimates are particularly unreliable – ranging from an extra US\$ 30 billion per year to more than US\$ 100 billion per annum (Vandemoortele and Roy, 2005, http://www.helsinkiprocess.fi/netcomm/ImgLib/24/89/hp_track2_vandemoortele_roy.pdf).
- 12 The original aid target of 0.7 percent of GDP is unrelated to the MDGs. It came about in the late 1960s during the preparation of the 'Second Development Decade'. The Chairman of the UN Committee for Development Planning, the late Prof. Jan Tinbergen, used a simple Harrod-Domar model to estimate that for developing countries to achieve an average target growth rate of 6 percent per annum in the 1970s, their domestic savings needed to be supplemented by international transfers equivalent to 1 percent of the then combined national income of the developed countries. Prof. Tinbergen assumed that, at the time, private capital flows accounted for about 30 percent of total North-South flows. The remaining 70 percent, he argued, should come from official sources – hence the ODA target of 0.7 percent of gross national income.
- 13 Well articulated by Saith (2006).
- 14 IMF (2004). A similar evaluation by the World Bank concluded that the PRSP has '*not yet fulfilled its full potential*'. (World Bank, 2004).
- 15 Tailored targets are often seen as a watering down of the global MDG agenda. This view is incorrect because several countries will set national targets that are more ambitious than the global ones – the so-called 'MDG-plus' countries such as Thailand, Viet Nam and Chile. Others have set targets below the global level, including Bangladesh, Cambodia and Mozambique. Tailoring cannot, of course, become a euphemism for reneging on the political commitment to tackle human poverty in earnest.

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