

What's Wrong with the Millennium Development Goals?

Michael Clemens and Todd Moss *

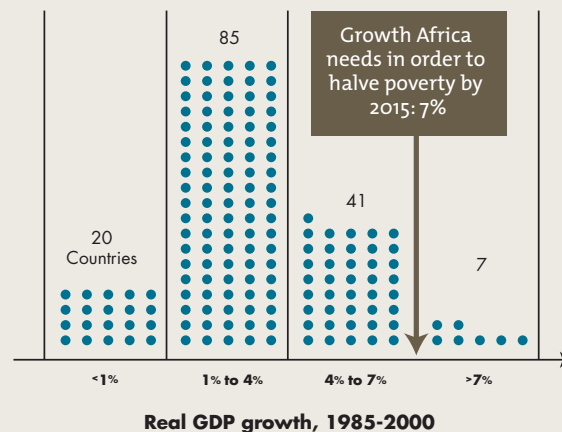
Summary: Many poor countries, especially those in Africa, will miss the MDGs by a large margin. But neither African inaction nor a lack of aid will necessarily be the reason. Instead, responsibility for near-certain 'failure' lies with the overly-ambitious goals themselves and unrealistic expectations placed on aid. While the MDGs may have galvanized activists and encouraged bigger aid budgets, over-reaching brings risks as well. Promising too much leads to disillusionment and can erode the constituency for long-term engagement with the developing world.

In mid-September international leaders will gather for a Summit at the United Nations to consider how well the world has kept its promises made five years earlier. In September 2000 at the UN, the largest-ever gathering of heads-of-state unanimously adopted the Millennium Declaration, committing to reach eight goals by 2015. Known as the MDGs (Table 1), these are the yardstick by which current international development efforts are to be judged. A flurry of studies also estimated that, if the MDGs were to be reached, global aid levels would have to rise by \$50 billion per year.

The first message from the Summit will no doubt be grim. Despite gains by many countries (especially India and China), much of the world is off track and will not reach the MDGs. Sub-Saharan Africa will

Figure 1: Growth goal vs. performance

Each dot represents one country. Only a handful of countries on earth, in the best of circumstances, grew recently at the rate all of Sub-Saharan Africa would need to grow in order to halve poverty by 2015.



Includes all 153 countries for which the World Bank's World Development Indicators 2005 lists constant-price GDP.

* Michael Clemens (mclemens@cgdev.org) and Todd Moss (tmoss@cgdev.org) are Research Fellows at the Center for Global Development. This Brief is based on their CGD Working Paper 40 [with co-author Charles Kenny], "The Trouble with the MDGs: Confronting Expectations of Aid and Development Success," September 2004.

probably miss them by a wide margin. Indeed, if things do not change radically, the number of Africans living in poverty may actually increase, while more than two dozen African countries may not even reach 50% primary school completion in time.

This apparently bleak state of affairs will lead to the second message from the Summit: that more aid is needed. Even though global aid rose from \$53 billion in 2000 to \$79 billion in 2004, the increases have been slow in coming and less than the hoped-for doubling. In fact, the lack of progress in meeting the MDGs will be used to demand more aid sooner and possibly to justify implementing proposals to tax international airline tickets or to borrow from private capital markets. But are the goals really achievable? Are the expectations of what more aid can do realistic? If not, is the aid community setting up Africa, and themselves, for failure?

Are the MDGs practical targets?

The MDGs are laudable and undoubtedly well-intentioned. But that does not mean they are realistic for all countries. Based on the actual rates of progress for both rich and poor countries in the past, the MDGs are now asking many countries to perform at the top end of historical experience. Indeed, in a few cases the bar for the world's poorest countries is now set well above any historical experience. To take just a few examples:

Goal 1: Halving poverty. African economies must grow at about 7% per year over 2000-2015 in order to halve the number of people living below the poverty line. Just seven out of 153 countries for which we have data accomplished this feat in the preceding 15 years (Figure 1). Of those seven, only two were African: Botswana, and Equatorial Guinea, neither of which are easily replicable.

Goal 2: Universal primary school completion. Many countries are starting from such a low level that they must now attain in about a decade what rich countries took nearly a century to complete. At least 20 African countries have primary school enrollment of 70% or less, but to reach 100% by 2015 is enormously ambitious if history is any guide (Figure 2).

Goal 4: Decrease child mortality by two thirds. If the same goal had been set in 1975, only one poor country in the world (Indonesia) would have met the goal (Figure 3).

Can more aid achieve them?

The studies suggesting \$50 billion more is needed each year are frequently misinterpreted and contribute to an excessive—and unhelpful—focus on aid. All of the studies have significant problems with the methods used to arrive at the bottom line. The more careful ones come with caveats, but these tend to get lost once advocates or the media get hold of them. More importantly, by putting a price tag on outcomes, cost estimates

Even if aid boosts growth a little, more aid cannot make Africa grow like China.

inadvertently create an illusion that any goal can be met, if only the right amount of money can be mobilized. Among development experts, however, it is widely

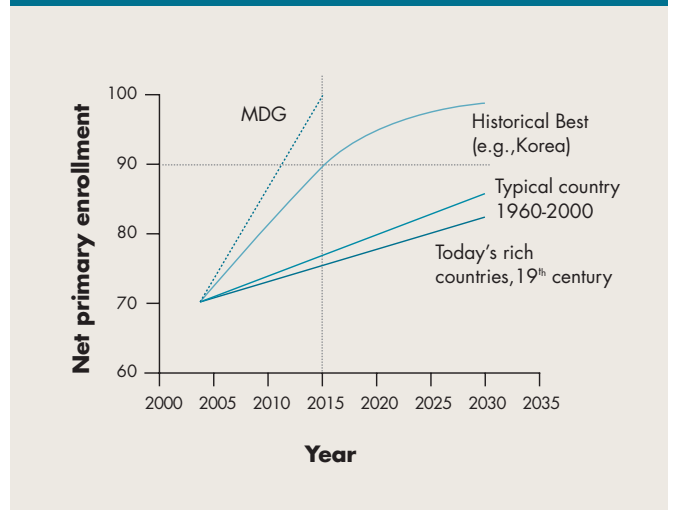
accepted that resources are not the sole—and perhaps not even the most important—constraint to meeting the MDGs.

No amount of aid will make Africa grow at 7%. A huge literature looks at the link between aid and economic growth, and the results are not overly promising. Even those studies that do show aid can cause growth (for example, certain kinds of aid or that given to countries with good policies), also show very steep diminishing returns to additional aid. That is, even if aid boosts growth a little, more aid cannot make Africa grow like China.

In the social sectors it is also already well known that more money often does not translate into results; more health spending does not necessarily mean better health. This is because of deep structural problems in local health and education systems that aid projects have a poor record of rapidly removing. The effectiveness of aid is at times also undermined by the way donors operate.

Most importantly, the weak link between spending and services exists also because health and education do not occur in a vacuum, but rather in a broader economic environment. It may be an uncomfortable truth, but even something as basic as primary education still has a demand side. The desire of parents to keep their children in school is affected not only by the availability and quality of schools, but also by a range of incentives linked to cultural preferences, family circumstances, and wider changes in the economy. Knowing the cost of putting several million children through school may be useful, but it is not the same as knowing how to actually get them in school.

Figure 2: Education goal vs. performance



What might be the downside?

A literal interpretation of the MDGs accepts the goals as real targets. A more nuanced view might see the MDGs as a symbol of the kinds of outcomes toward which the world should strive. This view takes the MDGs as a tool, not a practical target. Goals generate discussion, focus attention, and help assign accountability. The MDGs have doubtlessly served these purposes to some degree.

But there is a long history of setting international development goals. In the 1960s the UN set its sights on universal primary education by 1980, and in 1980 it committed to 6.5% economic growth throughout the developing world by 1990—among many, many others. Through the 1980s and 1990s there was

The MDGs could turn real development successes into imaginary failures.

growth, poverty reduction, improved schooling, and much else to celebrate throughout the large majority of the developing world, but did anyone notice? These impossible goals focused attention far away from what was accomplished through sound domestic policies, aid, and other forms of cooperation. The latest round of unattainable goals will do so again. That's bad for poor people and bad for the development community.

Indeed, there is a real risk that the MDGs, as currently conceived and promoted, could turn real development successes into imaginary failures. Creating targets such as the MDGs may help to rejuvenate the aid debate and energize the development community. But there is also a danger that the MDGs, by creating utopian expectations of what can be achieved quickly, will create unnecessary impressions of failure.

Burkina Faso, for instance, has net primary school enrollment of around 40 to 45%. Should it be termed success or failure if wise

governance, aid, and other types of engagement allow the country to reach only 60% enrollment by 2015? Such a feat would be extraordinary by historical standards, but a patent failure according to the

MDGs. It took the United States over a century to make the transition from Burkina Faso's current enrollment rate to universal primary schooling. Would it not energize the development community more to celebrate Burkina Faso's performance than to condemn it as disaster?

The excessive focus on aid is also potentially risky. Aid can and will play a role in improving the lives of the world's poor. But another \$50 billion or even \$100 billion more, cannot achieve the MDGs. If lots more money does appear, unrealistic promises will undercut much of the rationale for aid and bolster those who claim aid is a waste. If huge increases in aid do not materialize, then poor countries will complain that rich countries have not lived up to their end of the MDG bargain.

What now?

The MDGs, despite these risks, are not going away. The UN, its members governments, and the donor community should:

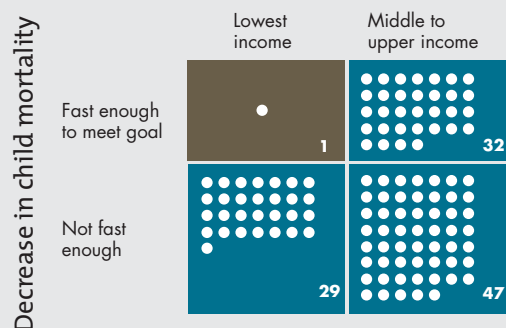
- Accept that it is not feasible for most countries to reach most of the MDGs, especially in Africa;
- Stop misusing costing studies as evidence that we can purchase outcomes with more aid (the studies themselves explicitly make no such claim);
- Consider new ways of recognizing real success at the country level rather than in global targets;
- Avoid these problems with the next round of goals—yes, there will be more—by basing them on where countries are and on reasonable expectations of performance.

Conclusion

The vast majority of developing countries will miss most of the MDG targets in 2015. Nearly all African countries will miss most of them. But this will not be a sign that poor countries have failed, or that aid has been a waste. Nor will it primarily be because donors did not spend the right amount of money.

At the same time, many of the world's poorest countries will in all likelihood make great progress in improving the quality of life of their people—and aid will almost certainly have played a crucial part. It would be a shame if the MDGs, in trying to make the case that the world can and should help the world's poor, wound up

Figure 3: Child mortality goal vs. 1975-2000 performance



undermining the cause by over-reaching on the targets and overselling the efficacy of aid.

What poor countries need from rich ones is broad-based, sustained, moderate engagement—not emotional, moralistic, centralized big bangs. Aid can work, but it must be dramatically improved. Innovations like the Global Health Fund or the Millennium Challenge Account are a great start, but we need much more such experimentation and evaluation before “scaling up” makes any sense. And we need to go far beyond

aid, investing in key technologies (such as vaccines), opening our markets, finding creative arrangements for win-win labor mobility, and many other avenues to support ongoing efforts by poor countries themselves.

But development is a marathon, not a sprint. In a democratic society, the only way to build support for the long haul is to nurture a constituency by showing the public that good things happen in Africa and other very poor places. The MDGs simply will not do this. They were designed, in fact, to do the opposite.

Table 1: The Millennium Development Goals

Goal	Targets for 2015 (from 1990 level)
1 Poverty	<ul style="list-style-type: none">■ Halve the fraction of those with income < \$1/day■ Halve fraction of people who suffer from hunger
2 Education	<ul style="list-style-type: none">■ Universal primary schooling completion
3 Gender equality	<ul style="list-style-type: none">■ Eliminate gender disparity in schooling (preferably by 2005)
4 Child mortality	<ul style="list-style-type: none">■ Reduce the under-five mortality rate by 2/3
5 Maternal health	<ul style="list-style-type: none">■ Reduce the maternal mortality rate by 3/4
6 Disease	<ul style="list-style-type: none">■ Halt and begin to reverse spread of HIV/AIDS, malaria and other major diseases
7 Environment	<ul style="list-style-type: none">■ Halve the ratio of people without access to safe drinking water and basic sanitation
8 Global partnership	<ul style="list-style-type: none">■ 7 targets related to: trade, debt, youth, technology, drugs affordability, and special needs.

The **Center for Global Development** is an independent, non-partisan, non-profit think tank dedicated to reducing global poverty and inequality through policy oriented research and active engagement on development issues with the policy community and the public. A principal focus of the Center’s work is the policies of the United States and other industrialized countries that affect development prospects in poor countries. The Center’s **research** assesses the impact on poor people of globalization and of the policies of governments and multilateral institutions. In collaboration with civil society groups, the Center seeks to identify **policy alternatives** that will promote equitable growth and participatory development in low-income and transitional economies. The Center works with other institutions to improve **public understanding** in industrialized countries of the economic, political, and strategic benefits of promoting improved living standards and governance in developing countries.