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THE MILLENNIUM DEVELOPMENT GOALS: THE PLEDGE OF WORLD LEADERS TO END POVERTY WILL NOT BE MET WITH BUSINESS AS USUAL[1]

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Abstract: This article reviews the prospects for achieving the Millennium Development Goals. It argues that these goals will not be achieved by the target date of 2015 unless new action is taken by both rich and poor countries. It shows that current trends sharply contrast countries on their way to meeting the goals and those in a poverty trap. Crisis proportions have been reached in deterioration of life expectancy and falling incomes, but also in a wide range of other indicators in countries such as Zambia as well as Nepal. The origins of this crisis are not just poor governance or poor macroeconomic policies, but rather the difficulties of competing in global markets. A priority for these countries is to invest in basic education and health, infrastructure, agriculture and manufacturing. Rich countries have fallen seriously behind in living up to their promises to increase aid, debt relief and access to their markets for exports from developing countries—with the welcome but still inadequate increase in aid to reach the 0.7 per cent GDP target, with the collapse of trade talks at Cancun, slow implementation of HIPC, and slow progress in implementation of TRIPS provision for access to technology. Business as usual will not be enough to meet the goals and new action is urgently needed to achieve the goals. Copyright © 2004 John Wiley & Sons, Ltd.

At the historic UN Millennium General Assembly held in September 2000, nearly 150 heads of state pledged to 'do our utmost to free our fellow men, women and children from abject and dehumanizing conditions of extreme poverty'. The Millennium Development Goals translate this pledge into eight goals and 18 concrete quantified targets with a deadline of 2015, to cut poverty and hunger by half, to achieve universal primary education, to empower women and gender equity, to cut child mortality by two-thirds

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and maternal mortality by three-quarters, to halt and begin to reverse the spread of AIDS and other major diseases, to halve the number of people without access to clean water and sanitation, and to develop a global partnership for development. (See Box 1, which lists goals and targets.)

As the analysis in the *Human Development Report 2003* published by the United Nations Development Programme concludes, these goals will only be achieved if the pace of development and poverty reduction is dramatically accelerated in the world's poorest countries, identified as 'priority countries' by the report. If global progress continues at the same pace as in the 1990s, only the targets of halving income poverty and halving the proportion of people without access to safe water stand a realistic chance of being met, thanks mainly to China and India. Regionally, at the current pace, sub-Saharan Africa would not reach the goals for poverty reduction until 2147 and for child mortality until 2165. And for HIV/AIDS and hunger, trends in the region are heading up—not down. Not only is the current pace of development too slow, it is in reverse in many of the worst off countries.

However, this does not mean that the Millennium Development Goals are just pie in the sky dreams. They reflect what many countries have achieved in earlier decades. Sri Lanka managed to increase life expectancy by 12 years between 1945 and 1953. Botswana doubled primary school enrolment from 1960 to 1980, from 40 per cent to about 90 per cent. Singapore and Korea achieved the health and education standards of Europe in a matter of a generation.

The pledges of the world leaders at the millennium cannot be realized with business as usual. They need new action:

- by poor countries to accelerate reforms such as fighting corruption that provide a climate for market led growth with macroeconomic management;
- by poor countries to accelerate reforms that assure social justice and give ordinary people a voice to press for policies that respond to their needs rather than to those of the elite;
- by poor countries to define more ambitious programmes of public investment—in education, health, gender equity, infrastructure development, agricultural technology and industrial policy—to achieve the goals, which will then set in motion a virtuous circle of a more productive workforce that can compete in the global economy, to diversify out of dependence on primary commodity exports;
- by rich countries of the world to support these strategies with financing, through debt relief and concessional aid—the ambitious investment programmes are beyond the scope of domestic savings to finance;
- by rich and powerful countries to create a more even playing field for poor countries in global markets—by eliminating tariffs especially on processed products, by eliminating agricultural subsidies and by reaching agreement on how poor countries can have access to technology at affordable prices, especially life saving medicines.

1 GLOBAL CONSENSUS ON POVERTY REDUCTION AND PROMISES MADE

A major achievement of the 2000 UN Millennium Summit and the March 2001 Monterrey conference on financing for development and the August 2001 Johannesburg conference on sustainable development was the emergence of a consensus on global partnership for fighting poverty. The declaration was followed by a roadmap that further defined eight goals and 18 targets, almost all of them with quantifiable indicators (see Box 1). Many development goals have been set by the United Nations over the last decades, but the Millennium Development Goals are unique in the way they bind rich and poor countries together to attack global poverty. They not only include seven development goals to be achieved in poor countries, there is also an eighth goal to achieve stronger partnership with rich countries. Goal 8 includes commitments by rich countries to reduce debt and increase aid, open markets for developing country exports and increase access technology. Of all the goals, the eighth goal was the most controversial during negotiations. This is obvious when you see that it is the weakest goal. Unlike the other seven goals, goal 8 has no quantitative targets nor timetable for their achievement. Nonetheless, goal 8 is a critical one, without which developing countries would probably not have agreed to the rest.

Box 1. Millennium Development Goals and Targets

Goal 1:	Eradicate extreme poverty and hunger
Target 1:	*Halve, between 1990 and 2015, the proportion of people whose income is less than $1 a day.*
Target 2:	*Halve, between 1990 and 2015, the proportion of people who suffer from hunger.*
Goal 2:	Achieve universal primary education
Target 3:	*Ensure that, by 2015, children everywhere, boys and girls alike, will be able to complete a full course of primary schooling.*
Goal 3:	Promote gender equality and empower women
Target 4:	*Eliminate gender disparity in primary and secondary education, preferably by 2005 and in all levels of education no later than 2015.*
Goal 4:	Reduce child mortality
Target 5:	*Reduce by two-thirds, between 1990 and 2015, the under five mortality rate.*
Goal 5:	Improve maternal health
Target 6:	*Reduce by three-quarters, between 1990 and 2015, the maternal mortality rate.*
Goal 6:	Combat HIV/AIDS, malaria and other diseases
Target 7:	*Have halted by 2015 and begun to reverse the spread of HIV/AIDS.*
Target 8:	*Have halted by 2015 and begun to reverse the incidence of malaria and other major diseases.*
Goal 7:	Ensure environmental sustainability
Target 9:	*Integrate the principles of sustainable development into country policies and programmes and reverse the loss of environmental resources.*
Target 10:	*Halve by 2015 the proportion of people without sustainable access to safe drinking water.*
Target 11:	*Have achieved by 2020 a significant improvement in the lives of at least 100 million slum dwellers.*
Goal 8:	Develop a global partnership for development
Target 12:	*Develop further an open, rule based, predicable, non-discriminatory trading and financial system (includes a commitment to good governance, development and poverty reduction—both nationally and internationally).*

Target 13:	*Address the special needs of the least developed countries (includes tariff- and quota-free access for exports, enhanced programme of debt relief for and cancellation of official bilateral debt, and more generous official development assistance for countries committed to poverty reduction).*
Target 14:	*Address the special needs of landlocked countries and small island development states (though the Program of Action for the Sustainable Development of Small Island Development States and 22nd General Assembly provisions).*
Target 15	*Deal comprehensively with the debt problems of developing countries through national and international measures in order to make debt sustainable in the long term.*
Target 16:	*In cooperation with developing countries, develop and implement strategies for decent and productive work for youth.*
Target 17:	*In cooperation with pharmaceutical companies, provide access to affordable essential drugs in developing countries.*
Target 18:	*In cooperation with the private sector, make available the benefits of new technologies, especially information and communications technologies.*

A framework for this partnership was further elaborated in key international negotiations in 2001 and 2002, notably in the Monterrey Consensus, agreed at the International Conference on Financing for Development held in March 2002. This Consensus spelt out the commitments of developing countries to undertake steps necessary to improve governance and economic management, and the commitments of rich countries to provide additional support in return. These commitments were reaffirmed in the September 2002 Johannesburg Declaration on Sustainable Development and the Johannesburg Plan of Implementation. However, even before that, the momentum on implementing the Millennium Declaration and the MDGs was reflected in the meeting of trade ministers. The 2001 WTO ministerial meeting in Doha committed to make the integration of the poorest countries into the global trading system a central concern in the work of multilateral trade negotiations. Taken as a whole, these agreements add up to promises made by all countries, especially by the rich countries, for change—promises, as we shall see, that have not been lived up to.

2 HUMAN DEVELOPMENT TRENDS—LONG TERM SUCCESS, AND CRISIS OF THE 1990S

Are the MDGs likely to be met? Which of the countries are likely to meet them? Which will fall short? Contrary to a common perception, there has been huge progress in reducing human poverty in the past 30 years, much more than in any previous era of human history. For developing countries as a whole, life expectancy increased by eight years while illiteracy was cut nearly in half, to 25 per cent.

Behind these aggregates, however, lie some of the worst and best trends. While most countries showed a sustained improvement during the 1970s and 1980s, the 1990s showed a new trend emerging. Some regions and countries saw unprecedented progress, while others stagnated or reversed. What is most striking is the extent of the stagnation and reversals—signalling a human development crisis not seen in previous decades. One group of countries such as China and Viet Nam that has progressed rapidly will achieve or even overshoot the MDG targets. In East Asia the number of people surviving on less than $1 a day was almost halved just in the 1990s. However, another group of countries began to stagnate seriously, even going into reversal. A sign of this development crisis is the decline in 21 countries in the human development index (HDI). This was rare until the late 1980s, because the human capabilities captured by the HDI are not easily lost. These declines are due mostly to two factors: first, the dramatic declines in life expectancy due to the scourge of HIV/AIDS in Africa. The first Human Development Report published in 1990 showed Botswana had a life expectancy at birth of 59 years. The 2003 Report shows 44.7 years. Second, incomes dropped dramatically in the transition countries of Eastern Europe and the former Soviet Union as well as in Africa. Some 54 countries are poorer now than in 1990.

In the 1990s many countries faced many types of crisis:

- *Income poverty*: poverty rates, already high, increased in 37 of 67 countries with data.
- *Hunger*: in 19 countries more than one person in four is going hungry, and the situation is failing to improve or getting worse. In 21 countries the hunger rate has increased.
- *Survival*: in 14 countries under-five mortality rates increased in the 1990s, and in seven countries almost one in four children will not see their fifth birthdays.
- *Water*: in nine countries more than one person out of four does not have access to safe water, and the situation is failing to improve or getting worse.
- *Sanitation*: in 15 countries more than one person in four does not have access to adequate sanitation, and the situation is failing to improve or getting worse.

Underlying all these crises is an economic crisis. Not only are these countries already extremely poor, but their growth rates are appallingly slow as well.

In the 1990s average per capita income growth was less than 3 per cent in 125 developing and transition countries, and in 54 of them average per capita income fell. Of the 54 countries with declining incomes, 20 are from sub-Saharan Africa, 17 from Eastern Europe and the Commonwealth of Independent States (CIS), six from Latin America and the Caribbean, six from East Asia and the Pacific and five from the Arab states. They include many priority countries but also some countries with medium human development.

The *Human Development Report 2003* identifies 59 countries, classified as 'priority countries', where failed progress and terribly low starting levels combine to make reaching the goals unattainable without a major change of course. Global development and fight against poverty is a success story but also one of growing inequality where some countries are being left behind. It is on those countries that the world's attention and resources must be focused.

3 ORIGINS OF STAGNATION

What are the origins of this crisis? Why are these 59 countries failing to progress? They are predominantly in sub-Saharan Africa, totalling 38 out of 59. But they also include four from Asia and six from the Arab states, five from the Former Soviet Union and Eastern Europe, four from Latin America and five from Central Europe. Why are they stagnating? One would immediately look to violent conflict or HIV/AIDS as major causes. In fact, only 13 have experienced conflict while 24 have a HIV/AIDS prevalence rate of 5 per cent or more. We must look beyond conflict and HIV/AIDS.

Table 1. Economic growth rates by country group, 1980–98

Group	Countries that grew in GDP per capita	Average annual growth in GDP per capita
Technology innovators	18 out of 18	1.7
Transition countries	4 out of 12	−1.7
Fuel exporters	2 out of 13	−1.5
Manufacturing exporters	23 out of 24	2.7
Commodity (non-fuel) exporters	29 out of 61	−0.1

Source: UNDP (United Nations Development Programme). 2003. *Human Development Report 2003.* New York: Oxford University Press [http://hdr.undp.org/reports/global/2003/en/]. Indicator Table 12.

Though no single factor can explain the predicament of these countries, many of the top-priority and high-priority countries share common features. Many are landlocked or have a large portion of their populations living far from a coast. In addition, most (54 out of 59) are small—only five contain more than 40 million people. Being locked far from world markets and having a small economy can make it much harder to diversify from primary commodities to less volatile exports with more value added. Indeed, in 21 of 26 countries with data primary commodities make up more than two-thirds of their exports.

Small size and geographic location as well as dependence on primary commodities are major factors behind poor economic performance. Analysis of 84 countries for 1980–98 found that countries with inland populations (over 75 per cent of the population living at least 100 km from the coast) fared consistently worse in economic growth than coastal countries. Small countries (with populations below 40 million) that also had inland populations did particularly badly; of 53 countries with these characteristics only 24 had positive growth rates and the average per capita growth rates for the group as whole was −0.2 per cent compared with other categories that all registered positive growth rates (see Table 1).

On export patterns, transition economies and fuel exporters experienced highly negative growth rates in the 1980–1998 period (−1.7 per cent and −1.5 per cent respectively), as did non-fuel commodity exporters (−0.1 per cent). Of the 61 countries in this last category, only 29 countries had a positive growth performance. This contrasts starkly with manufacturing exporters, where 23 out of 24 countries experienced positive average annual growth rates with an overall average of 2.7 per cent per capita.

These characteristics are structural factors that undermine the process of growth and development. It is poverty itself—low skills and productivity of people due to poor health, education and technology; lack of infrastructure; high costs of exports due to geographic location and lack of infrastructure; dependence on primary commodity exports, leaving the country vulnerable to the vagaries of commodity prices on the global market. These obstacles cannot be tackled overnight but require sustained investment and effort.

This analysis challenges strategies that dominated debates between donors and recipients in the 1990s. Much of the attention in debates about development priorities focused on three strategic issues: macroeconomic policies, governance and institutions of the market including fighting corruption, and peoples' participation. While these three issues are essential, the basic issues of investing in people, infrastructure and productive sectors should also be brought off the back burner, and given greater attention as a means to pulling failing countries out of a poverty trap. Ambitious investment programmes in these areas deserve a place in the Poverty Reduction Strategy Papers that frame partnership agreements with donor countries.

4 RICH COUNTRIES LIVING UP TO THEIR PROMISES

It is hard to imagine how the world's poorest countries can achieve the first seven MDGs without goal 8 being achieved. Although aid budgets are showing an increase for the first time in years, overall, goal 8 is seriously off course.

4.1 Aid

At the 2002 International Conference on Financing for Development in Monterrey, Mexico, the international community agreed to a coherent, principled approach to development. Pledges were made, notably by the US, UK, France and other major European countries, for an additional $16 billion a year by 2006 (as of April 2003), but this falls far short of the estimated $50 billion a year required, or doubling of current aid levels, to achieve the MDGs. This level also falls short of the 0.7 per cent GNP target that has long been agreed internationally and reiterated at Monterrey and again at the Johannesburg meeting on sustainable development in September 2002. Donors also agreed at Monterrey to improve their own practices—to untie aid, to reduce the administrative burden on recipients, and to harmonize their practices and to decentralize. Donors met in early 2003 to discuss concrete steps and spelt them out in the 'Rome Declaration' but implementation has been more slow and progressive than radical.

4.2 Debt Relief—Faster and Deeper

Donors also promised in Monterrey to do more for debt relief, under the HIPC (heavily indebted poor countries) initiative. Debt relief is complex and difficult and the HIPC initiative has achieved debt cancellation for some eight countries. This has left too many countries out, and some who have had some debt cancelled find themselves again with unsustainable debt. Changes are needed in design of the HIPC programme.

4.3 Trade

The Doha Ministerial raised hopes for progress in measures to improve market access and promote exports from poor countries and export diversification. Little progress has been made, and the Cancun Ministerial held in September 2003 broke up after failing to reach agreement on removing subsidies on cotton; poorest countries such as Burkina Faso and Mali have little else to export on the world market, but are competing against farmers from Europe and North America who are heavily subsidized.

4.4 Global Technology—Sharing the Fruits of Global Knowledge

An important agreement made at Doha was to implement provisions of the TRIPS agreement to ensure that developing countries could have access to patent protected medicines that are critical in treatment of life threatening diseases, particularly HIV/AIDS. Negotiations to implement these agreements were also held up.

5 CONCLUDING REMARKS—LIVING UP TO THE COMMITMENTS OF THE MILLENNIUM DECLARATION: POLICY, NOT CHARITY

With aid commitments falling short of the need, poor countries will continue to face stagnant growth, accumulating (and unsustainable) debt and falling export prices. The commitments already made by rich countries show that the world has changed. Global market integration and technological advances have increased—as have exposure to disease, costs of environmental losses and risks of global financial contagion. Actions within national borders are not enough to tackle those problems. Partnership is needed for mutual self-interest. However, rich countries also need to act—because eliminating human suffering is an ethical imperative. For rich countries to deliver on their commitments is a matter not just of charity but of policy—policy that is part of the international community's coherent approach to eradicating global poverty.

With current trends, the MDGs will not be achieved in many of the poorest countries where the need is greatest. Rich countries can make a vital contribution to these goals being realized—by increasing aid, by taking concrete steps to make it more effective, by opening up markets to free trade, and by making the fruits of technological progress accessible. The gap between promises and delivery is beginning to gape. MDG8 is a starting point. Monitoring goal 8 is as important as goals 1–7. Civil society in rich countries has an important role in monitoring these actions, and using concrete indicators of progress.

At the turn of the century the prospect of eradicating poverty seemed possible. The Cold War was over and the prospect of all societies converging towards common goals seemed within reach. Yet global challenges loom large. The global economic slowdown also threatens to undermine rich country action for development as their own economies come under pressure to reduce budget deficits and press home their own trading advantages. That is why it is all the more urgent for all nations to keep their promises.

