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After 2015: Rethinking Pro-Poor Policy

As we enter an era characterised by global uncertainties such as climate change and the global economic crisis, what has been the impact of the Millennium Development Goals (MDGs) model and how can we accelerate progress on poverty reduction through such turbulent times?

The MDGs were an approach created in a benign era of relative stability, stronger economic growth and fairly buoyant aid budgets. We now face a very different world in which changes sparked by increased uncertainty and a growing sense of multiple insecurities have the potential to change the context for development policymaking and delivery (see box, right).

The current economic crisis has led to an opportunity to rethink the approaches to the development policy paradigm. For example:

- **Global governance:** The G8 to G20 shift means more representation and power for large developing nations but changes in the IMF and World Bank will be crucial for wider changes in governance;
- **New economic policies:** There is likely to be a greater tendency for developing countries to explore new development models; approaches from China – the ‘Beijing Consensus’ – are more likely to be taken up than Western prescriptions;
- **Greater social protection:** The scale of food and financial crises has made a powerful case for better social protection systems. But building

What are the ‘game changers’ shaping development policy to 2015 and beyond?

- **Markets:** e.g. greater volatility in international markets for finance, fuel and food; reconfiguration of the global economy with the rise of China and India and other emerging economies; rising oil prices due to ‘peak oil’;
- **Demographics:** e.g. population growth and changing labour markets;
- **Environment:** e.g. climate change leading to greater volatility in weather and agricultural production; water scarcity; resource conflicts;
- **Technology:** e.g. the spread of existing technologies such as biotechnology and the development of new(er) technologies such as industrial biofuels, ICTs and nanotechnology;
- **Governance:** e.g. changes in global governance; the decline of US and Western global influence; changes in aid architecture; new donors and policy actors such as China and the private philanthropic foundations.

Sources: Grimm et al., (2008), Sumner and Tiwari (2009)

ownership of these programmes in governments and civil societies remains a challenge in securing long-term budget allocations;

- **A green(er) economy:** There is a strategic opportunity to use fiscal stimuli to promote a shift to lower carbon development but political pressure to implement such measures quickly and to protect or create as many jobs as possible in the process may mitigate this.

Source: McCulloch and Sumner (2009).

The impact of the MDG model

The 2008 MDG review found that while the global poverty targets on the number of people living on less than a dollar-a-day and net primary school enrolment are likely to be reached, the world is off-track on every other MDG, particularly the health and nutrition goals. The review also showed that the gaps are largest in South Asia and Sub-Saharan Africa (Bourguignon et al., 2009).

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“Agreeing to a post-MDG architecture is not just a question of which goals to focus on, but also of the process we should promote to produce any new set of pro-poor policy indicators or targets.”

As we move closer to 2015, interest in reviewing the impact of the MDG model itself has risen. Three areas of evidence for this are:

- **Impacts on policy narratives:** Recent analysis of the impact of the MDGs on the international poverty discourses found them to be ‘strong, and significantly stronger than previous attempts to use indicator sets to highlight issues’, citing, among others, the MDG reports, high-level events and G8 discussions as evidence.
- **Mobilisation of social spending for key MDGs:** In general there has been a shift in aid from productive sectors and infrastructure in favour of the social sectors. For example, budget allocations of aid to primary schooling increased modestly in the 1990s but accelerated from 2002 onwards.
- **Country ownership of the MDG model:** Locally defined MDGs have been added in Afghanistan, Albania, Azerbaijan, Benin, Bhutan, Cambodia, Cook Islands, Kenya, Kosovo, Mongolia and Vietnam.

Sources: Fukuda-Parr (2008); Manning (2009)

However, a review of Poverty Reduction Strategy Papers (PRSPs) and donor policy statements found that while a commitment to the MDGs is always included, attention is given to some goals more than others. Whether the impacts of the MDG model reflect donor roles in aid-dependent countries is also an issue.

What is the ‘After 2015’ debate about?

The ‘After 2015’ debate is about questioning the value of an MDG-type, target-based approach to international development, about progress so far on poverty reduction, about looking to an uncertain future and exploring what kind of system we will need after the MDG deadline has passed.

- 1 What has been the impact of the MDG approach on poverty reduction to date, and what does it mean for any post-MDG measures?
- 2 What key processes are likely to shape development over the next 10–15 years, and what are their implications for a new approach?
- 3 What, if anything, should replace the MDG model and form a future agenda?

Agreeing to a post-MDG architecture is not just a question of which goals to focus on or which indicators of pro-poor policy to emphasize, but also of the processes we should promote to produce any new set of pro-poor policy indicators or targets. The following are three possible ways forward:

- **More of the same:** We continue with the same MDGs, with or without a timeline. Economist Jeffery Sachs has argued for a timeline of 2025, while others press for 2020.
- **Something a bit more radical:** We create new targets, perhaps locally defined, with or without a timeline.
- **Combine the MDGs with something new:** We pursue an ‘inner core’ group of the existing MDGs, but add new and locally defined targets as an ‘outer core’.

We could be bolder about heralding a new development agenda that is wider in scope, but which are still anchored on the MDGs. However, more work is needed in order to have sufficient time for a global discussion on any post-2015 architecture – and soon.

Credits

This *In Focus Policy Briefing* was written by **Andy Sumner** from the Vulnerability and Poverty Reduction Team at IDS. The series editor is **Clare Gorman**. For other briefs on the crisis see: www.ids.ac.uk/go/infocus9

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Further reading

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