Development policies in the post-2015 context

Virtual Institute study tour on trade and development for Colombian members universities
Geneva, 18 November 2014

Rolf Traeger
Chief, LDC Section
Division for Africa, Least Developed Countries and Special Programmes
This presentation

I. The MDG era (2000-2015)

II. The post-2015 era (2015-2030)
This presentation

I. The MDG era (2000-2015)
   ➢ The MDGs
   ➢ Economic (development) policies

II. The post-2015 era (2015-2030)
The MDGs - Origin

September 2000
The Millennium Declaration by the UN Millennium Summit

... eventually led to ...

The final MDGs: 8 goals, 21 targets, 60 indicators
The MDGs - The targets / goals

- Target 1.A: Halve, between 1990 and 2015, the proportion of people whose income is less than $1.25 a day
- Target 1.B: Achieve full and productive employment and decent work for all, including women and young people
- Target 1.C: Halve, between 1990 and 2015, the proportion of people who suffer from hunger
The MDGs - The targets / goals

• Target 2.A: Ensure that, by 2015, children everywhere, boys and girls alike, will be able to complete a full course of primary schooling
The MDGs - The targets / goals

• Target 3.A: Eliminate gender disparity in primary and secondary education, preferably by 2005, and in all levels of education no later than 2015
The MDGs - The targets / goals

- Target 4.A: Reduce by two thirds, between 1990 and 2015, the under-five mortality rate
The MDGs - The targets / goals

- Target 5.A: Reduce by three quarters, between 1990 and 2015, the maternal mortality ratio
- Target 5.B: Achieve, by 2015, universal access to reproductive health
The MDGs - The targets / goals

- Target 6.A: Have halted by 2015 and begun to reverse the spread of HIV/AIDS
- Target 6.B: Achieve, by 2010, universal access to treatment for HIV/AIDS for all those who need it
- Target 6.C: Have halted by 2015 and begun to reverse the incidence of malaria and other major diseases
The MDGs - The targets / goals

- Target 7.A: Integrate the principles of sustainable development into country policies and programmes and reverse the loss of environmental resources
- Target 7.B: Reduce biodiversity loss, achieving, by 2010, a significant reduction in the rate of loss
- Target 7.C: Halve, by 2015, the proportion of the population without sustainable access to safe drinking water and basic sanitation
- Target 7.D: Achieve, by 2020, a significant improvement in the lives of at least 100 million slum dwellers
The MDGs - The targets / goals

- Target 8.A: Develop further an open, rule-based, predictable, non-discriminatory trading and financial system
- Target 8.B: Address the special needs of least developed countries
- Target 8.C: Address the special needs of landlocked developing countries and small island developing States
- Target 8.D: Deal comprehensively with the debt problems of developing countries
- Target 8.E: In cooperation with pharmaceutical companies, provide access to affordable essential drugs in developing countries
- Target 8.F: In cooperation with the private sector, make available benefits of new technologies, especially information and communications
The MDGs - Impacts

Positive

• Put **development** and **poverty** on top of the international political / policy agenda
  – with shared (but unequal) responsibilities
• Significant progress against poverty, hunger and diseases
• Highlight need to accelerate progress / development to achieve goals by deadline
• MDGs are easy to communicate and understand
The MDGs - Impacts

Critique and shortcomings

• Inadequately treated issues
  – Gender
  – Environment

• Missing issues
  – Civil and political freedoms
  – Inequality and discrimination
  – Institutional reform of global governance

• Narrow approach, e.g.
  – Primary school enrolment vs. quality, gender and class equity, adult literacy
  – School enrolment gaps vs. gender equality and its several dimensions
  – Number of telephones vs. technology transfer and learning
The MDGs - Impacts

Critique and shortcomings

• Unequal weight of different goals
  – Emphasis on "easy" targets, e.g. primary school enrolment, children immunization against measles vs.
  – "Poor cousins": hunger, employment, global partnership for development

• Unequal formulation of different goals

<table>
<thead>
<tr>
<th>Specificity</th>
<th>MDGs 1-7</th>
<th>vs.</th>
<th>MDG 8</th>
</tr>
</thead>
<tbody>
<tr>
<td>SMART</td>
<td>Specific</td>
<td></td>
<td>Vague</td>
</tr>
<tr>
<td></td>
<td>Measurable</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Attainable</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Relevant</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Time-bound</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Main responsibility</td>
<td>National (but donor-supported)</td>
<td></td>
<td>International community</td>
</tr>
<tr>
<td>Obligations</td>
<td>Require strong commitment</td>
<td></td>
<td>Best endeavour clauses</td>
</tr>
</tbody>
</table>
The MDGs - Impacts

Critique and shortcomings

• Biased / Partial approach: Emphasis on social goals with little attention to
  – economic development processes: structural transformation, productivity, employment
  – means of implementation: trade, finance, technology

⇒ What about economic (development) policies?
### The Augmented Washington Consensus

<table>
<thead>
<tr>
<th>Original Washington Consensus</th>
<th>“Augmented” Washington Consensus</th>
</tr>
</thead>
<tbody>
<tr>
<td>The previous 10 items, plus:</td>
<td></td>
</tr>
<tr>
<td>1. Fiscal discipline</td>
<td>11. Corporate governance</td>
</tr>
<tr>
<td>2. Reorientation of public expenditures</td>
<td>12. Anti-corruption</td>
</tr>
<tr>
<td>3. Tax reform</td>
<td>13. Flexible labor markets</td>
</tr>
<tr>
<td>5. Unified and competitive exchange rates</td>
<td>15. Financial codes and standards</td>
</tr>
<tr>
<td>7. Openness to DFI</td>
<td>17. Non-intermediate exchange rate regimes</td>
</tr>
<tr>
<td>10. Secure Property Rights</td>
<td>20. Targeted poverty reduction</td>
</tr>
</tbody>
</table>
This presentation

I. The MDG era (2000-2015)

II. The post-2015 era (2015-2030)

- The SDGs
- Constraints on policymaking in the post-2015 era
The SDGs

August 2014: The Open Working Group proposal
## The SDGs

<table>
<thead>
<tr>
<th></th>
<th><strong>MDGs</strong></th>
<th><strong>SDGs</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Time frame</strong></td>
<td>2000-2015</td>
<td>2015-2030</td>
</tr>
<tr>
<td><strong>Ambition</strong></td>
<td>Ambitious</td>
<td>Very ambitious</td>
</tr>
<tr>
<td>ex: poverty, hunger...</td>
<td>Halving</td>
<td>Eradication =&gt; &quot;zero goals&quot;</td>
</tr>
<tr>
<td><strong>Geographic scope</strong></td>
<td>Developing countries</td>
<td>All countries</td>
</tr>
<tr>
<td><strong>Goals</strong></td>
<td>8</td>
<td>17</td>
</tr>
<tr>
<td><strong>Targets</strong></td>
<td>20</td>
<td>126</td>
</tr>
<tr>
<td><strong>Indicators</strong></td>
<td>60</td>
<td>400 ?</td>
</tr>
<tr>
<td><strong>Focus</strong></td>
<td>Wellbeing of individuals</td>
<td>Wellbeing of individuals + global public goods</td>
</tr>
<tr>
<td><strong>Means of implementation</strong></td>
<td>Little attention</td>
<td>Much more attention</td>
</tr>
<tr>
<td><strong>Issues covered</strong></td>
<td>Wide, but actual focus on human development</td>
<td>Very wide, new issues incorporated</td>
</tr>
</tbody>
</table>
The SDGs

GOAL 1  End poverty in all its forms everywhere
GOAL 2  End hunger, achieve food security and improved nutrition and promote sustainable agriculture
GOAL 3  Ensure healthy lives and promote well-being for all at all ages
GOAL 4  Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all
GOAL 5  Achieve gender equality and empower all women and girls
GOAL 6  Ensure availability and sustainable management of water and sanitation for all
GOAL 7  Ensure access to affordable, reliable, sustainable and modern energy for all
GOAL 8  Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all
GOAL 9  Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation
GOAL 10 Reduce inequality within and among countries
The SDGs

GOAL 11 Make cities and human settlements inclusive, safe, resilient and sustainable
GOAL 12 Ensure sustainable consumption and production patterns
GOAL 13 Take urgent action to combat climate change and its impacts*
GOAL 14 Conserve and sustainably use the oceans, seas and marine resources for sustainable development
GOAL 15 Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss
GOAL 16 Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels
GOAL 17 Strengthen the means of implementation and revitalize the global partnership for sustainable development
The SDGs

• More ambitious: depth, width and universality
• Seek to address some of the shortcomings / failings of the MDGs

⇒ How can they be achieved?
Constraints on policymaking in the post-2015 era

The quadruple crisis

1. Economic / Financial
   – Sluggish growth in world economy
   – Slower growth of world trade
   – Strong growth of ODA unlikely
1. Economic / financial

GDP growth rate (%)

Slower growth of world economy
1. Economic / financial

Slower labour productivity growth
1. Economic / financial

Change in volume of world trade
(goods & services, %)

Slower growth of world trade
1. Economic / financial

Commodity prices index (2005 = 100)

Falling commodity prices
1. Economic / financial

**Industrialization**

- **Market access**
  - Developed countries are less tolerant to absorb rising exports from developing countries

- **Technological change**
  - Industry is becoming more capital-intensive
    - Stronger technological intensity
    - Higher minimum scale

⇒ More difficult for new entrants
Constraints on policymaking in the post-2015 era

The quadruple crisis

2. Food
   – Risk for food security
   – Risk for further poverty reduction
2. Food

Food price index (2005 = 100)

Food prices to stay at high levels
The quadruple crisis

3. Environmental
   – Increased risks, especially for poorer populations
   – Higher costs of climate change adaptation

4. Inequality
   – Lower long-term growth
   – Weaker social cohesion, higher social and political tensions
Constraints on policymaking in the post-2015 era

Conclusion

• International context post-2015 less favourable to development than early 2000s

• SDGs are more difficult to reach than MDGs

Well designed and implemented national development strategies become even more crucial
A post-2015 development agenda

Conclusion

SDGs require new types of policies / measures

• Domestically
  – Including esp. industrial policy
• Internationally
  – Reforms in international economic / environmental governance

⇒ By both developed and developing countries
Thank you