



## The Millennium Development Goals and the Global (Northern) Poverty Debate

A Short Review of Praise, Critique  
and Ways Forward

Bernd Steimann

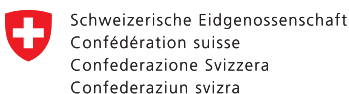
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# 1 The Millennium Development Goals (MDGs)

On 8 September 2000, at the United Nations ‘Millennium Summit’, 189 UN member states agreed on the so-called Millennium Declaration (UN 2000), a wide-ranging statement formulating a common vision of all UN member states to promote global human development and in particular to support poorer countries and people. By and large, the widely acclaimed Declaration conceives globalization to be the central challenge but also the biggest chance of the new millennium. It emphasizes the need for increased international cooperation and for more global responsibility towards the poor, so that potential globalization benefits can be shared more broadly in future. To this end, human rights, democracy, good governance and sustainable development are put forward as key principles, and the UN is assigned the leading role to carry out the whole process. Besides this broad vision, the Declaration also set out a number of development targets. These provided the basis for the subsequent elaboration of the Millennium Development Goals (MDGs).

The MDGs are a set of eight time-bound global development goals to be achieved by 2015 (see Figure 1). Each Goal is divided into a number of particular targets and



**Figure 1:** The eight Millennium Development Goals ([www.farmingfirst.org/mdgs](http://www.farmingfirst.org/mdgs)).

clearly measurable indicators. For instance, MDG-1 ‘Eradicate extreme poverty and hunger’ is divided into three targets and nine indicators, covering aspects of income poverty, employment and hunger.

**Table 1:** The first Millennium Development Goal, its three targets and nine indicators.

<b>MDG-1: Eradicate extreme poverty and hunger</b>	
Target 1a: Reduce by half the proportion of people living on less than 1.25 USD a day	
1.1	Proportion of population below 1.25 USD (PPP) per day
1.2	Poverty gap ratio
1.3	Share of poorest quintile in national consumption
Target 1b: Achieve full and productive employment and decent work for all, including women and young people	
1.4	Growth rate of GDP per person employed
1.5	Employment-to-population ratio
1.6	Proportion of employed people living below 1 USD (PPP) per day
1.7	Proportion of own-account and contributing family workers in total employment
Target 1c: Reduce by half the proportion of people who suffer from hunger	
1.8	Prevalence of underweight children under-five years of age
1.9	Proportion of population below minimum level of dietary energy consumption

## 1.1 A brief history of the MDGs

The MDGs were not created ‘out of the blue’, but were the result of a decade characterized by a renewed interest in international development and of intense debates and negotiations related to it.

### ***Preceding processes and negotiations***

The UN Millennium Summit in 2000 followed an impressive series of broad-based preparatory conferences, which started in the early 1990s and included governments, civil society organizations and the private economy from around the world, and particularly from developing countries. These conferences mainly focused on how emerging globalization processes affected poor countries and poor people; they recognized the benefits of globalization but at the same time sought for more inclusive ways to share these benefits more equally (Fukuda-Parr 2008, 3). In the eyes of many observers, this process created a unique momentum for the idea of human development to become the leading concept in international development (Fukuda-Parr 2010b; Hulme 2010d). Hulme (2010a, 15) underlines the importance of the work of Streeten, ul Haq and Sen for the concept of human development, which “posits that human beings are the ends as well as the means of development (...) [and] has encouraged a focus on the poor and poorest and the prioritisation of capability enhancing services”.

Of particular importance was the Social Summit of 1995 in Copenhagen, where 117 heads of state and government arrived at the consensus that poverty eradication was the first and foremost priority for global development, and set a target to overcome extreme income poverty by 2015 (Hulme 2010a, 16f). A second important step was taken



in 1996 by the OECD's Development Assistance Committee, which launched a report defining seven 'International Development Goals' (IDGs). However, the IDGs, with their focus primarily on income poverty, received limited attention even within the OECD, had very little effect on powerful donor countries such as the USA, Japan or France, and created hardly any resonance in developing countries (Hulme 2010a, 17). By the late 1990s, the UN, under the new Secretary-General, Kofi Annan, made a new attempt to make global poverty reduction central to the UN agenda. This resulted in a report entitled, 'We the peoples: The role of the United Nations in the 21st century', in which poverty eradication was the leading issue, and which set forth a number of global poverty reduction goals. These goals were somewhat different from the IDGs in the sense that they put more emphasis on economic growth and technology, while neglecting issues such as gender equality and empowerment. Later in 2000, the UN, together with the World Bank, the IMF and the OECD launched another report (IMF et al. 2000) which contained another set of goals. These were not only highly congruent with the initial IDGs but additionally provided strong support for a results-based management approach, i.e. the focus on a set of quantifiable indicators to measure progress and success.

### ***The formulation of the MDGs***

In September 2000, when the UN General Assembly agreed on the widely acclaimed Millennium Declaration, the main challenge for the UN was to avoid parallel processes by negotiating global development goals which would become accepted by the World Bank, the IMF and the OECD on the one hand, and all UN member states on the other. This is why, while the Millennium Declaration had been formally endorsed by all UN member states, the MDGs were formulated subsequently and were only published as an Annex to a 'Road Map' produced by the Secretary General in September 2001 (Manning 2010, 7). Waage et al. (2010, 3f) suggest that the Millennium Declaration put forward six fundamental values, including freedom, equality, solidarity, tolerance, respect for nature, and shared responsibility. To put these values into action, they were translated into seven key objectives: peace, security, and disarmament; development and poverty eradication; environmental protection; human rights, democracy, and good governance; protection of vulnerable people, meeting of the special needs of Africa; and strengthening of the United Nations. Out of these, the second objective – development and poverty eradication – was again translated into eleven resolutions or targets. Apart from a few additions on environmental protection, these targets strongly built on the already existing IDGs. According to Hulme (2010a) the final form of the MDGs makes clear that the IDGs were taken as the basis to formulate the MDGs, thus consolidating the development paradigm of multilateral institutions, and not of developing countries.

*"While the development paradigm preferred by the Bretton Woods Institutions could not be publicly resurrected, these organisations ensured that the MDGs fully recognised the centrality of income growth to poverty reduction and that the variant of human development the MDGs pursued was based on a basic needs approach and not human rights or reduced inequality." (Hulme 2010a, 19)*

Following the UN Summit in 2005, the MDGs were again updated by the so-called 'Inter-Agency and Expert Group on the Millennium Development Goals Indicators', consisting of representatives of the UN, IMF, IBRD, OECD, as well as statistical experts from different countries. The group, whose institutional status within the UN remained widely unclear, then increased the number of targets from 18 to 21, and the number of indicators from 28 to 60 (Manning 2010, 7). However, according to Waage et al. (2010, 5), this effort to improve the MDGs ex post was not very successful, mainly due to the complexity of the newly added targets and a lack of ownership.

### ***The instrumentality of the MDGs and institutionalization processes after 2000***

Fukuda-Parr (2008, 3f) suggests that the MDGs can be instrumental in three ways. First, as normative objectives that define a long-term development vision around which politicians at different levels can agree on common aims. Second, as evaluative benchmarks against which politicians and technocrats can measure development progress and success of targeted interventions. Third, as planning targets along which governments and donors alike can formulate their policies and allocate resources.

Today it seems clear that the MDGs – at least at the global level – have succeeded to serve as normative objectives and evaluative benchmarks. Despite their less than broad-based formal basis, they fundamentally altered the international discourse on development and became the leading framework for global development policy. This becomes particularly evident through a number of related processes of institutionalization. At the top level, these include annual MDG reports produced by the UN, regular UN MDG review meetings, the UN-sponsored Millennium Campaign 'End Poverty 2015', as well as annual Global MDG Monitoring Report produced jointly by the World Bank and the IMF. In addition, no important multilateral summit can afford not to refer to the MDGs (Manning 2010, 7). In addition, and to ensure the Goals' implementation, the Millennium Summit was followed by a number of international conferences devoted to the discussion of the more 'technical' details of global development cooperation. These included the 2002 Conference on International Financing for Development in Monterrey, the 2003 High-Level Forum on Harmonization in Rome, the 2003 High-Level meeting on 'Good Humanitarian Donorship Principles' in Stockholm, or the 2005 Conference on Aid Effectiveness in Paris. In addition, the UN General Assembly gathered for two large MDG review summits in 2005 (MDG+5) and 2010 (MDG+10) respectively in order to discuss progress and setbacks and to jointly decide on further steps.

While the MDGs have thus become instrumental in at least two ways, the question whether they can and should serve as hard planning targets at the national level has remained a subject of intense debates. These are discussed in section 2.3 of this report.

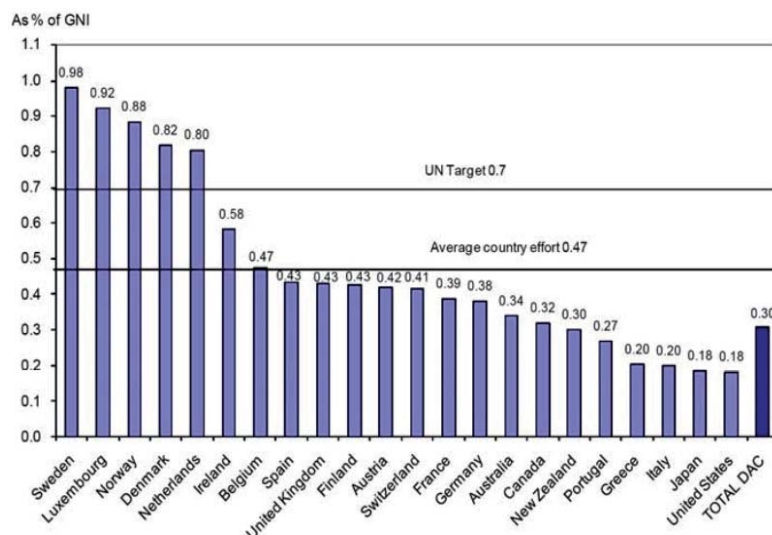
## 1.2 Impact and performance of the MDGs

There is a longstanding debate whether the impact of the MDGs upon global poverty reduction and global development policies can be measured at all. Concerning the former, global poverty figures depend on too many factors, so that identifying the merits of the MDGs is merely impossible. As for the latter, Manning (2010, 7) points out that “it is intrinsically hard to separate out the impact of targets from the environment that created them”.<sup>1</sup>

### 1.2.1 The MDGs’ impact on donor and recipient countries

Concerning donor countries, Fukuda-Parr (2008) examined whether donor governments have taken ‘ownership’ of the MDGs, and whether they pursued them through their country’s main development policy instrument. Her results show that most DAC member countries repeatedly refer to the MDGs in their policy statements, but that priorities often deviate from the MDGs’ objectives. Thus, many donors put more emphasis on peace, security and human rights – issues that are widely ignored by the MDGs – while giving relatively little attention to maternal mortality, child survival, gender equality and social integration.

In terms of resource allocation, global Official Development Assistance (ODA) contributions increased considerably over recent years. In 1997, OECD DAC members spent only 48 bn USD on ODA, representing 0.22% of the members’ combined gross national income (GNI). This amount rose to 119.8 bn USD in 2008, or 0.30% of the members’ GNI (Paul and Pistor 2009, 2; compare Figure 2). However, as Waage et al. (2010, 6) point out in the case of health and education programmes, it is often difficult



**Figure 2:** Net ODA of OECD DAC member states in 2008, as percentage of GNI (Paul and Pistor 2009, 3).

<sup>1</sup> For instance, the Bush administration’s strong financial support for global HIV/AIDS programmes did not result from particular sympathy for the MDGs (as a matter of fact, Bush was one of the fiercest MDG critics), but from other, domestic political interests and priorities (Manning 2010a, 8).

to establish a cause and effect relationship between the MDGs and an increase in aid flows: “The contribution of the MDGs, in these cases, might best be viewed as reinforcing, rather than driving, the targeting and mobilization of resources.”

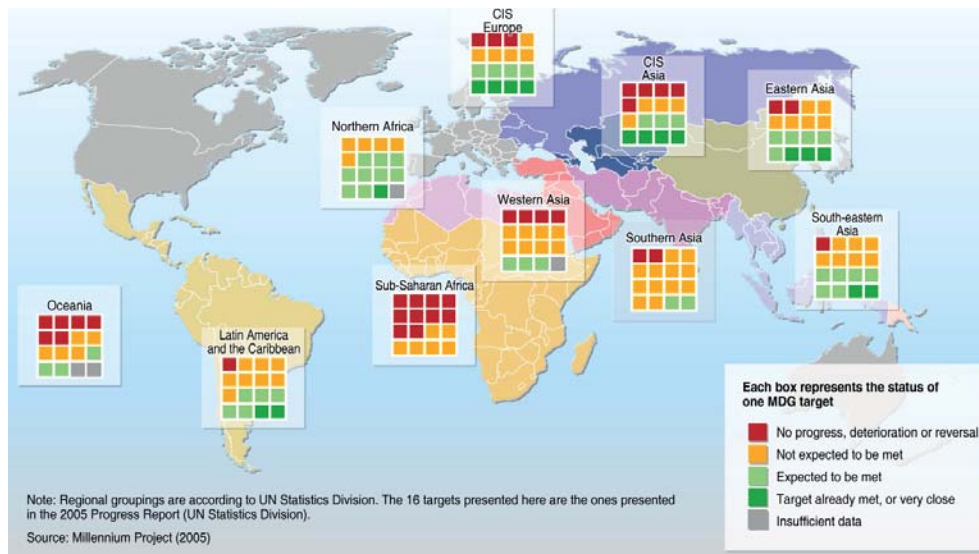
In qualitative terms, Manning (2010, 8) notes that the proportion of aid going to the productive sector decreased, while funds for the social sector – which is prioritized by the MDGs – increased since 2000. Within the social sector, a considerable share of funds has been reallocated from tertiary and vocational education to primary education (MDG-2). In addition, the number of donors has considerably increased, not least because most of the new EU member countries had to establish their own national development directorate (de Haan 2010).

Concerning recipient countries, the MDGs have meanwhile made their way into numerous national Poverty Reduction Strategy Papers (PRSPs). Fukuda-Parr (2008, 13ff) finds that similarly to donor countries, many developing countries make only selective reference to the MDGs, and that they often emphasize economic growth as the main means of reducing poverty. This can have two different reasons: either the selective focus reflects the approach of the respective donors involved in drafting a national PRSP; or it stands for a differing domestic focus, giving greater attention to economic growth at the expense of pro-poor growth, employment, environmental protection, health-related and other issues put forward by the MDGs (see also the case of Uganda discussed below).

### 1.2.2 The United Nation’s MDG review 2010

Prior to the second UN MDG review summit in September 2010 in New York (MDG+10), various UN and related organizations as well as the Bretton Woods and other international institutions published a large amount of papers reviewing the global and regional progress towards achieving the MDGs. By and large, most official observers of global MDG performance agree that at the global level, the MDGs will not be achieved by 2015. Official UN sources relate this mainly to the global economic, food and energy crises which hit the global economy after 2008 and resulted in a serious setback to an initially promising development (cf. Jahan 2010, 13; UN 2010a; UN 2010c). In a somewhat more nuanced view, the World Bank (2009, 10) agrees that MDG-1 was well on its way to be achieved globally, but points out that even prior to the crises, the Goals more closely related to the idea of human development, i.e. the ones on health, education and sanitation issues, were unlikely to be met.

Besides its carefully optimistic overall assessment, the UN points out considerable regional differences in terms of MDG achievement, especially between East and South-East Asia on the one hand and Sub-Saharan Africa on the other hand. While the former are generally praised as ‘achievers’ who are expected to fulfill most of the Goals by 2015, the latter are seriously lacking behind in nearly every aspect (‘non-achievers’; Figure 3).



**Figure 3:** Millennium Development Goals overview: trends towards meeting the targets by 2015, as per 2005 (Uniosil 2010).<sup>2</sup>

### 1.2.3 The United Nations' review of MDG-1

Regional disparities are particularly striking in terms of MDG-1 and its **poverty target**, i.e. to halve the number of people living on less than 1.25 USD/day (compare Figure 1.4). According to the UN (2010a), an estimated 1.4 bn people worldwide were still living in extreme poverty in 2005. However, while East and South-East Asia managed to more than halve the number of people living on less than 1.25 USD/day between 1990 and 2005, in Sub-Saharan Africa this share reduced only slightly, from 58% to 51%. The same goes for parts of Southern Asia, where poverty figures reduce from 49% to 39% only (UN 2010a, 6). Although these figures describe the state of global poverty before the global economic and financial crisis hit in 2008, the UN (2010a, 6) believes that “the momentum of economic growth in developing countries is strong enough to sustain progress on the poverty reduction target”. Referring to recent World Bank estimates, the UN thus believes that all developing regions except Sub-Saharan Africa, Western Asia and parts of Eastern Europe and Central Asia will achieve the MDG target, although poverty rates beyond 2015 may be slightly higher than they would have been had the global economy not been hit by the crisis. The regional shortfalls are explained by very slow growth rates in Sub-Saharan Africa as well as transition-related problems in the former USSR.

Concerning the **employment target**, the UN observes much slower global progress. After an initially positive trend, the financial crisis would again have caused rising rates of unemployment. This has not only caused a sharp drop in employment-to-population ratios, but has also forced many workers into more vulnerable forms of employment, i.e. self employment and working at home, which are often characterized by inadequate earnings and take place outside formal social security. According to ILO estimates for 2009, up to 1.6 bn people worldwide depend on vulnerable employment.

<sup>2</sup> <http://www.uniosil.org/development-goals.html>; accessed 24 Nov 2010.

Goals and Targets	Africa		Asia				Oceania	Latin America & Caribbean	Commonwealth of Independent States	
	Northern	Sub-Saharan	Eastern	South-Eastern	Southern	Western			Europe	Asia
<b>GOAL 1   Eradicate extreme poverty and hunger</b>										
Reduce extreme poverty by half	low poverty	very high poverty	moderate poverty	moderate poverty	very high poverty	low poverty	---	moderate poverty	low poverty	low poverty
Productive and decent employment	large deficit in decent work (youth and women), moderate productivity	very large deficit in decent work (women), very low productivity	large deficit in decent work (youth), moderate productivity	large deficit in decent work (women), low productivity	very large deficit in decent work (women), low productivity	very large deficit in decent work (youth and women), moderate productivity	very large deficit in decent work (youth), very low productivity	small deficit in decent work (women), moderate productivity	small deficit in decent work, moderate productivity	small deficit in decent work (youth), moderate productivity
Reduce hunger by half	very low hunger	very high hunger	moderate hunger	moderate hunger	high hunger	moderate hunger	moderate hunger	moderate hunger	very low hunger	high hunger

Figure 4: Regional progress towards MDG-1 as per 2008 (UN 2008 Progress Chart).<sup>3</sup>

Again, while the trend is nevertheless promising in East and South-East Asia, the situation in Sub-Saharan Africa, Southern Asia and Oceania has stagnated or deteriorated over recent years (UN 2010a, 8ff).

Also in terms of the **hunger target**, the once promising progress between 1990 and the early noughties has been stalled by the global food and financial crises. While the proportion of undernourished people in developing countries decreased from 20 to 16% between 1990 and 2002, the positive trend came to a halt, so that the global target (10%) still seems far out of reach. Again, South-East and East Asia but also Latin America and the Caribbean managed to continue the positive development and are well on their way to achieve the hunger target. By contrast, Southern Asia shows a negative trend, while Sub-Saharan Africa managed to considerably reduce the share of people suffering from hunger but is still far from halving their number (UN 2010a, 11ff).

<sup>3</sup> [http://www.un.org/millenniumgoals/2008highlevel/pdf/newsroom/MDG\\_Report\\_2008\\_Progress\\_Chart\\_en\\_r8.pdf](http://www.un.org/millenniumgoals/2008highlevel/pdf/newsroom/MDG_Report_2008_Progress_Chart_en_r8.pdf); accessed 24 Nov 2010.



## 2 Critical Global Debates Around the MDGs

*“For a bunch of words with a simple monitoring system, the MDGs have had considerable success.”*

Langford 2010, 21

The unprecedented global promotion of the MDGs and their wide-ranging impact upon international development policy has triggered an equally unprecedented amount of related critical debates. Since the Goals’ formulation in 2000, hundreds if not thousands of global and national MDG reviews, government strategy papers, NGO position papers, academic journal articles, as well as analyses and comments in various media have been published. There are also a rapidly growing number of YouTube statements by government officials, development specialists and VIPs on the MDGs. In addition, hundreds of round-table discussions, conferences and workshops have been held to either promote the MDGs or critically discuss them. The number of such events increased significantly in the months prior to the MDG+10 summit held in September 2010. While some critics declare the MDGs null and void, others affirm their global relevance and positive impact. Interestingly, the divide between supporters and critics is highly blurred and goes straight through the UN and other multilateral organizations, national administrations, NGOs and academics alike.

Therefore, the subsequent overview covers only a limited spectrum of what is called ‘the global MDG debate’, and concentrates on a few selected institutional and individual actors. Due to the blurred standpoints of the involved actors, the critique is not reviewed along groups of actors, but thematically. Material examined for this report includes:

- publications by the United Nations and related organizations such as UNDP, UNDG, UNHR and UNCTAD, as well as publications by individual representatives of these organizations (cf. Jahan 2010; Vandermoortele 2010)
- publications by other multilateral (donor) organizations, such as the World Bank, the International Monetary Fund, and the Development Assistance Committee of the OECD (cf. World Bank 2009; IMF et al. 2000).
- publications by globally active non-governmental organizations and independent think-tanks, including Amnesty International, Social Watch, Millennium Promise, the International Alliance of Catholic Development Agencies (CI-DSE), Oxfam, or the New Economics Foundation (cf. Amnesty International 2010; Social Watch 2010; NEF 2008). This also includes publications and public presentations by individual representatives of these organizations (cf. Abraham 2010; Green 2010; Khan 2010).

- publications and public presentations by academic scholars concerned with the MDGs and with development issues in general. It should be noted that the selection is biased towards voices from the global north due to two reasons: First, northern (or western) scholars still dominate relevant academic journals and research institutions. Second, the presentations examined for this report mainly stem from the CPRC International Conference 2010 'Ten years of war against poverty', organized by the Brooks World Poverty Institute at the University of Manchester, 8-10 September 2010 – an event which was also very much dominated by northern academics.

Publications and statements by national governments are not considered, although they play a crucial part in the global MDG debate, not least through their representation in UN summits and their participation in UN and other multilateral organizations and working groups.

## 2.1 Global MDG criticism: an overview

By and large, global MDG criticism can be grouped around the three ways in which the Goals can be instrumental (Fukuda-Parr 2008, 3f; compare 1.1), i.e. their functions as a) normative objectives that define a global development vision; b) as evaluative benchmarks against which to measure development progress; and c) as hard planning targets along which to design interventions and allocate funds.

### ***The MDGs as normative objectives***

Most observers and commentators acknowledge that the MDGs have become powerful normative objectives whose impact on global and multilateral politics has been quite impressive so far. First of all, few commentators would deny that the MDGs have become the leading global normative framework for governmental development planning and policy since 2000 (Fukuda-Parr 2008; Abraham 2010). As such, they exerted a strong rallying effect on many donors to allocate more funds on ODA than ever before, and finally succeeded to reverse the global decrease of aid flows that occurred in the 1990s<sup>4</sup> (Paul and Pistor 2009; Waage et al. 2010). In addition, many of the large donor countries would have begun to increasingly divert their aid flows away from their longstanding economic allies and more towards LDCs.<sup>5</sup> Others emphasize that the MDGs succeeded to reinvigorate a global ethical interest in development issues, to galvanize social hopes through an institutionalization process, and to refocus the efforts of development agents on the major moral challenge of poverty eradication (McGregor and Sumner 2010, 27; Turner 2010). In particular, the Goals provided additional leverage to already popular agendas such as poverty reduction and infectious diseases, and reinvigorated interest in hitherto neglected areas such as child survival and gender issues (Waage et al. 2010, 5).

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4 Göttingen development economist Stephan Klasen at the CPRC Conference 2010, plenary session 3; 8 Sept 2010.

5 Personal communication with Anton Stadler, head of the analysis and policy section of the Swiss Agency for Development and Cooperation (SDC), 15 Sept 2010.



The strong momentum for human development issues emerged from an impressive series of broad-based preparatory conferences prior to the 2000 Millennium Summit, which successfully integrated developing countries, as well as many civil society organizations. Unfortunately, the momentum soon got lost after 2000, when these conferences were stalled (Fukuda-Parr 2010b; Hulme 2010d). Just like other, previous international development goals and targets, the MDGs would thus have shown anew “(...) the value of global goals in mobilizing political commitment and generating popular awareness around consensus development objectives, and as guidelines for coordinated action” (Jolly 2010, 12). Waage et al. (2010, 5f) suggest the MDGs also succeeded to improve the monitoring of development projects.

However, despite this generally accretive appraisal of the Goals’ global political impact, only a few observers still believe that the ambitious goals will be achieved by 2015. UN and government representatives especially argue that the recent global financial, food and energy crises would have put the hitherto promising MDG process seriously off track (compare 1.2 above). Others opine that the success of the MDGs was highly limited from the very beginning (cf. Sumner 2009b), or that it would have utterly failed anyway so that the global crisis was little more than a welcomed excuse (cf. Holtz 2010).

### ***The MDGs as evaluative benchmark and hard planning targets***

Behind these rather pessimistic appraisals of the Goals’ overall performance, there is a wide array of fundamental criticism about the MDGs per se. It mainly concerns the „excessive simplicity in the way the MDGs have been promoted“ (Jolly 2010, 12), i.e. their very narrow perspective on poverty if compared for instance to the holistic human development approach formulated in the Millennium Declaration. Many critics address the limitations and pitfalls of results-based management approaches for human development and question the usefulness of the MDGs as an evaluative benchmark for global poverty measurement and monitoring. According to Waage et al. (2010, 5), many targets and indicators are „often so narrow as to neglect important development issues in the same sector – eg, tertiary education, reproductive health, and a range of gender issues.“ Such gaps can contribute to underinvestments in areas that may be key to the achievement of the MDGs’ overall vision. In addition, they make clear that the MDGs have not emerged from a broad, intersectoral understanding of development, although they may seem to do so.

The critique also states that the MDGs were blind in terms of structural effects of global governance, the global aid industry, and the role of the globalized economy for poverty reproduction and alleviation. In addition, there is an ongoing debate about the usefulness of globally defined development goals as hard planning targets for national and sub-national development strategies.

The subsequent sections examine the most important aspects of this MDG criticism in more detail.

## 2.2 MDG poverty measurement and monitoring

### 2.2.1 The pitfalls of measuring global poverty

As detailed in chapter 1, the Millennium Development Goals represent the merger of human development concerns with results-based management (Hulme 2007; 2010a). Thus, they stand for the belief that poverty can be measured in numeric terms and be compared between different populations. Consequently, the MDGs consider poverty alleviation and the impact of development policies as something quantifiable. Without any doubt, this catchy, quantitative approach contributed a lot to the MDGs' impressive success in mobilizing donors and resources for global poverty alleviation.<sup>6</sup> However, after some time even the UN had to admit that measuring poverty was more complicated than initially first thought, particularly due to a serious lack of reliable national poverty data and resulting problems of global comparison (UN 2010a, 7). Yet while the UN suggested to work towards better data quality (UN 2010c), others raised more fundamental concerns about the quantification of human development in general and about the techniques used for measuring and comparing poverty in particular.

The most fundamental critique is about the MDGs' strong focus on figures and monitoring per se. Princeton development economist, Angus Deaton, argues that the extraordinary political influence of figures was problematic because politicians would hardly ever question the reliability and validity of statistics, although they would often be misleading, express the wrong things or were simply wrong (Deaton 2010). Others criticize that the MDGs gave the impression that the success of development policies could be quantified, although the vast array of unknown factors would not allow to do so<sup>7</sup> (Fischer 2010, 8f).

Besides these fundamental concerns, many critics argue that the MDGs measure the wrong things, or measure inaccurately. For instance, Mexican sociologist Julio Boltvinik criticizes that the MDGs would wrongly assume cash income as the only source of well-being, and that all human needs would be met by the market (Boltvinik 2010). Sakiko Fukuda-Parr, a New School development economist, criticizes that the simple dichotomy inherent to the MDGs of achievers and non-achievers (i.e. countries which are on track to achieve the MDGs by 2015 and countries which are not) would often hide that many of the latter would have performed much better than the former, e.g. in terms of sustainable development and long-term investments (Fukuda-Parr 2010b). This problematic focus on outcomes rather than processes becomes particularly apparent in the UN's discussion of regional progress towards MDG-1 and its three targets (compare 1.2), where particular attention is given to the regions' prospects to achieve the global targets by 2015. Thus, South-East and East Asia are praised for achieving most of the Goals, while Sub-Saharan Africa is generally termed a non-achiever, although the region has shown considerable and sustained progress, e.g. in terms of reducing hunger.

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<sup>6</sup> Dag Ehrenpreis, former chief economist of the Swedish International Development Cooperation Agency, at the CPRC Conference 2010, plenary session 3; 8 Sept 2010.

<sup>7</sup> Klasen, S. *ibid.*

Other scholars demand that more attention should be given to measuring comparative progress within regional country groupings (e.g. sub-Saharan Africa) rather than at the global level, in order to make comparisons meaningful (cf. Jolly 2010, 12).

### 2.2.2 Contended key indicators: GDP and PPP

In recent years, the usefulness of the Gross Domestic Product (GDP) as a statistical measure for poverty and well-being has increasingly been questioned. According to Nobel Prize laureate Joseph Stiglitz, the GDP is an inappropriate indicator because it measures a country's well-being, but not that of its citizens. Since experience would have shown that trickle-down economics would not work, the GDP would not reveal anything about the well-being of individuals (Stiglitz 2010). Likewise, Robinson (2010, 18) argues that aggregate country data such as the GDP are able to illustrate a national economy's overall improvement, but that this improvement is largely irrelevant to the poorest sections of a country's population. Therefore, the MDGs should use more disaggregated statistical data to measure inequalities within countries (cf. Vandermoortele 2010, 15).

Similarly, the central role of Purchasing Power Parity (PPP) as the key indicator for measuring MDG-1 and for comparing different countries in terms of poverty has increasingly become denied. Arguing from a moral standpoint, the New Economics Foundation (NEF 2008, 2) points out that agreeing on a global poverty line of 1.25 USD/day is not only highly arbitrary but also "embodies an implicit moral judgement that this level of income is morally acceptable, which is at best highly questionable". Renowned development economists also increasingly criticize the PPP approach. Deaton (2010) argues that on the one hand, global PPP comparison by the International Comparison Program (ICP) was a patchwork, because until 1993 every world region collected figures in its own way, and because China and India joined the ICP in 2005 only. Thus, the global inequality increase claimed by the ICP 2005 should be interpreted with great care, since it resulted from numerous statistical peculiarities. Also NEF (2008, 2) points out that PPP figures for many countries are based on rough estimates rather than measurement, and Stiglitz (2010) warns that the World Bank's poverty numbers may be overestimated due to their strong focus on PPP.

On the other hand, Deaton notes that the PPP does not allow comparison of starkly different countries. In his opinion, the calculation of meaningful PPP exchange rates is a mere impossibility, because consumption patterns in developing countries are too different from those in industrialized countries. Thus, no one would really know how to do cost-of-living or income comparisons between very different countries (Deaton 2010).

By and large, Deaton argues that the ICP's calculations and comparison procedures bypass the livelihood realities of the global poor. Also NEF (2008, 2) criticizes that the PPP calculation procedure would give "much greater weight to the prices of goods and services bought by non-poor than by poor people". Thus, the global poverty line of 1.25 USD/day (PPP) defined for MDG-1 (see Table 1.1 above) becomes fundamentally contested. Many critics say that the definition of a global poverty line is utterly useless, since it does not have any relevance for a particular national context and thus cannot be used as a 'hard planning target'. Therefore, it would be better to develop

an internationally accepted procedure on how to determine national poverty lines and calculate reliable, country-specific poverty counts, of which there was still a striking shortage.<sup>8</sup>

Additional criticism is raised in terms of a lack of transparency concerning data collection, a deficit of timely data sources, and uncertainties about the baseline against which to measure MDG progress<sup>9</sup> (Vandermoortele 2010, 15; NEF 2008). These shortcomings are also admitted by the UN itself, which complains of “the lack of good quality surveys carried out at regular intervals and delays in reporting survey results” (UN 2010a, 7). Consequently, many MDG critics ask for better indicators which do not only allow national adjustment but also take account of other aspects of poverty than cash income and production. The critique has thus given rise to well-being approaches paying more attention to subjective aspects of poverty. These will be discussed in more detail in chapter 3.3.

## 2.3 Debates regarding the formulation of development policies

A second major focus of global MDG criticism is directed at issues of governance and power regarding the formulation and the implementation of the MDGs. At the global level, this refers to the non-participatory elaboration of the Goals as well as to the persistence of structural constraints and imbalances in the global aid architecture. At the national level, the critique addresses the way in which governments adopt or adapt the MDGs and highlights the lack of local ownership

### 2.3.1 The MDGs: reproducing global power imbalances?

The MDGs have repeatedly become criticized for ignoring global governance issues and thus reproducing power imbalances between North and South.

#### ***Non-participatory elaboration...***

Several critics argue that neither the preparation and elaboration of the MDGs until 2000 (compare chapter 1) nor their implementation after 2000 would have been truly participatory. Taylor (2010) notes that already long before 2000, the United Nations Conference on Trade and Development (UNCTAD) had been edged out from global development debates by less participatory but more powerful and strongly neoliberal institutions such as the World Bank or the IMF. As for the formulation of the MDGs in the aftermath of the 2000 Millennium Summit, Langford (2010, 19) observes a lack of participation of developing countries and disadvantaged groups, which would have resulted in the abandonment of important targets such as gender equality. Hulme (2010d) points out that at the same time, the impressive series of broad-based global develop-

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8 Sabina Alkire of the Oxford Poverty and Human Development Initiative at the CPRC Conference 2010, plenary session 5; 10 Sept 2010; Kunal Sen of the Institute for Development Policy and Management at the University of Manchester, *ibid.*; Sakiko Fukuda-Parr of the New School, New York, *ibid.*, plenary session 3, 8 Sept 2010; Stephan Klasen of the University of Göttingen, *ibid.*

9 Alkire S., *ibid.*

ment summits held throughout the 1990s were stalled. This would have curtailed the hitherto exemplary global discussion and would have foreclosed the emergence of a self-fuelling social movement to support the idea of global human development. Thus, Hulme argues that the MDGs have never received the same robust institutional support “that could dominate decision-making in key organizations, as had the neoliberal epistemic community in the IMF, World Bank US Treasury and ministries of finance around the world” (Hulme 2010a, 22).

### **... and implementation of MDGs**

Consequently, the promotion and implementation of the MDG approach after 2000 has increasingly become questioned. For instance, Sumner (2009a, 10) cites Ashwani Saith of the Institute of Social Studies (ISS) who “warns that the MDGs ‘ghettoize’ the problem of development by locating it exclusively in the ‘third world’, with ‘our’ agenda for ‘them’ (...)”. Thus, the top-down approach still inherent to the MDGs may reproduce existing power imbalances between the North and the South rather than overcome them. Stiglitz therefore argues that the real gap between the North and the South was less in terms of capital rather than in terms of knowledge (Stiglitz 2010). This view is shared by Stan Thekaekara of the Indian NGO Just Change, who says that the last ten years of global ODA have led to a tremendous disempowerment at the local level regarding human development. On the one hand, dominant approaches to ‘development’ were still predominantly based on Western concepts. On the other hand, the bureaucratization of ODA would have fostered the need for constant monitoring and reporting, which would have deviated much-needed resources from the grassroots level to new middlemen and experts (Thekaekara 2010).

By contrast, Waage et al. (2010, 7f) suggest that it was the narrow focus of most MDGs which resulted in a lack of synergies between different Goals and tended to encourage vertical organization of planning, financing, monitoring and reporting “without sufficient linkage or integration with the broader (...) system.” In the end, this led to unhealthy competition between multilateral, national and private actors at all levels. A related critique comes from Arjan de Haan of the ISS who says that aid and the global aid industry have nothing to do with humanitarianism, but are deeply political. Thus, they constantly reproduce existing power relations (de Haan 2010). At the same time, David Hulme of the Brooks World Poverty Institute at the University of Manchester argues that the MDG process still gives too much weight to Western donors while neglecting the important role and responsibility of developing countries. Consequently, the MDGs fail to bring about a real process change, to transform the international aid and development framework and to achieve the initial promises of the Millennium Declaration (Hulme 2010b; 2010c; 2010d).

Others note, however, that global power relations have well shifted after 2000, particularly through the economic and related political rise of China, India, Brazil, and other middle-income countries. Thus, the Group of Twenty (G-20) has taken a leading role for global development issues in recent years, giving rise to new concerns about the weakening of the UN and the exclusion of LDCs and non-state actors (Cardona 2010). Claire Melamed of the Overseas Development Institute (ODI) therefore demands to hold the BRIC countries (Brazil, Russia, India and China) to take their responsibility



as ‘new donors’ and to play an active part in alleviating global poverty through broad-based and participatory institutions such as the UN.<sup>10</sup>

### ***Make post-2015 debates more participatory***

In view of the upcoming post-2015 debate, many critics demand that any discussion about an MDG follow-up should be truly global, participatory and bottom-up in order to encourage greater public involvement. Such a process should include not only southern governments, but also grassroots and human rights groups (cf. Sumner 2009a; Langford 2010, 20; Nhema 2010, 31). However, concrete suggestions on how such a global participatory debate could look like have remained, so far, strikingly vague. By contrast, Jan Vandermoortele from the UNDP demands that an intergovernmental “UN panel of eminent persons”, i.e. a top-level committee, should kick off the post-2015 discussion (Vandermoortele 2010, 14). Whether top-down or bottom-up – according to Kanbur (2010), a key question to be addressed in these discussions was whether global development goals and the global aid architecture should still be linked to each other. From his point of view, they are two completely different things, and therefore should be treated separately.

### 2.3.2 Finance, trade, and global policy coherence for development

The financial, food and energy crises of the late noughties have fuelled debates about the impact of global finance and trade regimes upon global poverty alleviation. For instance, the International Alliance of Catholic Development Agencies (CIDSE) argues that financial transactions - speculative finance in food stock exchange, in particular - need better regulation to secure global stability. To do so, the alliance proposes a global Financial Transaction Tax (FTT), an idea whose origins stem from the 1970s but which has gained considerable momentum in recent years. Meanwhile, many countries including France, Germany, Belgium, Austria, as well as the European Parliament and the UN General Assembly support the idea, which would also provide the possibility to raise additional funds for global human development (CIDSE 2010, 4; Sarkozy 2010; Fastenopfer 2009). CIDSE also demands that international debt relief criteria – particularly in the framework of the Heavily Indebted Poor Countries Debt Initiative (HIPC) – become linked more closely to a country’s financial needs to achieve the MDGs, so as to create better financial incentives for recipient countries to achieve the MDGs (CIDSE 2010, 5).

Concerning trade, critics argue that global trade regimes are still not pro-poor, and that an MDG-oriented trade reform should promote special safeguard mechanisms for developing countries (CIDSE 2010, 4; Hulme 2010d). According to Kanbur (2010), crises have become the new norm in development, requiring appropriate ex-ante policies and special safeguard mechanisms for the social sphere, similar to those already existing for financial systems (see also Green 2010). The idea of safeguard mechanisms also relates to the Doha Development Agenda (DDA), which has been a subject of ongoing negotiations since 2001. According to Scott and Wilkinson (2010), the long and fierce DDA negotiations have left very little for poor people in developing countries.

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<sup>10</sup> Claire Melamed, ODI, at the CPRC Conference 2010, introduction to session C9; 9 Sept 2010.

The initial optimistic forecasts about huge economic gains from the DDA for developing countries would have repeatedly been lowered over the years, e.g. when essential issues such as minimal labour standards were dropped from the agenda. Another bone of contention is the WTO's TRIPS agreement (trade-related aspects of intellectual property rights), which according to its numerous critics hinders the global and equal spread of knowledge and thus runs counter to the intentions inherent to the MDGs (cf. Stiglitz 2010).

By and large, many scholars and NGOs alike demand to improve global policy coherence for development, i.e. to reform global finance, trade and other regimes increasingly along the MDG objective of global poverty reduction. This need for better policy coherence has also been acknowledged in the outcome document of the MDG+10 summit in September 2010, which emphasizes that not only national governments, but also the civil society and the private sector must take more responsibility and contribute their share (UN 2010c). In addition, the draft also emphasizes the role of global security politics as an essential element for ensuring security for development (see also Solheim 2010, 25). However, many critics believe that such reforms will only be possible through systemic reform of the UN and other multilateral organizations, including the strengthening of certain UN agencies and of the UN as a whole, especially in terms of its role opposite the World Bank, the IMF or the WTO (CIDSE 2010; Fukuda-Parr 2010c; Jones et al. 2010b, 29).

### 2.3.3 Issues of national governance: MDG adoption versus adaptation; problems of accountability

Although discussions about structural changes of global governance and economic regimes continue to dominate global MDG debates, the general interest in domestic responsibilities, i.e. the role of national governments for the achievements of the MDGs has also increased over recent years.

#### ***Adoption versus adaptation***

Lots of efforts have been devoted to the question whether developing countries should simply adopt the MDGs and make them their national targets, or whether they should adapt them according to their own countries' needs and particular circumstances. On the one hand, most observers agree that in order to make the MDGs meaningful targets and to increase national ownership, they need to be adjusted to national or even local needs, yet without losing sight of the globally defined goals and objectives (cf. Fukuda-Parr 2010a, 8; Hulme 2010d; Vandermoortele 2010, 14). This demand has also found its way into the outcome document of the UN MDG+10 summit, which emphasizes that for achieving the MDGs until 2015, more room and flexibility for locally tailored strategies was needed (UN 2010c; see also Nhema 2010b, 31). On the other hand, the UN's Millennium Project and its director Jeffrey Sachs argue that the MDGs should be treated as country goals, i.e. that national governments should not set their own goals with reference to the MDGs. Hulme (2010a, 21) counters this argumentation by saying that to demand country level accountability for globally defined goals would contest the concept of national sovereignty.

Irrespective of these debates, the global MDG adoption and adaptation picture has so far remained fairly complex (Manning 2010, 5; Sumner 2010). According to an IDS policy brief (Sumner 2009c), locally defined MDGs have, for the time being, been defined only in Afghanistan, Albania, Azerbaijan, Benin, Bhutan, Cambodia, Cook Islands, Kenya, Kosovo, Mongolia and Vietnam. Most other countries simply adopted the Goals and included a commitment to the MDGs in their national PRSP. Obviously, this makes little sense for a country where surviving on 1.25 USD/day (the global poverty line defined by MDG-1) is a mere impossibility. For Hulme (2010d), the limited number of national adaptations shows that for many developing countries direct negotiations with bilateral donors and the IFIs remain much more important than the MDG agenda.

### ***The contended role of PRSPs***

Thus, the discussion is closely related to the role of Poverty Reduction Strategy Papers (PRSP), which after 1999 have become the main tool for the formulation of national development strategies and their coordination with international ODA. Thus, PRSPs have also emerged as the key mechanism for the promotion and achievement of the MDGs in developing countries. While the World Bank and the IMF argue that PRSPs reflect national needs and priorities, critics argue that the criteria used by the World Bank and the IMF to judge these strategies help to impose neoliberal policies and to put developing countries further into the debt trap. Hulme (2010a, 23) suggests that the “(...) PRSPs that have been overseen by the IMF and the World Bank (...) have made the notion of ‘country ownership’ a joke in developing countries”.

Consequently, many critics think that PRSPs are an inappropriate means for brokering MDGs, since they cannot ensure real ‘country ownership’, but instead integrate the Goals in a rather mechanistic fashion which leaves little room for national adaptation. Addison et al. (2008) find that the PRSPs are usually limited to tackle chronic poverty. On the one hand, the chronically poor would often remain invisible to those implementing PRSPs. For instance, social protection was often a key element in PRSPs, but would not reach the chronically poor. This view is shared by Fukuda-Parr (2010a, 7) who criticizes the PRSPs’ lack of a pro-poor focus and their overreliance on trickle down effects by focusing on economic growth and direct social investments. On the other hand, justice and citizenship, gender empowerment or themes like urbanization and migration would often be neglected by PRSPs.

Therefore, many critics demand to make the next PRSPs (third generation) more broad-based and participatory by shifting the authority and responsibility for PRSPs genuinely to national governments, and to simultaneously work towards a corresponding cultural change within the Bretton Woods Institutions<sup>11</sup> (Fukuda-Parr 2010a, 8; Hulme 2010a, 23; Hulme 2010b, 6; Addison et al. 2008). Hickey (2010) shows, however, that abandoning a national PRSP does not necessarily imply a shift towards more pro-poor policies and the MDGs. In the case of Uganda, the new national development plan, which replaced the former PRSP, put the productive sector at the centre of the state’s development policies, but failed to maintain a clear poverty focus. The case thus also

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11 Hulme (2010a, 23) cynically remarks that the Bretton Woods Institutions „will need to adopt ‚Arrogance Reduction Strategies’ and learn not to believe that they know precisely what are the best policies for each specific country”.



illustrates the longstanding debate whether or not economic growth can foster poverty alleviation, and under which circumstances growth can be pro-poor.

### ***Improving accountability***

The concerns about national development strategies are also closely related to the demand for improved accountability mechanisms. Various scholars have related the lack of progress towards the MDGs in some countries to the fact that national governments do not take enough responsibility, and that they are not sufficiently accountable to their citizens for the Goals' achievement. This is often attributed to the fact that the MDGs were formulated as a mere memorandum of understanding, which neither compels politicians to any kind of binding commitments nor defines sanctions for the case of failure. Therefore, many critics demand that future targets be articulated in a way that requires national governments, as well as international organizations such as the UN, the WB or the IMF, to establish domestic and international accountability systems (Abraham 2010; Cardona 2010; Fukuda-Parr 2010c; Wickstead 2010, 30).

#### 2.3.4 Bridging the 'alliance gap' by securing people's right to participate

By contrast to those who demand national governments to take more responsibility for the MDGs, Judith Randel of the UK-based Development Initiatives consultancy (Randel 2010) critically asks why one should expect governments to be the right vehicle to address chronic poverty. From her point of view, governments in developing countries would often not take responsibility for the poor because the latter had no political voice and were thus of little significance for the political survival of the national elites. She therefore argues that responsibility should be increasingly given to local people, who were much more accountable to their own people than some far-away government officials. Thus, Randel goes along with numerous critics who demand that the MDG process should become more participatory, i.e. that national governments should ensure domestic space for participation around poverty issues. So far, the dialogue between governments and civil societies regarding domestic adoption or adaptation of the MDGs and their role for a country's PRSP has often been weak or even non-existent (Langford 2010, 21). This also resulted in what Jahan (2010, 13) calls the 'alliance gap' between various state and non-state actors regarding poverty alleviation. Consequently, not only human rights advocates increasingly demand to better protect people's right to organize and speak up, so that public participation and ownership of the MDGs can be ensured through open debates and bottom-up approaches<sup>12</sup> (Nhema 2010b, 31; Robinson 2010, 19; Langford 2010, 21). Meghna Abraham of Amnesty International emphasizes that this first of all means to protect the rights of the most disadvantaged and of female human rights defenders (Abraham 2010).

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12 Stan Thekaekara of the NGO Just Change, India, at the CPRC Conference 2010, plenary session 4; 8 Sept 2010.

### 3 Underlying Concepts of Poverty and Poverty Alleviation

The criticism detailed above indicates that MDG-related debates are basically about different concepts of poverty and poverty alleviation. Most critics agree that the MDGs, their targets and indicators have a too narrow thematical focus and thus neglect a range of equally important issues. Thus, the poverty approach brought forward by the UN and some of the most influential multilateral organizations (through negotiations about global development goals around the UN Millennium Conference in 2000; see 1.1) becomes widely challenged. Most criticism is directed at MDG-1, which defines poverty primarily as income poverty by setting the global ‘poverty line’ at 1.25 USD/day (PPP). Although the whole set of all eight MDGs and their particular targets suggest a more nuanced view of poverty (including aspects of health, education, gender, and the environment), most poverty-related debates have focused on MDG-1 and its income-based definition of poverty. An important reason for that may be that no other Goal received comparably strong promotion by the UN and its allies to put across the catchy objective of ‘halving poverty by 2015’. However, the reliance on the Gross Domestic Product (GDP) as an important progress indicator for MDG-1 (see 2.2) does confirm that MDG thinking is firmly rooted in a predominantly economic poverty approach, i.e. in the belief that overall economic growth is necessarily inclusive and helps to reduce poverty through trickle down effects. Fukuda-Parr (2008, 13f) has shown that this way of thinking becomes reflected in national PRSPs, most of which focus on overall economic growth and GDP increase rather than on explicit pro-poor growth.

Most criticism of MDG-1 is thus unanimous. However, if it comes to the exact causes of poverty and, consequently, to the ‘right’ way for effectively alleviating poverty worldwide, opinions often differ. While some authors emphasize the chronic nature of poverty, others put forward its multidimensionality, stress the importance of subjective well-being measures, or demand a shift towards a human rights perspective. Common to all these approaches is, however, that they intend to move away from a simplistic, income-based conceptualization of poverty as put forward by the MDGs.

#### 3.1 Chronic poverty, inclusive growth and social protection

An important alternative to conceptualizing poverty has been brought forward by the UK-based Chronic Poverty Research Centre (CPRC), one of the main institutional actors in current global academic debates around the MDGs.<sup>13</sup> In a recent publication (Addison et al. 2008), the CPRC suggests that the MDGs fail to effectively address poverty because they do not address chronic poverty, but instead direct the public and

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<sup>13</sup> The CPRC is a network of several research institutes based in the UK and the global South, including (among others) the Overseas Development Institute (ODI), the Institute of Development Policy Management at the University of Manchester (IDPM), and the Institute of Development Studies in Sussex (IDS). The views of some representatives of these organizations are detailed in chapter 2.

political focus upon those people living very close below the defined poverty line (be it the one defined by the MDGs or a nationally defined poverty line). While such policies guarantee quick progress in terms of statistical MDG achievement, they do little to alleviate poverty in a sustainable way and to lift those out of poverty who have suffered from it over several years or even all of their life.

### ***Five traps, five responses***

In order to distinguish chronic poverty from MDG-like poverty, Addison et al. (2008) define five so-called 'poverty traps' which keep people poor, i.e. which constantly reproduce chronic poverty. The first trap is insecurity: the chronically poor live in insecure environments and do not have enough assets to cope with shocks, crises and trends. Consequently, they must deploy short-term coping strategies instead of long-term ones, which often keeps them in a vicious cycle that further aggravates poverty. The second trap is limited citizenship. The chronically poor usually lack political voice and representation. Thus, their governments do not recognize their most basic needs and rights. Third is spatial disadvantage: poor people often live in remote areas with weak economic integration, or in disadvantaged urban areas with desperate living conditions. Social discrimination is the fourth trap: the chronically poor often suffer from discriminating social relations, such as patronage, power, competition, resulting from class and caste systems, gender, religious or ethnic identity. Fifth, poor work opportunities result in the fact that although most of the chronically poor work, they cannot earn enough to make a living. Such work allows day-to-day survival, but no accumulation of assets.

Addison et al. (2008) argue that the narrow focus of the MDGs and the PRSPs as the main institutional mechanism to broker the Goals at the national level would usually fail to address these poverty traps. Therefore, they propose five 'key policy responses' along which to adjust global policy priorities and the MDGs. The authors assume that eradicating extreme poverty by 2025 is a feasible goal, given that national and international actors set the right priorities.<sup>14</sup> These include:

- Social protection
- Public services for the hard to reach
- Building individual and collective assets, including physical and social assets
- Anti-discrimination and gender empowerment policies
- Strategic urbanisation and migration

In terms of the MDGs, Addison et al. (2008, 6) demand to adapt three key changes to the currently existing Goals: First, to set a target of extreme poverty eradication by 2025; second, to aim for basic social protection for all until 2020; and third, to achieve universal access to post-primary education by 2020. Thus, inclusive economic growth (pro-poor growth) and social protection figure very prominently in the CPRC's proposal to improve the existing MDGs and to combat poverty after 2015.

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<sup>14</sup> The authors emphasize that these are just the general priorities and that concrete policies need national adaptation in order to ensure domestic ownership and relevance.

### ***Adjusting global policy priorities: inclusive growth***

The relation between economic growth and poverty reduction is highly contended. Meanwhile, many scholars agree that trickle down effects do not work, so that an increase of GDP does not necessarily serve the poor (cf. Robinson 2010; Stiglitz 2010; Vandermoortele 2010). Addison et al. (2008) notice that even in times of economic growth, the chronically poor must often make a living under insecure, low paid, unsafe and unhealthy working conditions. Therefore, policies aimed at economic growth should adopt an explicit pro-poor focus by emphasizing investments in agriculture and social protection.<sup>15</sup> In terms of the former, CPRC proposes investments in transport infrastructure so as to ,thicken' local markets and make small producers less dependent on local elites by linking them to regional marketing opportunities. In addition, investments in education would help to increase agricultural productivity and to make migrants from rural areas more successful. Last but not least, information should not only be spread through agricultural extension, but additionally through private, public and non-governmental agencies.

### ***Adjusting global policy priorities: social protection***

In terms of social protection, Addison et al. (2008) put particular emphasis on state-run social protection, because traditional forms of social protection within families and other social networks would increasingly fail. They argue that the chronically poor are often unable to engage in migration which can produce new securities in the form of remittances. In addition, globalization can bring along new risks requiring new safeguard mechanisms for the most vulnerable. The authors rule out private social protection as an option because private contractors hardly ever operate in remote areas, making their services unaffordable for the chronically poor.

However, critics such as Armando Barrientos, BWPI expert on the linkages between welfare programmes and labour markets in developing countries, note that a top-down implementation of a state-run social protection programme has little chances of success without a supportive political and economic environment (Barrientos 2010). This would be why the poverty reduction effect of social insurance schemes would have been rather limited so far. Palme (2010) adds that successful European models cannot simply be transferred to developing countries, but that their underlying principles may serve as useful guidelines.

The need for better social protection is also stated by the UN. In a position paper published prior to the MDG+10 summit (UN 2010b, 14), it is noted that

*“ensuring universal access to social services and providing a social protection floor with wide coverage are essential to consolidate and achieve further gains in achieving the Millennium Development Goals.”*

The UN further notes that the consequences of the recent economic and financial crises were most severe where people could not rely on a functioning social protection

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<sup>15</sup> In addition, Addison et al. (2008) argue for ,strategic urbanization' policies, i.e. to link poor regions with economic potential to cities, and to tackle social discrimination against migrants in urban labor markets.

system. In addition, the crises would often have pushed the already poor further into deprivation, thus causing a further weakening of existing, socially embedded forms of social protection. The UN concludes that countries should therefore institutionalize universal social protection schemes: „Social protection schemes are not merely desirable, but are a sine qua non for inclusive development by addressing inequality and social exclusion“ (ibid.). The provision of such basic social protection schemes would be fiscally affordable for many developing countries, while LDCs would need sustained financial assistance to establish and run such schemes. From this point of view, the UN welcomes the commitment made by the G-20 on 2 April 2009 to substantially support social protection schemes in developing countries (UN 2009, 3). Also the ILO has recently paid increased attention to social protection schemes. By means of its ‚Global Jobs Pact‘, the ILO proposed a range of tested crises-response and recovery measures that focus not only on employment but also on social protection (ILC 2009; UN 2010b, 20).

### 3.2 Multidimensional poverty: interconnected dimensions of poverty

Based on the broad criticism of GDP as a key indicator for MDG achievement, various scholars have begun to propose new indicators which allow to take into account more aspects of poverty and human well-being. According to Cornell economist Ravi Kanbur, today the vast array of available data allows to develop much better indicators than in the past, taking into consideration the multidimensionality of poverty (Kanbur 2010). The Rights-Based Poverty Line (RBPL), one such new approach for defining poverty in a more nuanced way, has been brought forward by NEF (2008). This poverty line is based on the estimated statistical relation between income and indicators of well-being which correspond to different economic and social rights, including nutrition, health, education, housing, access to water, and others. The procedure thus allows to define a poverty line for each country which is at a different level of income, but at the same time establishes an equivalent standard of living which can be compared across different national contexts. The RBPL also presents a much more complex picture of poverty, which is, however, „inevitable if we are to obtain a meaningful picture of the multi-faceted issue of global poverty“ (NEF 2008, 3).

In 2009, the final report of the so-called Sarkozy Commission, edited by Joseph Stiglitz, Amartya Sen and Jean-Paul Fitoussi (Stiglitz et al. 2009) suggested to shift emphasis from measuring economic production to measuring people’s well-being (see also the recent MDG critique by Stiglitz detailed in chapter 2). The recommendation is based on the insight that the focus on income poverty, which has shaped global development policies so far, has failed to adequately address the new challenges emerging from the recent economic crises. Therefore, Stiglitz, Sen and Fitoussi recommend to keep the GDP as an important indicator for certain aspects of development, but to complement it with other indicators.

*“Emphasizing well-being is important because there appears to be an increasing gap between the information contained in aggregate GDP data and what counts for common people’s well-being.”* (Stiglitz et al. 2009, 12)

According to Stiglitz (2010), one way to do so would be to give more weight to sustainability measures, since, while the GDP provides an indication as to how fast the economy is growing, it does not take into account the external costs which arise from this economic growth. These external costs are often at the expense of the environment and/or social equality.

### **The Multidimensional Poverty Index (MPI)**

However, the most recent (and certainly most prominent) contribution to this debate is the Multidimensional Poverty Index (MPI) launched in July 2010 by the Oxford Poverty and Human Development Initiative (OPHI) and the UNDP Human Development Report (HDR). This new index, which was explicitly presented as a means to accelerating progress towards the MDGs, evolved from the critique that most international MDG reports would provide progress on each indicator separately, while no composite indicator had been developed so far. Therefore, the MPI answers to an already earlier stated “need for a multidimensional view of poverty and deprivation (...) and adequate indicator of human poverty” (Anand and Sen 1997, cit. in: Alkire and Santos 2010, 6) by combining different aspects of poverty in one measure.

The index consists of three dimensions of poverty which are equally weighted, and which each consist of two or more indicators (Table 2).

**Table 2:** Multidimensional Poverty Index: Dimensions and indicators (OPHI 2010).

<b>1) Education (each indicator weighted at 1/6)</b>	
1a) Years of schooling	deprived if no household member has completed five years of schooling
1b) School attendance	deprived if any school-aged child is not attending school in years 1 to 8
<b>2) Health (each indicator weighted at 1/6)</b>	
2a) Child mortality	deprived if any child has died in the family
2b) Nutrition	deprived if any adult or child for whom there is nutritional information is malnourished
<b>3) Standard of living (each indicator weighted at 1/18)</b>	
3a) Electricity	deprived if the household has no electricity
3b) Drinking water	deprived if the household does not have access to clean drinking water or clean water is more than 30 minutes walk from home
3c) Sanitation	deprived if they do not have adequate sanitation or if their toilet is shared
3d) Flooring	deprived if the household has a dirt, sand or dung floor
3e) Cooking fuel	deprived if the household cooks with wood, charcoal or dung
3f) Assets	deprived if the household does not own more than one of: radio, TV, telephone, bike, motorbike, or refrigerator and does not own a car or tractor



According to the MPI, a person or household is considered poor if it is experiencing deprivation in at least 30% of the weighted indicators. By 2010, the MPI had been estimated for 104 countries representing 5.2 billion people. Out of these, 1.7 billion people (32%) were identified as multidimensionally poor, most of them living in South Asia and sub-Saharan Africa (OPHI 2010).

In contrast to other measures, however, the MPI not only helps to estimate the number of people living in poverty, but also to specify the composition of poverty as well as differences across social groups, regions, or states. Although most of the MPI's indicators are directly related to the MDGs (except electricity and flooring), the index thus goes one step further by allowing analysis beyond the national level and by showing whether and how different deprivations are related to each other: "If 20% of people are malnourished and 20% of children are out of school, it would be useful to know if these deprivations affect the same families or different ones. With the MPI, we can answer this (...) [and] help policymakers to see where challenges lie and what needs to be addressed." (Alkire 2010). Therefore, the authors of the MPI put particular emphasis on the interlinkages between different MDGs by showing how certain MDG indicators can be means to other MDGs, how certain interventions targeted at one particular goal may affect other goals as well, and how such interlinkages may evolve and change over time (ibid.).

### 3.3 Subjective poverty measures

Although the RBPL and MPI account for more poverty dimensions and aspects than the usual MDG measures, they nevertheless continue to rely on purely objective indicators which are relatively easy to measure. However, more radical approaches demand a fundamental rethink of global poverty measurement by including the subjective or psychological measures of well-being. As a conclusion of his fierce criticism of global poverty measurement, Deaton (2010) suggests, for instance, to use an approach developed by the Gallup World Poll,<sup>16</sup> whose focus on people's well-being would allow to overcome the measurement and comparison problems by focussing on soft, qualitative data. In short, the so-called Gallup Healthways Well-Being Index, which was mainly designed for the United States and refers among others to the work of Kahnemann, Diener and Deaton, measures six well-being domains, i.e. life evaluation, emotional health, physical health, healthy behaviour, work environment, and basic access (Gallup 2009, 8). Thus, the approach allows to keep the objective dimensions of poverty and well-being while complementing them with the subjective perspective of the concerned people.

Taking up the idea, McGregor and Sumner (2009; 2010a; 2010b) put forward the concept of '3D Human Well-being'. Criticizing the MDGs essentially negative understanding of poverty and their narrow focus on income and a few human development indicators, McGregor and Sumner propose to think along three core dimensions of human well-being: Material well-being (what people have), relational well-being (what

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<sup>16</sup> See <http://www.gallup.com/se/social-economic-analysis.aspx>

people can do with what they have), and subjective well-being (how people think about what they have and can do). While the first two dimensions – with their positive perspective and their notions of assets and strategies – refer to livelihood thinking, the third dimension introduces the subjectivity of individual perceptions of human well-being and poverty. Thus, the perspective acknowledges that poverty and well-being can be experienced in profoundly different ways, depending on local circumstances and individual perception. Consequently, McGregor and Sumner propose to rethink future policy interventions along these three dimensions (Figure 5).

Types of Intervention \ Dimensions of Wellbeing	Material Dimensions of Wellbeing	Relational Dimensions of Wellbeing	Subjective Dimensions of Wellbeing
<b>Capabilities</b>	Asset transfer schemes; credit and savings schemes (e.g. MDG 1)	Human and skills development schemes; Empowerment programmes (e.g. MDG 2)	The social and cultural dimensions of education programmes (e.g. MDGs 2, 3, 5, 6)
<b>Conditions</b>	Land reform; The regulation of markets (e.g. monopoly regulation, moneylending, trading weights and measures)	Legal reform; Rights-based approaches; Governance reforms	Societal campaigns for social and cultural reform (e.g. dowry campaign)

**Figure 5:** Interventions for 3D Human Wellbeing (McGregor and Sumner 2009).

Although the various MDGs can easily be located within this matrix, the approach brings forward a fundamental change. While the currently dominating development practice centres around income-based and human development indicators which rest upon material and reportable dimensions of human well-being, the 3D Human Well-being approach introduces a combination of ‘needs satisfaction’, ‘human agency’- and ‘quality of life’-indicators (McGregor and Sumner 2009, 2). Such a perspective forces policy makers to consider the consequences of their interventions for the improvement of material well-being. In essence, McGregor and Sumner (2009, 2) thus do not demand to shift away the policy focus from improving people’s material well-being, but to widen the focus by putting material well-being in relation to human values, relationships, norms, and behaviours.

### 3.4 Rights-based approaches: poverty as the denial of human rights

Rights-based approaches present yet another way to conceptualize poverty and think about poverty alleviation. For the UN (2010b, 2), the MDGs are “an expression of basic human rights: the rights of everyone to good health, education and shelter.” Human rights advocates however criticize that the MDGs do not adequately reflect states’ obligations under international human rights law (Abraham 2010; Amnesty International 2010; Khan 2010). From their point of view, the deprivation of basic human rights – and thus powerlessness – was the main cause of poverty. Khan (2010) distinguishes four closely interlinked ways in which the denial of basic human rights fosters



poverty: First, the denial of participatory rights results in the denial of political voice, i.e. people's ability to speak up and influence political debates and decision-making. Second, the denial of economic and social rights results in economic deprivation, e.g. through limited access to networks of production and marketing. Third, the denial of the right to physical and social security causes insecurity, which aggravates people's livelihoods prospects by hampering their ability to plan ahead. Fourth, the denial of the right to equal treatment and opportunities results in discrimination and inequality.

According to Khan (2010), the MDGs account for deprivation through their focus on income poverty, food, and health, but ignore the denial of voice, insecurity and discrimination (see also Abraham 2010). This was because the MDGs would still believe in the poverty alleviating effects of overall economic growth at all levels of a society. Unfortunately, though, authoritarian regimes would often have better GDP growth rates, which would curb the donors' interest to promote human rights standards and democratization procedures. By contrast, though, Fukuda-Parr (2008, 11f) shows that many donor countries (not multilateral donors) nevertheless internalized human rights standards as an important – if not the most important – principle, in their development strategy papers.

Thus, the UN, national and multilateral donors as well as recipient countries all weigh the role of basic human rights for development and poverty alleviation differently. This is why Amnesty International (2010) demands to institutionalize human rights globally:

*“Review consistency with human rights standards – states should review all existing and planned laws, policies and programmes linked to the MDGs to ensure consistency with international human rights standards. This review should ensure that the views and experiences of those affected by MDG initiatives are heard and taken into account.” (AI 2010, 4)*

Unlike others who demand administrative mechanisms to ensure national policy coherence for development (see for instance the respective debates in Switzerland), Amnesty International thus demands national policy coherence for human rights. The difference is that – as the whole MDG debate shows – the notion of development is often vague and contended, while the Universal Declaration of Human Rights is a list of formal principles to which national governments can be held accountable.

## 4 Conclusions and Recommendations for Further Research

The Millennium Development Goals did not emerge 'out of the blue' following the UN Millennium Summit in 2000, but were the result of a long process of intense debates about global human development and international goal setting. While much of these debates took place in a series of broad-based international conferences during the 1990s, essential discussions also took place between the UN and other multilateral organizations such as the OECD, the World Bank or the IMF. In the end, the MDGs were strongly shaped by poverty concepts brought forward by the OECD (through its formerly used International Development Goals), and thus a strong focus on economic growth as the panacea for global poverty alleviation. Thus, the MDGs reflect only a very limited part of the holistic human development vision endorsed in the Millennium Declaration.

Since then, the MDGs have become the leading global development policy framework, and had an unprecedented impact on donors worldwide. Not only has global ODA spending increased a lot over the last ten years, but large donors have also increasingly directed their aid flows towards those countries most in need, i.e. Least Developed Countries (LDCs). Nevertheless, progress on the Goals has been uneven and sluggish. While regions like East and Southeast Asia are on the way to achieve most of the MDGs by 2015, other regions such as Sub-Saharan Africa or South Asia are seriously lacking behind. Thus, while the MDGs will be achieved in some parts of the world, many countries will not even succeed to achieve one of the eight Goals by 2015. Undoubtedly, the recent global economic and financial crisis has additionally hampered the MDG process, or has even reversed promising trends.

The slow progress on the MDGs has given additional momentum to the broad-based criticism about the MDGs, about their inherent concepts of poverty and poverty alleviation, as well as about the ways used to implement them 'on the ground' and to measure and compare progress. Most criticism has evolved around the Goals' simplistic conceptualization of poverty (i.e. income poverty), around related problems of poverty measurement and monitoring (GDP, PPP), as well as around the policies which resulted from this conceptualization. Consequently, the MDGs have also become challenged for their neglect of the structural causes of poverty, including aspects of trade, finance and governance imbalances at the global level. It has also been pointed out that most countries have not actively adapted the Goals according to their own needs, but have simply adopted them without taking real ownership.

### ***Dilemmas of global development goals***

Thus, the global MDG debate points towards a fundamental dilemma inherent to global development goals. On the one hand, the MDGs have been immensely and unprecedentedly successful in reinvigorating ethical interest in global human development; they have triggered debates all over the world and at all levels, have forced multilateral donors, national governments and NGOs alike to adjust their focus and rethink their

ODA strategies; and they have (probably) caused an unprecedented rise in global ODA spending. It may be assumed that all this would hardly have been possible with a more elaborated set of goals and a less catchy slogan than 'Let's halve poverty by 2015!'. This is also why some authors insist not to expand the list of goals and targets after 2015. According to Waage et al. (2010, 6),

*"the parsimony of the MDGs, which has probably facilitated their acceptance and use, makes them at the same time limited in scope, whereas their quantitative targets and precise indicators, for all their value in providing measurable outcomes, often fail to capture some crucial elements of goal achievement. We have to accept that all goal setting involves such trade-offs."*

A second dilemma results from the fact that the MDGs have been formulated within the global aid architecture, and that they depend on this architecture in order to become effective. For instance, PRSPs have become the main mechanism for brokering the Goals at the national level, although in the eyes of many observers, they do not foster open and participatory debates on the elaboration of meaningful national targets. Thus, donors and recipients often continue to set their own priorities. While some emphasize the importance of human rights, others prioritize investments in overall economic growth without particular consideration of the needs of the poor. This is because the MDGs are by far not the only – and certainly not the most important – reference for the formulation of development policies and interventions. While donors often retain their own priorities and principles (compare for instance the report on Switzerland), developing countries are often subject to other, more powerful constraints, including longstanding partnerships with (or dependencies on) bilateral and multilateral donors. In view of the powerful, highly complex and highly politicized global aid architecture, refining global goals and targets will thus hardly suffice to improve global poverty alleviation. Therefore, as Kanbur (2010) rightly suggested, global development goals and structural reforms of the global aid architecture should be separated from each other.

Consequently, it should at least be asked whether making future development goals more complex would really support the cause of global human development. On the one hand, a complex set of sophisticated goals may create a risk that could gamble away the hitherto unprecedented public and private support for global ODA. On the other hand, more complex global goals would entail the problem of how to adapt them at the national level. Therefore, it maybe more useful to have a broad-based, participatory process at regional and national level in order to formulate locally specific goals, targets and indicators. In order not to lose sight of common values and objectives, these debates should be grounded in the holistic vision for human development laid out in the Millennium Declaration. Such a bottom-up approach may also allow to overcome the persisting north-south (or donor-recipient) dichotomy still inherent to the MDGs (most donor countries feel responsible for MDG-8 only).

### ***Key issues for further research and discussion***

All in all, these ongoing debates raise a few issues which may need more reflection in view of the upcoming post-2015 discussions.

- **Debating a post-2015 framework from the bottom-up:** The demand for a broad-based, participatory process at the regional and national level in order to formulate a post-2015 framework is well justified. However, initiating such a process entails many pitfalls. First of all, the following questions arise: who should be involved in such debates at the national or regional level, how can exchange between various stakeholders take place, and how can it be ensured that local views and demands are taken further?.
- **Local perceptions of ,poverty' and ,development':** Understanding the heterogeneity of local perceptions of ,poverty', ,poverty alleviation' and ,development' is crucial to make bottom-up processes work. In addition, well-being approaches emphasize the importance of local perceptions and individual differences for the definition of new development indicators (compare 3.3 above). Given the existing expertise and the amount of empirical evidence on local poverty debates and the interactions between (and differing perceptions of) local stakeholders and ,development specialists' (including the state), this could be a field for valuable contribution from research.
- **Rights-based approach:** Given the strong lobbying for a rights-based development approach and the fact that already now, many donor countries focus more on human rights than the MDGs do, it seems probable that a post-2015 framework will come up with a more explicit link to basic human rights. From a critical research perspective, the question arises whether and how the assertion of basic human rights can effectively alleviate poverty, what role they play in local perceptions of development and well-being, and how they can effectively be ensured in a fragile, legally insecure context.
- **Examining national MDG adaptation and adoption procedures:** Research has shown that many recipient countries have simply adopted the globally defined MDGs, rather than adapting them to their own domestic circumstances and needs. Based on evidence from various countries on different continents, research may be able to show how such poorly adjusted poverty goals affect local realities (or why they fail to have any effect at all). Thus, it may be shown why poverty goals, which are firmly rooted in a particular context and driven by local needs, may be more effective than all-encompassing goals defined in far-away New York.
- **Measuring qualitative aspects of poverty:** Meanwhile there is a broad consensus that a quantitative approach falls short of the multiple aspects of poverty, of which many cannot easily be measured in monetary terms. Linking up with ongoing debates on concepts of well-being, research findings may help to understand how other, qualitative aspects of poverty and deprivation can become part of a more comprehensive approach to poverty and poverty alleviation after 2015, and how they could be operationalized for monitoring and evaluation.

- **Disentangling economic growth and poverty:** Although the once strong belief in trickle-down effects has weakened in recent years, many actors – including the IFIs and many national governments – still regard overall economic growth as the only way to effectively alleviate poverty. This often leads governments to favour liberal trade policies over other, more pro-poor policies. .

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## Working Paper Series, SRP 4 “MDGs”

**The present study is part of the Working Paper Series for the Special Research Project on “Poverty-oriented development policy beyond the Millennium Development Goals”.**

With 2015 fast approaching, a sense of disenchantment is growing in some circles as many working towards the high-profile Millennium Development Goals realise how far out of reach they remain. Disillusionment is already giving way to critical reflection, however, and the contours of a new critical discourse on global poverty and development are beginning to emerge. Many have begun questioning implicit norms and assumptions that underpin the MDGs. Critics see the first goal in particular – “to reduce by half the proportion of people living on less than a dollar a day” – as subtly re-enforcing a mainstream view of poverty couched in ideals of global capitalism and market growth.

An NCCR North-South working group is examining the emerging critical debates, which are likely to shape development policy and interventions for years to come. The working group is seeking to generate an overview of the debates within a range of specific countries, i.e. India, Nepal, Pakistan, Ethiopia, Ivory Coast, Costa Rica, Bolivia, and Switzerland. The overviews will define core dimensions that characterise these debates, and critically assess them in light of NCCR North-South research findings. This will help formulate recommendations for a post-2015 development agenda based on differentiated experiences and understandings – globally and locally – of poverty, poverty alleviation, and well-being. Please follow the project at <http://www.north-south.unibe.ch/content.php/page/id/320>

The present Working Paper by Bernd Steimann provides the working group with an overview of related debates at global level. Responsibility for its content rests with the author.

Zurich / Bern, May 2011, Urs Geiser and Didier Péclard, Project Coordinators

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In 2000, 189 UN member states signed the United Nation's Millennium Declaration and committed to working towards achievement of the Millennium Development Goals (MDGs) – a set of eight time-bound global development goals to be achieved by 2015. Since then, the MDGs and their catchy objective of "halving poverty by 2015" (MDG-1) have become the leading global development policy framework, and had an unprecedented impact upon the global donor community. Nevertheless, progress on the Goals has been uneven and sluggish. This has triggered a large number of critical debates both among and between scientists, policy makers, and the wider public.

The present paper provides an overview of these critical debates and analyzes the various concepts of poverty and poverty alleviation they are based upon. It shows that while most MDG critics unanimously reject the Goals' simplistic, predominantly economic poverty approach, opinions often differ when it comes to the exact causes of poverty and – consequently – to what is the 'right' way of effectively alleviating poverty worldwide. Examining some of these conceptual alternatives - including chronic, multidimensional, and subjective poverty, as well as rights-based approaches – the report identifies a number of fundamental dilemmas inherent in the MDGs and asks whether making future development goals more complex would really support the cause of global human development.

The NCCR North-South Dialogue Series presents reflections on research topics of concern to programme members throughout the world.

*dialogue*