



EADI Policy Paper Series

THE POST-2015 DEVELOPMENT AGENDA: A REVIEW OF THE DEBATE AND POTENTIAL ELEMENTS OF A JOINT EU STRATEGY

Andy Sumner¹ and Thomas Lawo²

February 2013

¹ Co-Director, King's International Development Institute, King's College London

² Executive Director, European Association of Development Research and Training Institutes (EADI). Special thanks for research assistance to Ana-Maria Baban and Joan Okitoi. Special thanks also to Juergen Wiemann for important comments and feedback on an earlier draft of this paper.

Executive Summary

Progress in poverty reduction under the MDGs

- At a global level, achievements of the MDGs measured by indicators for income poverty, gender and water in terms of reduction are ‘on track’ whereas nutrition, primary completion and child mortality are considered ‘off-track’ with maternal mortality being very ‘off-track’.
- The incidence of income poverty at \$1.25 (MDG 1a) has fallen from 43 percent in 1990 to 22 percent in 2008 and is projected to fall to 16 percent in 2015 (according to Chen and Ravallion, 2012; World Bank, 2012:3).
- However, if China is removed, the total number of people under \$1.25 has barely changed since 1990 while the number of people under the \$2 poverty line has slightly increased.

Changes in the nature of poverty and inequality

- Over time global poverty is increasingly becoming a matter of domestic inequality because the majority of the world’s poor by income and multi-dimensional poverty measures now live in countries categorized by the World Bank as middle-income countries.
- It is important that the discussion of poverty in MICs does not distract from the reality that LICs typically have higher rates of poverty incidence. That said poverty rates in MICs remain surprisingly high given average income and income growth.
- This new ‘geography of poverty’ (the world’s poor do not live in the world’s poorest countries) raises questions about the usefulness of country classifications and about the types of economic growth that leads some countries to reduce the number of people in extreme poverty and other countries not to. Although the thresholds do not mean a sudden change in countries when a line is crossed in per capita income, substantially higher levels of average per capita income imply substantially more domestic resources available for poverty reduction and – most importantly for donors – the current aid system does treat countries differently if they are LICs or MICs

Post-2015 discussions so far

- The United Nations (UN) has set up a UN System Task Team and a High-level Panel appointed by Ban Ki-Moon. The discussion on beyond-2015 development, has engaged a broad set of stakeholders to provide a broad range of views on this topic.
- Three key positions have emerged from the ongoing debate; a ‘zero’ narrative, an ‘equity’ narrative and a ‘sustainability’ narrative. The zero narrative proposes an elongation of the MDG deadline to 2030 in order to ‘finish the job’ and end extreme poverty. The equity narrative advocates the revitalization of MDGs to address issues of inequality and poverty disparities. The sustainability narrative seeks to address poverty and the environment. The latter outlook would be bolder and more ambitious.

Key components of a joint EU strategy

- The EU needs to decide if it wants a new set of goals. Evidence on the impact of the current MDGs is – at best – difficult to discern.
- A new post-2015 framework might be best gauged by its symbolic value to global partnerships and multilateralism.
- Any post-2015 will need to contend with the fact that many MICs will need and want “traditional aid” less and less as domestic resources expand. However concessional loans will still be useful even if grants are less appropriate given that resources of these countries are growing.
 - a. A joint EU strategy for engagement in the post-2015 debate that takes into account the changing distribution of global poverty is necessary and could include the following 5 principles:
 - b. A focus on the chronic, long-term poor, wherever they live and a new priority of ensuring the benefits of growth and public spending are equitably distributed
 - c. A focus on new resources to support the building of domestic taxation systems and the regulation of tax havens and untaxed capital flight from MICs
 - d. Supporting and expanding inclusive policy processes with people living in poverty by jointly convened policy spaces of donors, and MIC governments and civil society organisations
 - e. Co-financing ‘traditional’ global public goods such as vaccination programmes and ‘new’ global public goods including knowledge and research related to public policy choices such as social protection programmes between MICs and LICs
 - f. Ensuring policy coherence across donors’ policies with an impact on developing countries on sectors such as trade and migration

Table of Contents

Executive Summary	2
1. Introduction	5
2. Poverty Reduction	5
2a. <i>Progress in poverty reduction</i>	5
2b. <i>The impact of the MDGs</i>	7
3. The new geography of global poverty	11
3a. <i>The shift of world poverty to middle income countries</i>	11
3b. <i>The drastically falling costs of ending poverty</i>	15
3c. <i>Rises in inequality where most of the world's poor live and the emerging though insecure middle classes</i>	16
4. Discussions so far on the post-2015 Agenda: A Review	18
4a. <i>Review of official documents</i>	18
4b. <i>Review of academic literature</i>	24
4c. <i>Options for a post-2015 framework (based on review of research)</i>	29
5. Conclusions and key elements of an EU strategy	34
Key components of a joint EU strategy	35
References	36
Annex I: Poverty Indicators – The state of the art	41
Human wellbeing: Areas of study, determinants, indicators and examples of existing datasets	43

List of Tables

Table 2.1 Global MDG Progress
Table 2.2 Evidence on MDG impacts
Table 2.3 Top Ten Most Commonly Selected MDG Priorities in 22 PRSPs and 20 donor programmes
Table 3.1 Proportion of global poverty, and poverty incidence in LICs and LDCs, \$1.25 and \$2, 2008
Table 3.2 Distribution of world poverty by low and middle income and fragile States combinations, 2008 (\$1.25)
Table 3.3 Number of LICs and MICs (GNI US\$ per capita, Atlas)
Table 3.4 Estimates of the total poverty gap as % GDP, PPP\$ constant 2005 international \$) by \$1.25 and \$2 poverty line in 2008/9
Table 4.1 UN Process Timeline for 2012-2013
Table 4.2 Peoples' Perspective for a Post MDGS Development Framework
Table 4.3 Three stylised approaches to a post-2015 global framework

1. Introduction

This paper seeks to capture the major elements of global development efforts through the MDGs and in preparing for a global development agenda beyond the year 2015 to contribute to the post-2015 discussion.

The paper does the following:

- i. Looks backwards at trends in poverty reduction during the MDG period (1990 – present) and the impacts of the MDGs;
- ii. Looks forward and makes projections for levels and patterns of poverty over the next 10-20 years and discusses emergent issues including the ‘new geography of poverty’;
- iii. Reviews official documents and research papers and outlines three narratives and options for a post-2015 framework;
- iv. Makes proposals for key elements of an EU strategy.

In doing so the paper asks: what is the global poverty ‘problem’ any future global agreement it is to address and how has it changed since the first generation of MDGs? And what does the changing nature of the poverty ‘problem’ imply for any future global agreement?

The paper is structured as follows: Section 2 looks backwards at poverty reduction under the MDGs. Section 3 looks at the changing nature of the poverty ‘problem’. Section 4 reviews the post-2015 debate to date. Section 5 concludes.

2. Poverty Reduction

2a. Progress in poverty reduction

A key question is whether poverty reduction is faster or slower in the MDG period (than in the time period before). Of course, it will not be clear if the MDGs were met in 2015 until data is available in 2017-2019 and for some goals we will never know due to contested data (maternal mortality for example) or the lack of baseline data for 1990 for a significant number of countries (Sumner and Melamed, 2010). Furthermore, there may be remaining question marks given the numerous revisions made to some MDG data over the last few years (see Leo and Thuotte, 2011).

Equally problematic, is that the extent of poverty reduction under the MDG regime depends significantly on the methodology used to assess. Take the international poverty lines such as \$1.25 and \$2 a day which are inherent in Target 1.a. Whereas a \$2 a day international poverty line is conceptually stronger in the sense that it is the median average of poverty lines for all developing countries (Chen and Ravallion, 2008) and close to the poverty lines defined by poor people (see Narayan et al., 2009, p. 13), the lower threshold remains dominant in international policy debates and MDG-related discussion.

It is possible to say that the incidence of income poverty at \$1.25 (or MDG 1a) has fallen from 43 percent in 1990 to 22 percent in 2008 and is projected to fall to 16 percent in 2015 – In short that MDG has been met (Chen and Ravallion, 2012; World Bank, 2012: 3). However, this measure remains contested (see Pogge, 2012) and it is well documented that this goal of halving world poverty will be met largely due to growth in China (Bourguignon et al., 2008; Chen and Ravallion, 2012). Indeed, if China is removed from the world poverty data the total

number of people under \$1.25 has barely changed since 1990 and the number of people under the \$2 poverty line has risen slightly.

Further, different interpretations can be reached across the various targets depending on the question posed in terms of level and form of assessment. At a global level, indicators for the seven key MDGs (income poverty, primary completion, gender equality in education, nutrition, child mortality, maternal mortality, and water) have all improved since 1990. Three of these seven MDGs are ‘on-track’ (income poverty, gender and water) in terms of the degree of reduction, three are ‘off-track’ but not too badly so (nutrition, primary school completion and child mortality) and one is very ‘off-track’ (maternal mortality) (Kenny and Sumner, 2011). Further, there has been faster progress in the 2000-2008 period for income, primary completion, child and maternal mortality than in the 1990s. However, when one turns to country level, only half of countries are ‘on-track’ for the income, education, gender and water MDGs and a quarter to a third of countries are on-track for nutrition, child mortality and maternal mortality.

Fukuda-Parr and Greenstein (2010) argue that one should compare the rate of annual progress both before and after the introduction of the MDGs. Overall, across all developing countries, they find evidence of acceleration of poverty reduction is very limited: only income poverty reduction and water access were accelerated in more than half of all countries. However, acceleration in the least developed countries and Sub-Saharan Africa was better, with half or more countries accelerating on four or five of seven key MDGs. Leo and Barmeier (2010) have constructed the Center for Global Development’s MDG Progress Index which assesses how far a country is above or below the trajectory to meet the MDGs, which gives slightly lower ‘on track’ ratings than the World Bank’s and IMF’s Global Monitoring Report.

Table 2.1 Global MDG Progress

MDG	Improvement Since 1990? (Kenny and Sumner, 2011)	Distance progressed to Goal (100% = Goal attained) (World Bank, 2011)	On Track? (Kenny and Sumner, 2011)	Faster Progress 2003-2008 compared to 1990-2001/2? (Fukuda-Parr and Greenstein, 2009)	Faster than Historical Patterns? (1970-2000 vs 2000-2009) (Kenny and Sumner, 2011)
Poverty	Y	80	Y	Y	
Undernourishment	Y	77	N	N	
Primary education	Y	90	N	Y	N
Gender equality in primary education	Y	96	Y	N	N
Child mortality	Y	69	N	Y	Y
Maternal mortality	Y	57	N	Y	Y
Drinking water	Y	88	Y	N	

Source: Kenny and Sumner (2011).

Note: See original sources for methodology. Studies chosen here are considered to be “best available” estimates. Empty cells indicate insufficient data to make judgment.

The latest World Bank (2012: 3) poverty projections are that there will be 1 billion extreme poor (at \$1.25) in 2015. This is based on dynamic inequality modelled on a set of assumptions.

The fact that most of the remaining world's poor – by income and multi-dimensional poverty – now live in middle-income countries (MICs), who have attained MIC status through a decade or more of sustained economic growth, raises questions about who is 'left behind'.

Interest in such questions of poverty disparities is (re)emerging in policy debates around the Millennium Development Goals (MDGs) and any post-2015 goals (see for discussion, Melamed 2012; UNDP 2010; UNICEF 2010; UN 2012; Vandemoortele and Delamonica 2010). Indeed, who the remaining poor are is an important question in itself for any successor framework to the MDGs.

Numerous publications of the Chronic Poverty Research Centre (see summary of ten years of research in Shepherd 2011) note that there are a number of individuals, households and social groups *more likely* to experience chronic poverty (meaning long-run poverty). Hulme *et al.* (2001 p.21) argue that these include not only gender dimensions at different life course stages but also those members of marginalised social groups, ethnicities and people living in remote rural areas.

The literature on longitudinal poverty analysis in developing countries is rapidly expanding (see recent edited volumes by Addison *et al.* (2009) and Baulch (2011) for example. Panel studies – with caveats – also point towards the importance of spatial and social characteristics and their association with those who *remain poor*.

For example, in their wide-ranging critical review of studies of 'poverty mobility' or movements in and out of poverty, Dercon and Shapiro (2007 p.30) note that many studies point towards the movement out of poverty being associated with household endowments of education and assets and community characteristics. They note:

In the last few years, many more panel datasets have become available from developing countries. A number have been used for the analysis of poverty mobility and its correlates. Most research has found that household and community endowments, such as assets and infrastructure, matter for allowing people to move out of poverty, while shocks and risk make and keep people poor. Nevertheless, it is difficult to generalize which factors matter most in different contexts.

2b. The impact of the MDGs

The available evidence on the effects of the MDGs is summarised below.³ In the quest for alliteration, albeit with an underlying logic of impacts at various 'moments' in the policy process - they have been categorised as follows: adoption (in policy); adaptation (to locally defined goals, indicators and targets); allocation (of resources); aberrations (and unintended distortions); and acceleration (of MDG progress in actual poverty reduction outcomes – see earlier discussion).

³ This section partly draws upon Sumner and Tiwari (2011) and for further details see Sumner and Lawo (2010).

Table 2.2 Evidence on MDG impacts

Channel of impact	Key findings
Adoption in global policy discourse, and in PRSPs and donors statements	Global – high impact; PRSPs – medium impact; Donor statements – medium impact.
Adaptation to locally defined goals, indicators and targets	Good evidence of impact in some countries but mixed/unclear and needs more systematic research.
Allocation (of resources) towards social spending by donors and governments	High impact on Overseas Development Aid (ODA) and sub-sector allocations to MDG related areas such as primary education and infectious diseases. Unclear impact on government social spending.
Aberrations distortions and other forms that expected	Unclear in general but evidence of poorest quintiles with considerably higher deprivations than average indicators and comparison of net primary and teacher ratios. For example, evidence in sub-Saharan Africa suggests net primary enrolment may have improved at the expense of education quality.
Acceleration of poverty reduction post-2002	Globally – weak evidence of ‘acceleration’; Least Developed Countries and SS Africa - acceleration stronger.

Sources: Bourguignon et al. (2008); Fukuda-Parr (2010); McKinley (2010); UNDP (2010); Vandemoortele and Delamonica (2010).

Recent analysis by Manning (2009 p.25-26) suggests that the influence of the MDGs on the international poverty discourse was “strong, and significantly stronger than previous attempts to use indicator sets to highlight issues”. He cites as evidence the regular ‘MDG Reports’ and Global Monitoring Reports issued by both various multilateral agencies, the national and international work of UNDP, high-level events, the use of the MDGs in G8 Summit discourse and the use of MDG target data in agendas such as Education for All. At the country level, adoptive effects are more diffuse. In terms of Poverty Reduction Strategy Papers (PRSPs) and donor statements, Fukuda-Parr (2010 p.29) notes that “All but four of the 22 PRSPs reviewed emphatically state commitment to the MDGs as a principle” and most include key MDG priority areas. However, as her table shows below, some were more prominent than others. Multidimensional poverty (including income poverty, education and health) is often the stated central policy objective of most bilateral aid programs but “some objectives such as maternal mortality and child survival receive surprisingly limited emphasis” (Ibid.)

Table 2.3 Top Ten Most Commonly Selected MDG Priorities in 22 PRSPs and 20 donor programmes

MDG priority	Action plan outlined	Pillar or core objective	Targets defined
Most included among PRSP priorities			
Primary schooling – MDG 2	21	20	21
Health (general) – MDG4-6	20	19	20
Income poverty – MDG 1	18	15	21
Governance (rule of law, corruption)	18	11	3
Water & sanitation – MDG 7	18	6	21
Gender equality (general) – MDG 3	16	4	8
HIV/AIDS and other diseases – MDG 6	15	7	17
Employment (general) – MDG 1	14	9	7
Hunger – MDG 1	14	2	1
Social integration/vulnerable groups- MDG 6	13	6	0

Most included among donor priorities

	Core priority	Important but not core priority
Environment – general	19	0
Human rights	17	0
Education – general	15	0
Governance	15	1
Peace and Security	15	4
Health – general	14	0
Democracy	14	0
Income poverty	13	1
HIV/AIDS and global diseases	12	1
Water and sanitation	10	1

Source: Fukuda-Parr (2010: 31).

At the country level, there is some evidence of local adaptation insofar as locally defined MDGs have been added in a number of countries – Afghanistan, Albania, Azerbaijan, Benin, Bhutan, Cambodia, Cook Islands, Kenya, Kosovo, Mongolia and Vietnam. Furthermore, a recent UNDP/Columbia University study of thirty countries revealed that 25 had adapted the MDG goals or indicators. Yet evidence remains relatively thin in this area.

In terms of aid and government spending, Kenny and Sumner (2011, p.4) note on MDG impacts that:

As can be seen, the 1990s were a period of stagnation in aid flows while the period since the Millennium Declaration has seen resurgence in growth of aid flows. Between 2000 and 2009, ODA climbed from \$72 to \$128 billion (Levels were no higher than in 1991 measured as a percentage of rich country GDP, however). Furthermore, aid flows shifted towards income groups and countries that faced some of the greatest challenges meeting the MDGs. As can be seen, the growth in global aid flows was focused on low income countries, with per capita allocations rising from \$27 to \$47 between 2000 and 2009... The sectoral allocation of aid flows also suggests a greater focus on ‘MDG priority areas.’ Of course, aid is controlled by the same agencies that agreed the DAC targets, suggesting that it is possible the aid shift to social sectors might have occurred even absent the MDGs... ... the total increase in aid flows was, interestingly, about the increase called for by MDG costing studies.

Also discussed is domestic spending on health and education in LICs and MICs:

While it is hard to detect a trend, as GDP/capita grew in the vast majority of developing countries during the last decade, there will have been an increase in absolute per capita spending. The figures suggest that low income countries spend about 8% of their GDP on health and education. This equals about \$41 per capita (at market rates). Compare this to aid funding of around \$7.50 per capita for health and education in low income countries, it is clear that domestic financing decisions would dominate outcomes, all else equal (Kenny and Sumner, 2011 p.5).

And an attempt is made to assess policy changes:

We can consider measures of actual policy change as well as strategies to examine if the MDG period has been associated with improved policies in MDG priority areas. One measure is provided by the World Bank’s Country Policy and Institutional Assessment (CPIA) process, which (inter alia) scores low-income countries on their development policies and the quality of their institutions, with scores from 0 (absent) to 6 (perfect). It does this against a consistent questionnaire instrument to reduce subjectivity in the scores... The scores suggest minor improvement in scores for East Asia and Eastern Europe, but the broader story is one of stagnation –with no region seeing an improvement greater than 0.2 on a 0 to 6 scale. The Social Inclusion index of the CPIA is designed to measure policy efforts towards gender equality, equity of public resource use, building human resources, social protection and labor and policies and institutions for environmental sustainability... [O]nce again, there is no evidence of strongly improved outcomes (Kenny and Sumner, 2011, p.7).

3. The new geography of global poverty

3a. The shift of world poverty to middle income countries

A major shift in global poverty has taken place over the last two decades: Much of world poverty has moved from low income to middle income countries in the sense that some of today's major MICs have graduated to this status. However, it is not that poor people have moved – rather the countries that many of the world's poor live in have got significantly better off in average income and 'graduated' to MIC status whilst often poverty has fallen as much as one might expect.

The majority of the world's poor, by income and multi-dimensional poverty measures, live in countries classified by the World Bank as middle-income countries (Alkire et al. 2011; Chandy and Gertz 2011; Glassman et al. 2011; Kanbur and Sumner 2011a, 2011b; Koch 2011; Sumner 2010, 2012a; 2012b). Such patterns matter beyond the thresholds of low-income countries and middle-income countries (LICs/MICs) set by the World Bank, because they reflect a pattern of rising average incomes and although the thresholds do not mean a sudden change in countries when a line is crossed in per capita income, substantially higher levels of average per capita income imply substantially more domestic resources available for poverty reduction.

In terms of robustness by data coverage; the new PovCal (2012) data covers 84 per cent of the population of LICs and 98 per cent of the population of MICs. There are very few countries missing data altogether.⁴

It is estimated that most of the world's poor in 2008 (by both \$1.25 and \$2 international poverty lines) lived in South Asia and Sub-Saharan Africa (see Chen and Ravallion; 2012). In contrast, in 1990 half of the world's poor lived in East Asia and the Pacific, mostly in China (see Chen and Ravallion, 2008).

In spite of the change in the global distribution of poverty, it is important of course to note that LICs (and LDCs) typically have higher rates of poverty incidence and larger poverty gaps (see Sumner, 2012b; 2012c). Thus any discussion of poverty in MICs should not distract from poverty in LICs.

That said, some MICs do have surprisingly high poverty headcounts (and a higher than expected poverty gap) even at the higher average level of per capita income found in MICs. Across all MICs, the average (population weighted) incidence of poverty is almost one in five of the population at \$1.25/day, and 40 percent at \$2/day. In the lower-middle income countries (LMICs), this rises to 30 percent and 60 percent respectively (see Sumner, 2012a).⁵

Further, there are almost a billion extremely (\$1.25/day) poor people in MICs or a 'new bottom billion' as referred to in Sumner (2012). This is 'new' in the sense it is not the 'bottom billion' originally discussed by Collier (2007, p.3), which was identified as the total population of 58 countries that were "falling behind and often falling apart" (Collier, 2007 p.3). This was based on data from the late 1990s and the turn of the century.

⁴ Most notably are: Afghanistan (29m population in 2008), Korea (23m population), Myanmar (49m population) and Uzbekistan (27m population). Argentina (total population 39m) is not included as it has only urban poverty data in PovCal (2012) (presumably due to its high urbanisation rate).

⁵ For comparison, the LMIC group without India has poverty incidences of 25 per cent and 50 per cent at \$1.25 and \$2 respectively.

Underlying this pattern is a slightly more surprising one when one considers also ‘Fragile States’ and combinations of LICs or MICs and fragile states. In short, the world’s poor are increasingly concentrated in fragile LICs (18.4 per cent of world poverty) and stable MICs (60.4 per cent of the world’s poor). Only 7 per cent of world poverty (90 million poor people) live in ‘traditional’ developing countries – meaning low income and stable (e.g. Tanzania) (see Table).

Table 3.1. Proportion of global poverty, and poverty incidence in LICs and LDCs, \$1.25 and \$2, 2008

	\$1.25 poverty line			\$2 poverty line		
	Millions of people	% world’s poor	Poverty incidence (% popn)	Millions of people	% world’s poor	Poverty incidence (% popn)
Low Income Countries	316.7	25.7	48.5	486.3	20.6	74.4
Middle-income countries	917.1	74.3	19.5	1,871.1	79.4	39.7
LMICs	711.6	57.7	30.2	1,394.5	59.2	59.1
UMICs	205.5	16.7	8.7	476.6	20.2	20.3
China and India	599.0	48.6	24.3	1,219.5	51.7	53.8
Least Developed Countries	317.8	25.8	46.1	497.2	21.1	72.1
Total world poverty	1,233.8	100.0	22.8	2,357.5	100.0	43.6

Source: Sumner (2012c) processed from PovCal Net (2012).

The number of poor people living in ‘Fragile States’ depends both on the definition of ‘fragile states’ as well as the definition of poverty. The above estimates are based on the ‘non-official’ OECD (2012) list of 45 fragile states. The new PovCal (2012) data has high coverage of those 45 countries (see Table). Of those 45 countries 26 are low income and 18 are (lower) middle-income countries (and one country is not classified).

There are 400 million poor (\$1.25) people living in those 45 ‘Fragile States’, who in total account for just under a third of world poverty. 45 percent of the poor in those fragile States are living in countries classified as middle-income and 55 percent in countries classified as low-income. 65 percent live in Sub-Saharan Africa. It is evident that when considering the OECD (2012) ‘non-official’ fragile states list, is more than two-thirds of the poor from fragile States live in just five countries: Nigeria (100 million) Bangladesh (76 million), DRC (55 million), Pakistan (35 million) and Kenya (15.7 million). Similar patterns are even more pronounced if one uses the higher poverty measure of \$2/day.

However, increasingly many fragile states are not low income but middle income, leading the Economist to coin the acronym – MIFFS – middle income failed and fragile states. Of those

45 countries in the non-official OECD fragile states list, 26 are low income and 18 are (lower) middle-income countries (and one country is not classified). This includes such countries as Pakistan, Yemen, Nigeria, Iraq, Ivory Coast, Sudan and perhaps now Libya, Egypt and Tunisia. Whereas the most fragile of fragile states are arguably largely a threat to their own inhabitants, transnational risks are more associated with better-off fragile states. This latter point raises the question of is there a new kind of fragile state and if so what are the implications for international support to fragile states. These may well then be a need for a new focus for stability and peace related to fragile MICs not LICs.

Table 3.2. Distribution of world poverty by low and middle income and fragile States combinations, 2008 (\$1.25)

	LICs	MICs	Totals
% world poverty (%)			
Fragile States	18.4	13.9	32.3
Non-Fragile States	7.3	60.4	67.7
	25.7	74.3	100.0
Poor (millions)			
Fragile States	226.8	172.1	398.9
Non-Fragile States	89.9	745.0	834.9
	316.7	917.1	1,233.8

Source: Sumner (2012c) processed from PovCal (2012).

Note: Fragile States = 45 countries in OECD (2012).

The number of poor in Fragile States has risen partially due to the revision of countries in the OECD (2012) list; most notably, the inclusion of populous Bangladesh in the group, which has a high poverty incidence but which was not in the 43 countries of the OECD (2010) 'Resource Flows to Fragile States' list.⁶

This earlier list was the product of combining three available lists of 'Fragile States' at that time (Brookings, Carlton and the World Bank's) thus producing the broadest possible list of 43 fragile States.

As noted in Sumner (2010), only 17 of those 43 'fragile states' were common across the lists, and the differences in the countries listed mean the proportion of the world's poor in fragile States in 2007 ranged from 6 per cent to 25 percent (see detailed critique of the 'fragile States' lists from Harttgen and Klasen, 2010). It is notable that the G7+ group of fragile states has less than 20 members which might suggest the donor practice of aggregating lists of

⁶ The following were added: Bangladesh, Burkina Faso, Georgia, Lebanon, Malawi, Palestinian Adm. Areas, Sri Lanka and Uzbekistan and the following were removed: Djibouti, Equatorial Guinea, The Gambia, Rwanda, Tonga, West Bank and Gaza. See Annex 1 Table A1 for full list of OECD (2012) fragile States.

fragile states to generate ‘inclusive’ groups actually conflates countries with quite different problems (conflict/post-conflict versus poor governance).

In short, 21 percent of the world’s poor live in the 20 ‘critical’ countries, 11 percent live ‘in danger’ countries and a further 6 per cent of the world’s poor are in ‘borderline’ countries (in sum 38.4 per cent of the world’s poor in those 60 countries).

The changes in global poverty distribution are a function of several factors. First, almost 30 countries became better off in average per capita terms (by exchange rate conversion), attaining ‘middle-income’ classification. As a consequence, the number of LICs fell from 63 in 2000 to 35 in 2010 (see Table). This could fall to just 16 LICs in 2030 if one applies IMF World Economic Outlook (2012) projections up to 2030 (see below and Sumner, 2012b; 2012c). Second, the world’s poor are surprisingly concentrated: not only do 80 percent of the world’s extreme (\$1.25/day) poor live in just 10 countries, which account for 980 million (another ‘bottom billion’) of the world’s poor, but almost 90 percent of the world’s extreme poor live in just 20 countries.

Table 3.3 Number of LICs and MICs (GNI US\$ per capita, Atlas)

World Bank Fiscal Year (data from calendar year)	FY02 (2000)	FY05 (2003)	FY10 (2008)	FY11 (2009)	FY12 (2010)
LICs	63	61	43	40	35
MICs	92	93	101	104	109

Source: World Bank (2011a).

Of these ‘top 20’ poor countries by numbers of poor people, only half of these countries are LICs and the remaining half are MICs, and almost all of these are MICs which have attained MIC status in the past decade.

The 28 ‘new MICs’ (‘new’ in the sense of ‘graduating’ over the last decade) account for two-thirds of the world’s poor when added to China, or half of the world’s poor without China. Most notably, there are five large MICs (Pakistan, India, Nigeria, China, and Indonesia – henceforth ‘PINCIs’) which account for a substantial proportion of the world’s poor, and indeed, most of the number who ‘moved’ from living in LICs to living in MICs (Kanbur and Sumner, 2011; Glennie, 2011). In short, many of those countries where the world’s poor are concentrated are countries that became better off in average per capita income terms and graduated to LMIC status over the past decade.

In those countries becoming richer in average per capita terms and achieving MIC status, although the incidence of poverty (percent of population poor) generally fell, the absolute numbers of poor people fell less than one might expect. The actual number of poor people (\$1.25/day) barely fell (or even rose) in India, Nigeria and Angola. In China, Indonesia, Pakistan, Vietnam and Sudan, \$1.25 poverty incidence did fall. However, when one considers \$2 poverty, there are only substantial declines in the number of poor people in China and Vietnam, and to a lesser extent Indonesia.

3b. The drastically falling costs of ending poverty

What if the cost of ending poverty was as little as 1-2% of countries GDP?

In short, one could consider whether countries are ‘poor’ relative to the capacity to end poverty (see discussion in Kanbur and Mukherjee 2007), expressed as the cost of ending poverty as percentage of GDP. This then estimates the ‘transfer’ necessary as a percentage of GDP from the non-poor to the poor to end poverty.

Using such an approach, absolutely and relatively poor countries might be estimated by a threshold – with absolute poor countries needing perhaps more than 2 percent of GDP to close the poverty gap, and relative poor countries requiring 1–2 percent on the basis that the average for military spending is, respectively, 1.6 percent and 2.2 percent in the LIC and LMIC groupings (estimated from data in WDI, World Bank, 2011b), where most of the world’s poor live and military spending is a crude proxy for alternative uses of resources.

The tables below present data on the total poverty gap as a percentage of GDP. Data is presented in PPP constant 2005 international dollars to be comparable with later estimates on the poverty gap in 2020 and 2030.

Table 3.4 Estimates of the total poverty gap as % GDP, PPP\$ constant 2005 international \$) by \$1.25 and \$2 poverty line in 2008/9

	Total poverty gap as % GDP PPP		Distribution of world poverty (%)	
	\$1.25	\$2	\$1.25	\$2
LICs	8.4	25.4	25.7	20.6
LMICs	1.3	5.5	57.7	59.2
UMICs	0.2	0.6	16.7	20.2
	-	-		
East Asia and Pacific	0.3	1.5	21.5	26.1
Eastern Europe and Central Asia	0.0	0.0	0.2	0.4
Latin American and the Caribbean	0.2	0.4	2.9	2.9
Middle East and North Africa	0.0	0.4	0.7	1.9
South Asia	1.5	7.5	44.3	45.6
Sub-Saharan Africa	4.8	13.0	30.5	23.2

Source: Data processed from PovcalNet (World Bank, 2012) and WDI (World Bank, 2011b).

Note: Data presented as PPP\$, constant 2005 international \$ rather than current US\$ for comparison with 2020 and 2030 estimates (see below). Poverty gap as % GDP = $PG\%/100\% \times \$1.25 \text{ per day} \times 365 \times \text{Population}$.

In the LMICs, the group average for the cost of ending poverty is 1.3 per cent of GDP PPP for \$1.25 poverty, but 5.5 per cent for \$2 poverty (compared to 8.4 per cent and 25.4 per cent respectively for LICs).

Seventeen MICs have a total poverty gap of greater than 1 per cent of GDP (PPP\$, constant 2005 international \$), ranging up to 12.8 per cent in Zambia (See Table). When the data for the 20 countries with 90 per cent of world poverty are considered, many of the countries which have particularly high costs of ending \$1.25 (and \$2) poverty as a proportion of GDP are LICs, such as Bangladesh, the DRC, Tanzania, Kenya, Uganda, Mozambique and Malawi. That said, MICs like Nigeria, Angola and Nepal in that list of twenty countries also have high costs of ending poverty.

3c. Rises in inequality where most of the world's poor live and the emerging though insecure middle classes

A pertinent question to ask in light of the changes in global poverty towards middle-income countries is what is happening to inequality as average incomes rise? What has happened to inequality in the countries where global poverty is concentrated? How does inequality differ across countries at different levels of per capita income?

There has been a wide range of research pursuing these questions (see review in Sumner and Tiwari, 2009). The sum of which is as follows: Economic growth can impact on inequality through various channels including modification to the distribution of resources across sectors, relative prices, factor rewards and factor endowments. However, there are too many country specifics to make a generalization and the quality and availability of inequality data constrain the ability to make definitive statements.⁷

If one focuses on the share of GNI to the poorest (the poorest 20 percent or poorest 40 percent), the country group averages in LICs, LMICs and UMICs are thought provoking:

The pattern that emerges when one considers the data without India and without China is that the share of GNI to the poorest 20 percent or poorest 40 percent of the population declines as countries get better off and carries on declining.

The share of GNI to the poorest 20 percent or 40 percent of population is highest in LICs and lowest in UMICs if one considers the data without India in the LMICs and without China in the UMICs group.

At the same time the share of GNI of the richest decile rises as one moves from the LICs to LMICs without India. The share of the rich then drastically rises as one moves from considering LMICs without India to the UMICs without China (see also later discussion).

This and the 'capture' of about half of GNI in the middle deciles (decile 5-decile 9) in LICs, LMICs and UMICs corroborates Palma's (2011) 'homogeneous middles, heterogeneous tails' thesis (see below) that the middle classes always capture half of GNI and politics is about the contest between the rich and the poor for the rest.

In the top 20 countries where 90 percent of the world's poor live (see Sumner 2012b), only 15 of those 20 countries have two data points (see Sumner, 2012: Global Poverty Reduction

⁷ Deininger and Squire note (1998:279) the failure to find the Kuznets curve relationship overall does not mean it does not exist for individual countries: In 4 countries of their 49 country sample the Kuznets hypothesis was supported.

Working Paper). In those countries, the share of GNI to the poorest four deciles is, in general, static or declining when 1990 and 2008 are compared (using nearest available survey data).

However, five of the 15 countries are experiencing an increased share of GNI to the poorest 40 per cent by more than 2 percentage points (Pakistan, Kenya, Uganda, Ethiopia, Brazil and Nepal). In parallel, the share of the richest decile is static or rising in most countries, with more or less the same set of exceptions – Pakistan, Kenya, Ethiopia, Brazil and Nepal.

Palma (2011) noted that the share of GNI to those who are neither extremely poor (which he defines as the poorest four expenditure deciles), nor rich (defined as the richest expenditure decile), is surprisingly similar, at about 50 per cent of GNI, regardless of where (and when) one looks at the distribution data (see table).

In short, there is a remarkable capture of half of GNI by those deciles between the poor and the rich as defined by Palma and he suggests one read of this is that the contest for the remaining 50 per cent of GNI is a political and economic battle between the very rich and the very poor.

Palma (2011) argued that, in light of the observation that the share of GNI of those people in deciles D5–D9 is generally half of national income, the ‘middle classes’ should be renamed the ‘median classes’:

Basically, it seems that a schoolteacher, a junior or mid-level civil servant, a young professional (other than economics graduates working in financial markets), a skilled worker, middle-manager or a taxi driver who owns his or her own car, all tend to earn the same income across the world — as long as their incomes are normalized by the income per capita of the respective country. (Palma 2011: 102)

It is worth remembering, as noted above, that the amount of redistribution required to end extreme (\$1.25/day) poverty can be quite low in some middle-income countries. Ravallion (2010) has argued that most countries with an average per capita PPP income of over \$4,000 would require very small additional taxation to end poverty.⁸ Ravallion (2010) estimated the necessary marginal tax rates (MTRs) on the ‘rich’ (those earning more than \$13/day) in order to end poverty in each country. He argues that MTRs over 60 per cent would be prohibitive. Ravallion’s data suggests that the MTRs necessary to end poverty are high in many of the ‘new MICs’ (in contrast, many ‘old’ MICs would require MTRs of under 10 per cent to end poverty). This is particularly due to large populations of poor relative to the number of ‘rich’ people in many new MICs. If the scope for domestic taxes is insufficient, access to aid may still be important in middle-income countries, for the near future at least.

The precarious nature of the emerging Middle Income Countries suggests that there is a need to build a degree of macro-economic resilience against slipping back. While resilience is important in terms of developing countries coping with environmental disasters, shocks and stressors, it can be defined in numerous ways. Thus as an analytical framework, “resilience” per se may be defined as how much a system can change in response to shocks and stressors (Bene et al. 2013) The related vulnerability discussion complements the concept of resilience in that vulnerability is grounded in social, political and economic realities and captures the power relations which are not present in the resilience debate (Bene et al. (2013) contend that resilience ought not to be limited merely to the ability of people to adapt but on three elements; the capacity to smooth impacts of shocks; the capacity to adjust to these shocks and; the capacity to adapt to new, more appropriate systems when necessary.

⁸ Palma (2011) notes that Brazil’s Bolsa Familia, which distributes US\$50/month to 11 million families, costs about 0.5 per cent of GDP (in 2005); and Soares et al. (2011) find that conditional cash transfers in Brazil, Mexico and Chile have cost less than 1 per cent of GDP.

4. Discussions so far on the post-2015 Agenda: A Review

4a. Review of official documents

The post-2015 development agenda reaching beyond the MDGs is being discussed in many quarters. Governments, international institutions, think-tanks and non-governmental organisations are engaging in the debate about a post-2015 framework. The number of workshops and recent publications confirm the growing intensity of the debate on this topic.

The United Nations

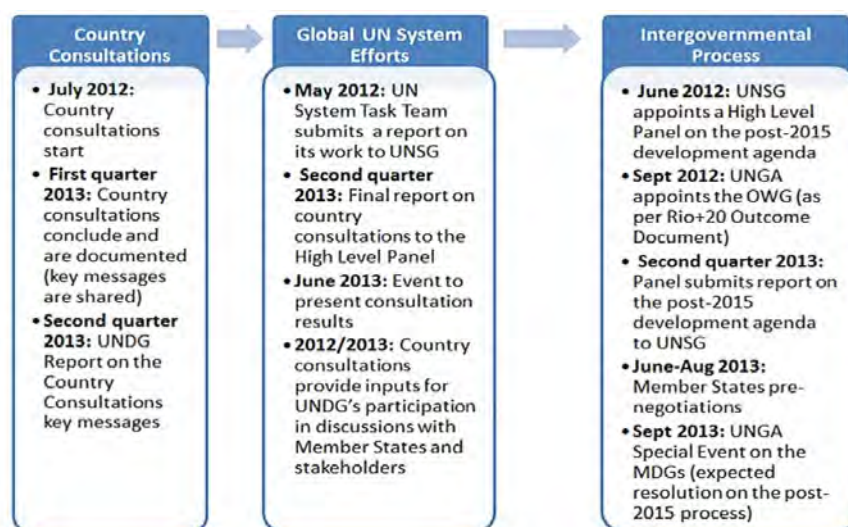
The UN, through its various agencies, is central to discussions on the post 2015 development framework. The outlines of an UN process have been agreed, see timeline below. Secretary-General Ban Ki-moon has established a UN System Task Team to coordinate preparations for beyond 2015 and to support the work of the High-level Panel that the Secretary-General has appointed to advise him on the post-2015 agenda. President Susilo Bambang Yudhoyono of Indonesia, President Ellen Johnson Sirleaf of Liberia and Prime Minister David Cameron of the United Kingdom are co-chairs of the 26-member Panel, made up of civil society, private sector and government leaders.

Furthermore, an ambitious exercise of national level consultations is led by UNDG. A 50-country consultation, as well as nine thematic meetings, will seek to discuss key issues pertaining to the post-2015 agenda. The evidence and perspectives generated through these activities will feed into the work of the High Level Panel and also to the special event that UN member states have asked the President of the GA to convene in September 2013.

The UN Task Team, then chaired by Olav Kjørven (UNDP) and Jomo Kwame Sundaram (DESA), released a report called “Realizing the Future We Want for All” in June this year (UN 2012). The report defines a global vision for a post-2015 agenda, but does not define concrete goals and targets. According to the report, the vision for the post-2015 development agenda should rest on the core values of human rights, equality and sustainability. The format of the agenda should be based on concrete end goals and targets, one of the key strengths of the MDG framework should be retained, but reorganized along four key dimensions of a more holistic approach: (1) inclusive social development; (2) inclusive economic development; (3) environmental sustainability; and (4) peace and security. The report recognises that a high degree of policy coherence at the global, regional, national and sub-national levels will be required. It presents a core set of “development enablers”, which can be identified as a guide for such policy coherence without making the post-2015 development agenda a prescriptive one.

The work of the High Level Panel will be based on the findings of this report and informed by the outcome of major processes, in particular Rio+20 and the UNDG consultations. The Panel will deliver a report in Spring 2013.

Table 4.1 UN Process Timeline for 2012-2013



Source: http://www.undg.org/docs/12631/Post-2015%20webinar%20DOCO_6%20August%202012-FINAL.pdf

Some authors (Melamed 2012) believe that it is unlikely that such a process will actually develop new ideas for a framework – that is more likely to come from smaller groups, playing the role that OECD-DAC played for MDGs. A group in the Secretariat of the United Nations created the MDGs in 2001. They were based on an earlier conceptualization of development goals by the OECD and drew on the Millennium Declaration (UN 2000), accepted by all heads of state at the Millennium Summit of the UN in September 2000. In the case of the post-2015 framework, the High Level Panel, or some other small UN grouping – could end up responsible for drawing up a final framework. So far analytic attention on the process has focused (rightly so) on how to ensure inclusion of relevant stakeholders in the debate, and much less on how the end-game negotiations should look like.

African perspectives

In order to articulate Africa's position on the post-2015 agenda, UNECA commissioned several papers (Gohou 2011; Ohiorhenuan, 2011; Ewang, 2011; Nyarko, 2011) on the issue. It also initiated consultations to capture member States' perspectives. In November 2011, UNECA and AU convened a regional workshop "Articulating Africa's position on the post-2015 development agenda" for African governments, academia and civil society in Accra, Ghana. Furthermore, UNECA created an electronic survey in order to get an idea of what different stakeholders (civil society and non-governmental organizations, research institutions and ministries of planning, finance and economic development) felt were the priorities for a post-2015 agenda in Africa.

The continent's development priorities post-2015 are outlined in the MDG Report 2012 (AUC 2012). The report was jointly prepared by AUC, UNECA, AfDB and UNDP. It has been presented and endorsed by the 19th Ordinary Session of the Assembly of Heads of State and Government of the African Union held in July 2012 in Addis Ababa. According to the report, consultations with African member States so far suggest that reformulating the MDGs to reflect current challenges – "MDGplus" – is the preferred option for a post-2015 agenda for Africa. Drawing on the findings of the commissioned papers and outcomes of multi-stakeholder consultations – that is the regional workshop and the electronic survey – the report makes suggestions for a "MDG plus" agenda.

The post 2015 development agenda should minimize overlaps among goals and to select MDG areas that are likely to have the greatest multiplier effects in socio-economically advancing developing countries.

The post 2015 development agenda should reflect an appropriate balance of development enablers and outcomes. Important enablers for the development of African countries include: enhanced peace and security; good governance; human rights for all; strengthened access to justice and equality; a credible participatory process; and enhanced capacity to measure progress and ensure accountability.

The Report identifies three goals for the post-2015 agenda: (i) to promote transformation and sustainable growth; (ii) promote educational and technological innovation and (iii) promote human development.

Asian perspectives

To maximize the Asian input into the post-2015 development agenda negotiations process, UNDP Seoul Policy Centre and the Korean Development Institute (KDI) have kicked-off in May 2012 the “Asian Perspectives on Post-2015 Development Agenda: Taking Stock, Harnessing Knowledge and Achieving Results” initiative. The initiative brings together leading Asian research institutions, think-tanks and/or specialists in the field of development to discuss the post-2015 development agenda. The experts identified three key elements for successful development based on Asia’s best practices: inclusive growth, to ensure growth and equity; capacity development, including institution building, to facilitate self-sustaining development and risk mitigation and management to deal with various shocks including natural disasters and economic crises. When it came to framing goals and the development agenda beyond 2015, the changing global dynamics saw greater support from Asian countries for the One World approach or the Sustainable Development Goals narrative (SDG). This approach embraces a comprehensive and holistic notion of development.

G20 Development Working Group

The discussions on the post-2015 agenda need to be carried out acknowledging new political realities, including the consolidation and enlargement of newly emerging powers as key players and shapers of global agenda.

The G20’s continued interest in post-2015 discussions and political support over the next years would be important. At both the Seoul and Cannes G20 summits, leaders recognised the importance of considering the impact of their decisions on developing countries. The establishment of the G20 Development Working Group and its associated Action Plan also created a new stream of work for the G20 and a permanent place for development issues on the G20 agenda. The G20’s approach to development is closely aligned with its overall Framework for Strong, Sustainable and Balanced Growth, as articulated in the six principles⁹ outlined in the Seoul Development Consensus for Shared Growth.

The G20 development agenda includes some of the newly emerging development challenges which are not fully covered in the MDG framework such as food security, financial inclusion, and knowledge sharing.

⁹ focus on economic growth, global development partnerships, global or regional systemic issues, private sector participation, complementarity and outcome-orientation.

The G20 development working group could be an important player in the consultative process leading up to 2015, since it is now the primary forum for economic policy coordination across the emerging middle-income economies that are now home to many of the world's extreme poor. However, strong regional coordination will be needed, especially since the G20 has no low-income representation from sub-Saharan Africa. Bodies like the African Union and the UN regional commissions will be important in this regard. Some authors are skeptical about the ability and willingness of G20 development group to have a leading role in the post-2015 process. "Getting concrete discussions or agreement on issues of substance in that group has proved extremely difficult". (Melamed 2012)

Governmental initiatives

Japan has been one of the first governments to show interest in the post-2015 agenda, developing a post-MDG Pact for Global Well-being¹⁰. The framework proposes a set of new challenges: "United for common challenges" (poverty reduction, resource/food security, climate change/environment, resilience/disaster reduction); new guiding principles: "Achieving well-being for all" (human security, equity, sustainability, mutual support); new goals: "Measuring multifaceted results" (numerical targets, qualitative targets, policy directions, removal of bottlenecks, procedural arrangements); new drivers: "Pursuing growth in four dimensions" (green growth, inclusive growth, shared growth, knowledge-based growth). Japan has also convened an informal Contact Group on the Post-MDG development agenda to make recommendations to the UN High Level Panel.

The federal Dutch government asked the Advisory Council on International Affairs to draw up an advisory report to enable it to determine its position in the debate on the post-2015 development agenda. The Advisory Council issued a 90-page report entitled "The Post-2015 Development Agenda – The MDGs in Perspective" (AIV 2011).

The report offers a number of practical recommendations for the Netherlands' input in the process of designing a post-2015 system. We will name some of them here: (1) Do not set new target dates (no new 2015), but measure progress every five to ten years. Review the strategy in a rolling process on the basis of the results. Set sustainable targets; (2) Refer to actions, strategies and indicators, rather than goals; (3) Limit the current eight goals to a maximum of four or five clusters of goals, for example by grouping health goals together; maintain the indicators and benchmarks agreed so far; (4) Embed human rights and gender issues; (5) In each new goal, describe roles and responsibilities of the various actors.

With a view to contributing towards the broad international discussion on the post-2015 framework, the German Federal Ministry for Economic Co-operation and Development (BMZ) initiated an international workshop entitled "The Millennium Goals and Beyond", held in November 2011 in Bonn. The workshop was co-organised by BMZ, the German Development Institute (DIE) and the Poverty Reduction, Equity and Growth Network (PEGNet) and brought together representatives from national governments, multilateral organisations, the scientific community and civil society. A discussion paper (BMZ 2012) was published by BMZ following the workshop.

The paper identifies six issues of relevance and possible guidance for the next steps in the post-2015 agenda: (1) there is a need for a reformed system of goals to succeed the MDGs that maintains the current system's strengths and overcomes its weaknesses; (2) the UN must lead the process; (3) the reformed framework should include global goals as well as global public goods and risks; (4) global goals should be differentiated at the national level; (5) the system of goals should focus on actually achievable development results and (6) conventional

¹⁰ <http://cafodpolicy.files.wordpress.com/2011/12/pact-for-global-well-being.jpg>

monetary measurement of poverty and wellbeing should be complemented by multi-dimensional approaches.

Colombia has proposed a set of sustainable development goals as an input to the Rio+20 conference in Brazil in June 2012. The reception has been mixed (Melamed 2012). The main worry is that focus on sustainability gaps would dilute the focus on poverty.

The European Commission

In June 2012 the EC launched a public consultation entitled “Towards a Post-2015 Development Framework”. The consultation will inform the preparation of an EU position. The consultation paper (EC 2012) offers some elements of the potential scope of the new framework.

A post-2015 framework could be an opportunity to make real progress on policy coherence for development. Some of the underlying causes and factors affecting poverty lie beyond the remit of development cooperation and of ODA, relying on integrated policy agendas.

A post-2015 framework could be an opportunity to question the nature and role of ODA and of other innovative sources of financing.

Following the public consultation by the European Commission, various responses from different stakeholders on the post-2015 development agenda were collected. The process of synthesizing a collective report on EU contribution to the post-2015 process is ongoing. However, from the views of international organizations, there is general consensus that one of the limitations of the current MDGs is a lack of a theoretical foundation. As a result, UNICEF; Action Global Health; ACET called for the new development framework to be explicitly rooted in the normative principles of human rights, equality and sustainability which are contained in the Millennium Declaration. Secondly, the NGOs also emphasized that any future framework should be designed in such a way that inter-linkages between the economic, social, political and environmental challenges are recognized. In addition, there was overwhelming support for a global framework to address global challenges faced by people in low, middle and high income countries but guided by the principle of common differentiated responsibility in order to reflect individual country context.

The 2013 European Report on Development “Development in a Changing World: Elements for a Post-2015 Global Agenda”, to be published in spring 2013, will be an important input into an EC position. The report will consider some of the main challenges for the next 15 years and reflect on how the international community could help address them, including through a potential post-2015 development framework. A report outline was published in May 2012. It proposes *inclusive and sustainable development* as a framing concept that encapsulates what a potential new global framework might be seeking to achieve. “The concept aims to combine the concerns of poverty and inequality, while providing a clearer roadmap to achieve these socially desirable goals in a sustainable manner” (ERD Outline 2012).

Civil Society

In relation to civil society, one of the largest platforms is „Beyond 2015”, a coalition of more than 260 organizations in over 60 countries, which includes considerable representation from the Global South. The aim of the campaign is to push for a strong and legitimate post-2015 framework. They published post-2015 recommendations for the UN and produced a toolkit for national deliberations on a post-2015 framework. An additional active platform is the Global Call to Action against Poverty (GCAP), a global anti-poverty campaign set up in

2004. Both platforms are supporting a sustained programme of national civil society engagement on the post-2015 agenda. The United Nations Non-Governmental Liaison Service (NGLS), is also facilitating a civil society consultation through to 11 January 2013 to inform the Panel's meeting in Monrovia, Liberia scheduled to take place at the end of January. The NGLS together with the Panel, have recently released a set of 24 framing questions organized under two main themes: the shape and content of a post-2015 development framework and partnership and accountability for development¹¹.

The Centre for International Governance Innovation (CIGI) & the International Federation of the Red Cross & Red Crescent Societies (IFRC), following a meeting of development experts from around the world, have proposed a set of 12 global development goals which are: reduce poverty; ensure adequate food and safe water; achieve universal literacy; promote healthier lives; reduce violence; promote gender equity; improve environmental sustainability; achieve universal connectedness; improve disaster reduction and crisis management; civil and political rights; good and equitable global governance; and equitable economic rules (Carin and Kapila 2011).

A Post-2015 Civil Society Conference was held at the CIVICUS World Assembly in Montreal in September 2012. Civil Society Organizations worked on campaigning strategies and the creation of a common advocacy platform to ensure enhanced mobilization and effective strategies to better influence the intergovernmental processes related to defining a post-2015 agenda. The Montreal Declaration and Plan of Action (CIVICUS 2012) calls for bold and concrete steps towards a coherent framework that links the post-2015 process with the outcomes of Rio+20, most notably the intergovernmental open working group on SDGs.

CAFOD and IDS conducted over 100 interviews with Civil Society Organisations in developing countries in order to collate reflections on the MDGs and the post-2015. The key findings on the post-2015 framework were the following: overwhelming support for a post-2015 framework; the framework should be developed through an inclusive, participatory process in partnership between North and South; the framework must take better account of country-contexts; must make the environment and climate change a priority (Pollard et al. 2011).

CAFOD (2012) lays out the policy lines of the agency on the question of what should come after the MDGs. CAFOD believes that another set of goals after 2015 is the best approach. A post-2015 framework should be one where every country will need to take some kind of action, and not a "whole world framework". The focus should be on shared problems (i.e. where the causes and remedies are primarily to be found internationally) rather than common problems (which are found in many countries around the world but where the causes and remedies are primarily found at national level). CAFOD paper presents three stylised scenarios for how the post-2015 process will play out and recommends to "stop assuming that the UN is going to pick up the bill" (of CSO involvement).

¹¹ (http://www.un-ngls.org/IMG/pdf/NGLS_Consultation_for_Post2015HLP_-_Civil_Society_Consultation_Questions.pdf)

4b. Review of academic literature

In the academic sphere, the debate on post-2015 development agenda has witnessed the emergence of three narratives, namely the *zero narrative*, *equity narrative* and *sustainability narrative*.

The '*zero initiative*' aims at reaffirming the Millennium Declaration and 'finishing the job'. It is also described as the 'same terrain, new framework' option (Melamed, 2012a) because it suggests the United Nations General Assembly, agrees to retain the same MDGs, extend the deadline to 2030 but incorporate minor changes particularly to the indicators measuring the goals and targets to extend the goals and targets towards the elimination of extreme poverty. Key proponents outlining this narrative include Vandemoortele (2009) as well as Aryeetey et al., (2012), both of whom urge for minimal changes in the structure as well as the goals of the MDGs and instead lay emphasis on 'getting the world to zero' in sustainably ending extreme poverty. This approach is likely to allay fears of some activists and policy makers who are concerned that a post 2015 agenda might dilute efforts between now and 2015 (Melamed, 2012a). The narrative could include aspects of disparities in MDG outcomes and overlaps thus with the equity narrative.

Vandemoortele (2009) advocating for minimalist changes in MDG goals and structure, argues that the MDGs were and are not designed to encompass the complexity of human development. He cautions that the multitude of new candidates knocking at the MDG-door, namely climate change, quality of education, human rights and good governance to mention a few, which he suggests are likely to cloud the capacity for the goals being communicated easily, an advantage of the original MDGs which needs to be protected. He advocates for a strong but fair gatekeeper who understands that "less is more".

Both Aryeetey et al. (2012) and Vandemoortele (2009) elaborately acknowledge the data poverty that has plagued the MDGs. A significant portion of available data is imputed, estimated or derived from modeling instead of the actual data collected (Aryeetey et al. 2012).

Melamed (2012b) also indicates that the current MDGs did not generate a particular focus on the poorest or the hardest to reach and as consequence, progress towards the targets expressed as national averages have been found to mask some substantial inequalities within countries. It is for these reasons that Vandemoortele (2012b) cautions against a sense of 'irrational exuberance' about MDG progress against which he contends that the real picture of global poverty, safe water and slum upgrading is not as rosy as the claim that the world has achieved three targets ahead of schedule (Vandemoortele, 2012b).

The motivation to implement an *equity narrative* varies from author to author. What stands out is the fact that each scholar provides a different methodology as to how to pursue the equity narrative. The overarching argument according to this school of thought is that MDGs need to be refined, revitalized to focus on inequality, sustainable development (environmental protection), quality of education, gender, human rights and governance among others. Key scholars pushing for this direction include Jahan (2009), Nayyar (2011), Koehler et al. (2012), Fukuda-Parr (2012) and Denney (2012).

The human security approach is argued by Koehler et al. (2012) as a platform providing an intervention towards reshaping MDG goals to be more rights-based and participatory as well as prioritize economic and social equity and environmental sustainability and promote a shift away from the North-South dichotomy. Conceptually, human security dwells on human beings as the primary objects of security and consequently, values such as the 'freedom to live in dignity' as stated by the United Nations Development Program (UNDP) are taken into consideration.

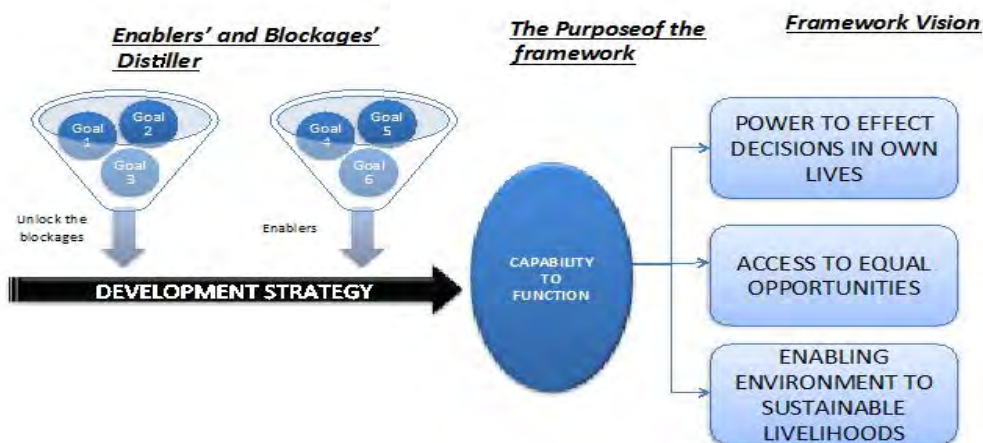
Furthermore, such ‘human security’ thinking provides for opportunities to systematically group the current MDG goals in categories such as economic security/employment security, political security, cultural and psychological security and environmental security. In this way, governments can design policies that address inequalities and social exclusion for example by adopting the relevant policies. Fukuda-Parr (2012) akin to Koehler et al. (2012) argues for a human rights driven development agenda rooted in Amartya Sen’s conception of development as expanding capabilities of individuals to lead lives that they value.

The interests of grassroot communities have emerged in their own narrative somewhat as the “power to effect decisions that affect their lives; access to equal opportunities and an enabling environment to sustain livelihoods” are essential (Mniki-Mangaliso and Waituru, 2012).

In order for this capability to be realized, enablers such as access to information, meaningful participation, quality education and training, access to infrastructure, quality health care, access to productive assets, food security amongst other social services are needed. These enablers are intended to act against such issues of corruption, crime, lack of opportunities, insecurity, exclusion as well as others.

Bandara (2012) equally suggests that enabling factors need to be ensured in order to address the systemic and structural impediments to development in poorer countries. The incorporation of governance related issues into the post 2015 development agenda poses challenges because, although there are numerous indicators, there are no globally accepted indicators to measure or monitor governance . The UN System Task Team in its proposal to link security (reduction of violence) with issues of equality, justice, political inclusion, governance to mention a few, also risks politicizing this goal and thus lessens its likelihood to be included in the post 2015 framework (Denney, 2012). The diagram below illustrates the proposed people-driven perspective for a post MDG framework.

Table 4.2 Peoples’ Perspective for a Post MDGS Development Framework



Source: <http://post2015.org/2012/10/26/joining-the-dots-peoples-perspective-for-a-post-mdgs-development-framework/>

Denney (2012) while weighing the options to include a security component in the ongoing MDG debate, critically argues that the MDGs are already an encapsulation of the human security agenda although not explicitly framed that way.

Another challenge to the inclusion of security in the post 2015 framework is measurement particularly in fragile environments where data collection can be difficult (Denney, 2012). Denney (2012) asserts that including armed violence (reduction of) as an MDG target, in the realm of security goals, is a less controversial option which lays emphasis on insecurity which triggers a multitude of associated social problems.

A publication by ActionAid states that MDGs did not address the structural causes of poverty such as women's inequality or unequal power relations. The post-2015 MDG agenda therefore needs to include a human rights approach to empower poor people to challenge imbalanced power relations as well as create more sustainable solutions to poverty. By encompassing a human rights component, the question of creating inclusive institutions and addressing disparities will also be addressed.

Green et al., (2012) introduce a sub-category of the equity narrative in that, they don't solely believe in limiting the post-2015 debate to a set of new goals but also including an approach in which the international community encourages pro-poor change at national level. The present economic and political context entails that national engagement is increasingly becoming important as countries reduce aid dependency, diversify international links and enhance their ability to raise domestic revenues from natural resources or taxation (Green et al. 2012).

As a result, the influence of MDGs on the social contract between governments and their citizens is worth examining particularly as new goals seek to be incorporated. Green et al. (2012) propose three possible ways of attaining national involvement in the post-2015 development planning namely; by changing national norms, directly influencing government decision-making (through carrots or sticks) or by giving civil society organizations and other domestic actors more tools with which to campaign or lobby and secure action by their governments.

The *sustainability initiative* places binding commitments on all governments towards poverty eradication and sustainable development with focus on climate adaptation and global public goods (Sumner, 2012).

The basic argument is that global development has taken place at the expense of the natural environment and is rooted in Rio+20. This argument is also made reference to by Melamed (2012a) as the option embracing new terrain and a new framework. This approach is beneficial due to its focus on poverty and development. However, the main issue is that arriving at an agreement will be more difficult. Melamed (2012a) furthermore stresses that there would have to be a basis to select which problems would be addressed in order to solve common global problems of both the rich and poor countries.

Wisor (2012) proposes citizen assemblies globally as a method towards inclusive, open and transparent goal setting with multi-stakeholder participation. The rationale of Wisor's citizen assemblies is that the legitimacy of the post-2015 framework will ultimately be assessed through fair procedures and the extent to which it represents the genuine interests and will of the citizens of all countries. Recommendations for the post-2015 framework can be made from assemblies conducted at the village or town level for the local or national government. Wisor's idea of citizen assemblies resonates with the vision of Ubuntu which offers a reflexive approach to governance because it is the subjects and their lives who become central to understanding the collective social experience (Naicker, 2011).

Scholars such as Koehler et al. (2012) contend that there is a danger of 'green-washing' by following the SDG approach because "while the language of SDGs seems politically irresistible, promising all good things together, it does not necessarily address why no or very little net progress towards sustainability has been made since the launch of 'sustainable development' "(Koehler et al., 2012).

The pessimistic view of SDG thinking is discussed by Evans and Steven (2012) that an SDG-lite framework carries with it the risk of failing to satisfy governments as well as being considered as being too diffuse for effective implementation.

Furthermore, the political diversity of the world today means that a coalition to engineer a post-2015 agenda will be difficult to arrive at. This challenge is coupled by the different views on SDGs held by countries (Evans and Steven, 2012) suggest that this option is unlikely to succeed. Bandara (2012) also cautions that the narrative of post 2015 MDG agenda that follows a human rights approach, by using the words 'human rights' alone, the whole process can be nullified particularly if legal obligations are conferred to national governments or stakeholders.

Klingebiel and Janus (2012) propose that there is need to bridge sustainable development and poverty reduction strategies which is also referred to as "inclusive green growth" initiatives.

The impact of aid on development is also presented as being marginal by Klingebiel and Janus (2012) who assert that the post-2015 period ought to focus instead on how international financial markets can be structured to contribute more to development.

Raworth (2012) similarly to Klingebiel and Janus (2012), makes an attempt at fusing both the social and planetary boundaries to create a global development agenda. The two positions converge in the 'doughnut area' which Raworth (2012) also describes as the safe and just zone for humanity or a point where social and environmental concerns converge and where "inclusive and sustainable development" takes place. The rationale of the arguments put forth by Raworth (2012) and Klingebiel and Janus (2012), is best depicted by Nováček (2011) in his re-introduction of Al Gore's global Marshall Plan. According to him, the 'new' Marshall Plan will work towards the realization of a sustainable society where there is social justice, equitable patterns of landownership, adherence to human rights, adequate nutrition, shelter, health care, higher literacy rates, greater political freedom, participation in politics and accountability of governments to their citizens. At the center of these strategic goals, lies the environment. Moreover, Nováček (2011) stresses the inclusiveness of and how globally driven the Marshall Plan is.

However, limitations posed by the targets and goals method as well as the difficulty of incentivizing broader changes in policy in OECD countries are some of the drawbacks to be anticipated. An article published in *The Economist* early this year criticizing a new report entitled 'People and Society' by Britain's Royal Society, highlights another potential trouble spot SDGs and MDGs could encounter. The report tackles the question of how the projected 9 billion people estimated to inhabit the earth by 2050 can provide a decent standard of living for themselves without damaging the natural resources of the earth. The report is faulted for recommending that "the most developed and the emerging economies must stabilize and then reduce material consumption levels". It is instead remarked that at the moment, the average African produces less than one ton of Carbon Dioxide equivalent annually whereas the average American produces more than ten times as much, and as a result, the report ought to have proposed how the poorest can rise towards American standards of living without also reaching American standards of pollution.

The SDGs will also play a significant role in discussions on the Post-2015 not least as there is a parallel process. The MDGs have been lauded for being straightforward, manageable and easy to understand and also helped to galvanize political and public support for global poverty reduction. However, they have also been faulted for constituting an incomplete agenda despite their origins lying in the Millennium Declaration (Loewe, 2012). The MDGs for example cover the chapters 'development and poverty eradication' and 'protecting our environment' but exclude 'peace, security and disarmament' as well as 'human rights, democracy and good governance'. The MDGs have also been perceived as not being 'global

goals' but goals that place obligations on developing countries (Loewe, 2012). In the light of these criticisms, the proposed agenda of SDGs seeks to complement the MDGs by fusing both the paradigms of poverty and sustainability. As yet it is unclear how this is to happen. Indeed, in the research literature, attempts at linking the two have been fraught and undermined by the inability to conclude on what to sustain – current consumption levels or the stock of natural capital (see Sumner and Mallet, 2013). This literature emerged in the 1970s and concerns the impacts of economic growth and development on depletion and degradation of the natural environment. Attention culminated in the World Commission on Environment and Development (WCED) and the later Rio Earth Summits. Over the last few years such concerns have started to take on a new impetus in light of climate change discussions. The most often cited definition of 'environmental sustainability' is still that of the WCED (1987: p. 43) that identifies it as meeting the 'needs' of the present without undermining the ability to meet the 'needs' of the future. However, this definition is of little practical use. What exactly it means in policy is not clear: what is to be sustained – consumption at current levels (for future generations' needs to be met) – or whether to sustain the environmental resources themselves (for future generations to meet their self-defined needs)? Given such contentions a narrower focus often emerges on environmental sustainability rather than sustainable development.

The introduction of the sustainability narrative into the MDG debate seeks to bridge global development with environmental concerns. The SDGs have elicited various responses in terms of their contribution to the Post-2015 debate with some groups positing that it complements the MDGs whereas others argue it seeks to replace the tried and tested MDGs.

A recent (January 2013) UNDESA report from a survey on Sustainable Development Goals indicates that, 84% of the 61 UN country missions (which included 27 European Union countries) who responded agreed that SDG goals should reflect social, economic and environmental pillars. The three principles that most survey respondents identified were equity; environmental sustainability and human rights in order of importance for both developing and developed countries (UNDESA, 2013). The notion that sustainability can simply be added on to growth led development models remains a strong narrative albeit with little underlying basis.

The SDG contribution to the post-2015 debate this is likely to involve exploring the possibility of goals to include aspects such as reducing income poverty, food security, education, health, family planning, gender equality, infrastructure and resilience to poverty which is basically a poverty lens on environment-related concerns not sustainable development in any different sense (Loewe, 2012).

However, the SDGs also seek to incorporate goals that address modern-day challenges such as global warming and implications to vulnerable populations. The SDG discussion may well add some value to post-2015 deliberations because of it draws attention to the issue of global public goods. The focus on global public goods which also give the SDGs a universal scope, could build on MDG 8 in order to address challenges such as climate change or containing infectious diseases which the world can only be addressed by collective global or regional action. This agenda thus presents some opportunity to put developed and developing world issues in the same arena which could transform future action on development. Furthermore, with less clear demarcation between "rich" and "poor" countries than in 2000, and the prominence of non-state actors such as philanthropists, businesses, international NGOs and anti-poverty youth movements, the possibility to achieve a global agreement is further complicated.

4c. Options for a post-2015 framework (based on review of research)

This section outlines options for the post-2015 framework (based on annex II which presents a detailed summary of research on the post-2015 discussion).

It is possible to consider some general options based on principles from the Waage et al. (2010), Lancet Commission's work, suggest five principles for future goal setting as follows: a holistic approach to avoid gaps in goals; the inclusion of equity and an explicit pro-poor approach; the balancing of sustainability and productive growth; a broad international agreement developed locally to ensure ownership; and an approach based on a strong international institutional framework.

Additionally, MDG architect, Vandemoortele (2010) has argued that the process of defining the post-2015 framework should include the need to formulate the goals more clearly as global targets; to maintain the measurability of goals; to focus on ends (rather than means); to embed equality of opportunity; to include interim targets; and to conduct global summitry differently to be more effective in reaching agreements. He also proposes a 'Peer & Partner Group' to be the global custodian of the MDGs in order to reduce undue 'donorship' (donor ownership).

Clearly already and in the run-up to 2015 there will be numerous sets of principles and proposals.

What can be usefully said here with sufficient definition and specificity?

It is not the intention to outline every conceivable proposal, but rather to set out three stylised, general approaches or 'narratives' to the question based on different possible directions of travel (see Table). These represent alternative strategic decisions on which way to proceed based not only on desirability, but also on political trade-offs related to political feasibility.

First are some basic points of departure. Any new post-2015 framework would need to pay attention to:

- the deficiencies of the MDGs;
- the changing context and shifting poverty 'problem' noted above and
- the new, post-economic crisis global politics (the shift to a more multi-polar world illustrated in the shift from the dominance of the G8 group to the rise of the G20 group).

Given the various directions in which the discussion could go, one option will likely be a reaffirmation of the Millennium Declaration. The Declaration (which all UN member states agreed) consists of six 'fundamental values' including freedom, equality, solidarity, tolerance, respect for nature, and shared responsibility. Some of these are only partially represented in the MDGs, and a new agreement might seek to address this.

Additionally, updated thinking on improved indicators and institutions would make sense, as indeed would a more genuine sense of shared global ownership. This would hopefully lead to a more systematic integration into national development strategies and donor country plans.

Three over-riding narratives are clear enough:

One narrative visible in debates is the 'zero' narrative - to reaffirm the Millennium Declaration and 'finish the job' the MDGs started - meaning the MDGs were about reducing

extreme poverty in various manifestations implying the post-2015 framework is about ending extreme poverty. The data above for projections suggests that the cost and feasibility of ending extreme poverty is realistic for most countries by 2030 although stretching.

A second narrative is that related to inequality and disparities. The data previously presented would support the importance of such an approach and – presumably such an approach need not be in contradiction with the ‘zero’ narrative although it implies a more interventionist approach on the policy side arguably in terms of ensuring equitable progress.

Finally, there is a narrative related to ‘sustainable development goals’ meaning a set of goals for rich and poor related to sustainability targets. This has grown out of the Colombia proposal at Rio+20.

What might each narrative look like in tangible terms?

The ‘zero’ narrative can be made tangible by simply extending and adding minor tweaks to the current MDGs with a deadline of 2030, perhaps with some minor changes to the indicators and goals. There would be no new structures or institutional arrangements of significance. This would have symbolic value that the world cares enough to aspire to end extreme poverty even if the agreement has no ‘teeth’.

The ‘equity’ narrative might be made tangible by a goal-led framework but with much more disaggregation which the MDGs did have but were largely ignored. This would imply far greater interventionist policies and thus a far greater level of national ownership in any structures or institutional arrangements. Goals or targets for disparities (of what? between whom?) might either be set by national governments through deliberative processes and accountability processes perhaps via national parliaments and a civil society annual reporting.

Finally, the ‘sustainability’ narrative might involve just goals or it could go much further and involve substantial new structures with an emphasis on global-public goods. This would be much bolder and ambitious. This could build on MDG 8 on global partnerships, and provide the basis for a genuinely new multilateralism to deal with global development. It could focus on global public goods and global issues, of which extreme poverty and climate-resilient development are central, or it could focus on the national dimensions in development in both North and South. Manning (2009) refers to this as a ‘One World’ approach.

How effectively do each of these broad approaches address the deficiencies of the MDGs and the changing context and changing poverty ‘problem’?

First, how does each approach address deficiencies of MDGs (e.g. deficiencies in indicators; co-ownership; accountability; and lack of a pro-poorest focus)? The ‘zero’ narrative may argue that the deficiencies of the MDGs are not so bad given the political trade-offs of agreeing a new framework.

The ‘equity’ narrative approach would certainly address the deficiencies to a greater extent, because it revisits the indicators, adds local ownership (which could mean greater accountability in principle) and better addresses the missing poor/poorest through its 100 per cent targets strategy.

The ‘sustainability’ narrative would go furthest in the sense that it looks beyond a set of targets and towards global mechanisms in order to mobilise resources and policies. It would promote shared ownership, and its 100 per cent targets strategy would address the missing poor/poorest.

Second, how does each approach address the changing context and pattern of global poverty?

Given that it is largely rooted in a world of the late 1990s, it is unlikely that the ‘zero’ approach might do least address the new context. The ‘equity’ approach would do better by expanding ownership and accountability to the national level with deliberative processes. It would make ending world poverty more of a shared endeavour between donors and MIC governments in particular. In LICs ODA flows would remain important. The ‘sustainability’ approach might be better at addressing the changing context.

Third, how does each approach fit with shifting global politics (e.g. the role of the G20, emerging powers and new donors)?

Some might say that the ‘zero’ approach might be politically easiest as this approach not only maintains the current consensus and momentum, but that it also (re)pressures rich countries to honour commitments and to stand by their pledges. Further, it may be easier to agree than other options. It also means political and technical energy can be focused on implementation rather than discussions about a new framework. However, it misses the ‘once-every-25-years’ opportunity to improve the targets and indicators to better capture the outcomes that matter most for poverty reduction, and to develop a framework with stronger country buy-in.

In contrast, in some ways the ‘equity’ narrative complicates the simplicity of the MDG framework. New targets on disparities may be hard to negotiate, especially if politically awkward at a national level. They may also still be regarded as donor led and reductionist. And in the event that locally selected targets are formulated and adopted, cross-national comparison will be hindered.

The ‘sustainability’ approach would be even harder to reach political agreement upon. Its strengths – being forward looking; addressing wider and intergenerational causes of poverty and vulnerability; and incentivising behaviour change through mutual self-interest and solidarity – might prove much harder to sell politically.

Of course, as Manning (2009) notes, while the MDGs were never internationally agreed, the Millennium Declaration was. In light of this, perhaps in 2015 it is enough simply to restate the Millennium Declaration and to develop the Goals via political compromise. Indeed, one could imagine a combination of options as possibly most attractive and amenable to political trade-offs. This might mean retaining a core set of MDGs (income poverty, hunger, education, child mortality) and setting new realistic global goals with regional sub-goals (that can then be translated into national goals). In addition, one could have some key ‘One World’ indicators based largely on global public goods, such as eradication/vaccination/treatment of serious global diseases or mitigation of carbon emissions and adaptation to climate change, perhaps together with some global compact on results-based aid deliveries.

Table 4.3 Three stylised approaches to a post-2015 global framework

	‘Zero narrative’ - Global goals and targets to end extreme poverty	‘Equity narrative’ - Global framework with nationally-set equity targets	‘Sustainability narrative’ - Sustainable Development Goals
Basic idea	UNGA agrees to keep the same MDGs and extend each to ending extreme poverty (rather than halving or other proportional changes) by 2030 (possibly with a few minor changes).	The UNGA agrees a core set of global poverty issues framed by an updated Millennium Declaration or the Universal declaration on human rights (e.g. nutrition, education and health) with national governments setting new targets and indicators at national level related to disparities and inequalities that are of significance nationally via national deliberative processes and accountability mechanisms.	The UNGA agrees an ambitious global agreement that places binding commitments on all governments for poverty eradication and sustainable consumption, with emphasis on climate adaptation and global public goods for delivery of poverty eradication and adaptation resources, (OR a focus on national dimensions of and national processes for adaptation and poverty reduction).
New structures and institutional arrangements required	No change to current institutional arrangements.	National structures/processes, All governments could agree to national deliberative processes and accountability via national parliaments and/or civil society mechanisms and processes (ie annual national CSO reports).	Global structures and processes and the establishment of a new Bretton Woods type-global institutions and new global funds for adaptation, climate-resilient development, and mechanisms for carbon rationing in the North.
Indicators	Existing MDGs indicators with minimal - if any – changes or supplemented or substituted with amended or new indicators.	Small set of 3-4 ‘inner core’ universal goals from existing MDGs - child education, health and nutrition plus disparities of national importance to each country.	Some resonance with MDG8 indicators; indicators of resilience and vulnerability, global public goods, climate adaptation, etc.

Karver et al., (2012) go further and seek to produce a set of feasible goals for 2030 with some resonance to the zero narrative ‘as a straw man to assist discussion and debate, as well as to illustrate approaches to realistic goal- and target-setting’ (p. 37). In a similar vein, Aryeety et al., (2012) suggest a set of ‘zero’ goals as below (see Box 1).

Box 1. ‘Zero’ Goals

Zero goal for income poverty: Zero target for eliminating \$1.25 per day extreme poverty; Ambitious target for reducing \$2 per day poverty; Target for job creation in line with labour force growth

Zero goal for hunger: Zero target for child stunting

Goal of basic health for all: Ambitious target for child mortality (e.g., 20 per 1000 live births); Ambitious target for maternal mortality (e.g., 10 per 100,000 live births); Ambitious target for reproductive health; Ambitious target for non-communicable diseases

Goal of education for all: Zero target for illiteracy; Target for universal secondary education; Ambitious target for post-secondary education (e.g., 20 percent); Target for learning outcomes

Goal of gender equality: Targets for political, scientific, and corporate leadership; Eliminate gender disparity in ratio of female to male births; Elimination of earnings disparities in the labour market; Targets for female political participation

Zero goal for infrastructure: Zero target for lack of access to safe drinking water; Ambitious target for lack of access to irrigation (e.g., 50 percent); Zero target for lack of access to sanitation; Zero target for lack of access to modern energy sources; Universal access target for broadband mobile telecommunications coverage

Goal of clean and sustainable environment for all: Ambitious target for air quality; Ambitious target for water quality; Ambitious target for chemical and toxic exposures; Ambitious target for waste management; Ambitious target for biodiversity; Target from the United Nations Framework Convention on Climate Change process on greenhouse gas emissions

Goal of global partnership and good governance: Ambitious target for data quality and availability; Ambitious target for transparency in all public sector budgets; Target for domestic resource mobilization (towards above goals); Target for official development assistance; Ambitious target for civil society efforts, including private sector, scientific, and non-governmental “citizen goals.”

5. Conclusions and key elements of an EU strategy

Updated estimates of global poverty show that the majority of the world's poor live in MICs. Half of the world's poor live in India and China (mainly in India); a quarter of the world's poor live in populous lower middle-income countries (LMICs) such as Pakistan, Nigeria and Indonesia and a quarter (or less) of the world's poor live in the remaining LICs. Furthermore, given that some countries that are currently LICs will move into the MIC category by 2020 or by 2030, this suggests the structure of world poverty will remain split between LICs and MICs for some time yet. It is also possible that only one-third of the world's poor will be in the remaining 20 or so LICs in 2030 (on the moderate growth scenario). And if inequality does rise these projections may understate the proportion of world poverty in MICs in 2020 and 2030. However the kinds of development cooperation strategies in the MICs and LICs will differ. The emerging MICs are more likely to benefit from measures that strength political dialogue with different stakeholders to encourage redistribution of wealth. Capacity building and knowledge transfers to boost revenue collection for example, to relevant institutions will also play an important role in strengthening ongoing efforts to sustain economic growth. In the case of LICs, the internal dynamics of addressing poverty need to be looked into and strategies that support the different sectors of the economy may be more suitable.

The good news is that as countries get richer the cost of poverty as a proportion of GDP should fall. In fact the cost to end poverty as a percentage of GDP in the foreseeable future will be minimal for those countries that are already MICs (see Figure 2). In those countries that are currently LMICs the average cost of ending \$1.25 poverty is estimated to be in the range of 0.2–0.6 per cent of GDP in 2020 and at a similar level to end \$2 poverty by 2030. However, the estimated cost of ending \$1.25 poverty in those countries that are currently LICs may remain high even in 2020 and 2030. This suggests that for a relatively small number of countries (20 or so on the moderate growth scenario), external support for poverty reduction will remain absolutely essential. However, the cost of ending poverty in those countries that are currently upper MICs is already negligible. One take on this is that global poverty is increasingly becoming about a matter of domestic inequality, and thus governance and taxation rather than a matter of aid.

Such patterns matter beyond the thresholds for LICs and MICs set by the World Bank because they reflect a pattern of rising average incomes. Although the thresholds do not mean a sudden change in countries when a line is crossed in per capita income, substantially higher levels of average per capita income imply increased domestic resources available for poverty reduction. Further, the changing distribution of global poverty away from the poorest countries, suggests a 'poverty paradox' – that most of the world's extreme poor do not live in the world's poorest countries.

One interpretation of this shift in the geography of global poverty is that extreme poverty is gradually changing from a question of poor people in absolute poor countries to questions about domestic inequality. This implies a reframing of the global poverty 'problem' that policy seeks to address so that the responses to poverty are increasingly recognised as related to national inequality in terms of geography, class and ethnicity and who pays tax and who benefits from public spending and the opportunities arising from economic growth.

What does the changing nature of the poverty 'problem' imply for any future, post-2015 global agreement? It is not immediately evident a goal agreement can address the emerging causes of poverty in a world were the extreme poor live in middle income countries and poverty is becoming increasingly a matter of distribution, of national political economy, who pays tax, the (in)security of the lower middle classes weakening the tax base, and the commitment of the elite to progressive social policy. Perhaps it is more politically feasible

that a new framework could set global goals to end extreme poverty by 2030 assuming reasonable growth and that governments make commitments to national policies are put in place to ensure inequality does not worsen.

Key components of a joint EU strategy

The EU as a global actor, needs to decide what role it wishes to play in the post-2015 debate and it wants to promote the adoption of a new set of goals or not or something radically different. Evidence on the impact of the current MDGs is – at best – difficult to discern. In light of this perhaps a new post-2015 framework might be best thought by its symbolic value to global partnerships and multilateralism.

Any post-2015 agenda will need to take into account the fact that many MICs will need and want “traditional aid” less and less as domestic resources expand. However concessional loans will still be useful even if grants are less appropriate given that resources are growing.

A joint EU strategy with the changing distribution of global poverty a post-2015 agreement could include the following 5 principles:

- A focus on the chronic, long-term poor, wherever they live and a new priority of ensuring the benefits of growth and public spending are equitably distributed
- A focus on new resources to support the building of domestic taxation systems and the regulation of tax havens and untaxed capital flight from MICs
- Supporting and expanding inclusive policy processes with people living in poverty by jointly convened policy spaces of donors, and MIC governments and civil society organisations
- Co-financing ‘traditional’ global public goods such as vaccination programmes and ‘new’ global public goods including knowledge and research related to public policy choices such as social protection programmes between MICs and LICs
- Ensuring policy coherence across donors’ policies with an impact on developing countries on sectors such as trade and migration

References

- AIV (2011). *The Post-2015 Development Agenda – The Millennium Development Goals in Perspective*, The Hague: Advisory Council on International Affairs
<http://www.beyond2015.org/sites/default/files/THE%20POST-%202015%20DEVELOPMENT%20AGENDA.pdf>
- Alesina, A., & Angeletos, G. M. (2005). Fairness and Redistribution. *American Economic Review* 95(4), 960–80.
- Alesina, A., & Giuliano, P. (2009). Preferences for Redistribution. *NBER Working Paper 14825*. New York: National Bureau of Economic Research.
- Alkire, S.; Roche, J.; Santos, E. and Seth, S. (2011) *Multidimensional Poverty Index 2011*, Oxford: OPHI
- Aryeetey, E., Esty, D., Feulner, E., Geiger, T., Kaufmann, D., Kraemer, R.A., Levy, M., McArthur, J., Steele, R., Sudarshan, A., Sumner, A and Suzman, M. *Getting to zero: finishing the job MDGs started*, Global Agenda Council, World Economic Forum, April 2012, <http://post2015.files.wordpress.com/2012/05/getting-to-zero-final-draft-20120417-11.pdf>
- AUC, UNECA, AfDB and UNDP (2012). Assessing Progress in Africa towards the Millennium Development Goals: MDG Report 2012
http://new.uneca.org/Portals/mdgreports/2012/MDGReport2012_ENG.pdf
- Bandara, A. (2012). *Post-2015 global development agenda: a critical assessment of future options* <http://post2015.files.wordpress.com/2012/10/post-2015-global-development-agenda-an-assessment-16-02-2012.pdf>
- Baulch, B. (ed.) (2011). *Why Poverty Persists: Poverty Dynamics in Asia and Africa*, Cheltenham, UK: Edward Elgar
- Bene, C., Davies, M., and Newsham, A. (2013). *Making the most of resilience*: Institute of Development Studies <http://www.ids.ac.uk/files/dmfile/IF32.pdf>
- Bourguignon, F. and Morrisson, C. (1998). ‘Inequality and Development: the Role of Dualism’, *Journal of Development Economics* 57, 233–57
- Brautigam, D. Fjeldstad, O-H. and Moore, M. (2008). *Taxation and State Building in Developing Countries*, Cambridge: Cambridge University Press
- BMZ (2012). The future of global development goals beyond 2015: six key issues
- CAFOD (2012). *Post 2015 policymaking – What is Being Planned, what Might Actually Happen, and CAFOD’s Current Policy Lines*, London: Catholic Overseas Development Agency http://cafodpolicy.files.wordpress.com/2012/03/postmdgs-cafod-policy-march2012_signedoff1.pdf
- Carin B. and Kapila M. (2011). *Toward a Post-2015 Development Paradigm*, Waterloo: Centre for International Governance Innovation
<http://www.cigionline.org/publications/2011/8/toward-post-2015-development-paradigm>

- Chandy, L. and Gertz, G. (2011). *Poverty in Numbers: The Changing State of Global Poverty from 2005 to 2015*, Policy Brief 2011-01, Washington, DC: Global Economy and Development at Brookings, The Brookings Institution
- CIVICUS (2012). *Montreal Declaration and Plan of Action*, Montreal: World Alliance for Citizen Participation
- Chen, S. and Ravallion, M. (2008). *The Developing World is Poorer than thought but no less Successful in the Fight Against Poverty*, Policy Research Working Paper 4703, Washington, DC: World Bank (also published in 2010 in *Quarterly Journal of Economics* (2010), 125.4: 1577–1625)
- Chen, S. and Ravallion, M. (2012). *An Update to the World Bank's Estimates of Consumption Poverty in the Developing World*, Washington, DC: World Bank
- Collier, P. (2007). 'The Bottom Billion'. Oxford: OUP
- Daude, C., and Melguizo, A. (2010). Taxation and More Representation? On Fiscal Policy, Social Mobility and Democracy in Latin America. *Working Paper 294*. Paris: OECD Development Center.
- Deaton, A. (2011). *Measuring development: different data, different conclusions*. Paper presented at the 8th AFD EUDN Conference, Paris
- Denney, L. (2012). *Security: the missing bottom of the Millennium Development Goals*. <http://www.odi.org.uk/sites/odi.org.uk/files/odi-assets/publications-opinion-files/7788.pdf>
- Dercon, S. and Shapiro, J. (2007). Moving On, Staying Behind, Getting lost: Lessons on Poverty Mobility from Longitudinal Data, Global Poverty Research Group Working Paper Series, 75
- Devarajan, S.; Ehrhart, H.; Tuan Minh Le and Raballand, G. (2011). *Direct Redistribution, Taxation, and Accountability in Oil-Rich Economies: A Proposal*, CGD Working Paper, Washington DC: CGD
- EC (2012). Public Consultation - Towards a Post-2015 Development Framework, Brussels: European Commission
- Evans, A., and Steven, D. (2012). *Beyond the Millennium Development Goals agreeing to a post-2015 development framework* http://www.cic.nyu.edu/scarcity/docs/evans_steven_millennium_2015.pdf
- Ewang, P. (2011). *The post-2015 Development Agenda: The Case for Reformulating the MDGs: An African Development Agenda*. Paper prepared for UNECA Regional workshop: Articulating Africa's position on the post-2015 development agenda 15–16 November, Accra.
- ERD Outline (2012). *Development in a Changing World: Elements for a Post-2015 Global Agenda*, London: ODI, Bonn: DIE and Maastricht: ECDPM
- Fukuda-Parr, S. (2012). *Should global setting continue, and how, in the post-2015 era?* http://www.un.org/esa/desa/papers/2012/wp117_2012.pdf

- Fukuda-Parr, S. Greenstein, J. (2010). *How should MDG implementation be measured: faster progress or meeting targets* (May 2010)
<http://www.ipc-undp.org/pub/IPCWorkingPaper63.pdf>
- Gaviria, A. (2007). Social Mobility and Preferences for Redistribution in Latin America. *Economia* 8.1, 55–88.
- Gohou, G. (2011). *The post 2015 Development Agenda: The Case for Retaining the MDGs in their Current Configuration*. Paper prepared for UNECA Regional workshop: Articulating Africa's position on the post-2015 development agenda 15–16 November Accra.
- Harttgen, K. and Klasen, S. (2010). *Fragility and MDG Progress: How Useful is the Fragility Concept?* European University Institute Working Paper 2010/20, Robert
- Hulme, D.; Moore, K. and Shepherd, A. (2001). *Chronic Poverty: Meanings and Analytical Frameworks*, Chronic Poverty Research Centre Working Paper 2, Manchester/London: CPRC
- IMF (2012). *World Economic Outlook Database*, Washington, DC: IMF
- Janus, H., & Klingebiel, S. (2012). *The post 2015 development agenda: breaking new ground for a global framework* [http://www.die-gdi.de/CMS-Homepage/openwebcms3_e.nsf/%28ynDK_contentByKey%29/MRUR-8XZAKW/\\$FILE/German-Development-Institute_Janus+Klingebiel_10.09.2012.pdf](http://www.die-gdi.de/CMS-Homepage/openwebcms3_e.nsf/%28ynDK_contentByKey%29/MRUR-8XZAKW/$FILE/German-Development-Institute_Janus+Klingebiel_10.09.2012.pdf)
- Kanbur, R. and Mukherjee, D. (2007). *Poverty, Relative to the Ability to Eradicate It: An Index of Poverty Reduction Failure*, Working Paper 2007-02, Ithaca, NY: Charles H. Dyson School of Applied Economics and Management, Cornell University
- Kanbur, R. and Sumner, A. (2011a). *Poor Countries or Poor People? Development Assistance and the New Geography of Global Poverty*, Working Paper 2011-08, Ithaca, NY: Charles H. Dyson School of Applied Economics and Management, Cornell University
- Kanbur, R. and Sumner, A. (2011b). *Poor Countries or Poor People? Development Assistance and the New Geography of Global Poverty*, CEPR Working Paper, London: CEPR
- Karver, J., Kenny, C. and Sumner, A. (2012). *MDGs 2.0: What Goals, Targets and Timeframe?*, Centre for Global Development (CGD) Working Paper, CGD: Washington, DC
- KDI (2012). *Asian Perspectives on Post-2015 Development Agenda: Taking Stock, Harnessing Knowledge and Achieving Results (Executive Summary)*, Seoul http://cid-dev.kdi.re.kr/cid_eng/event/event_view.jsp?seq_no=20364&board_div=23&list_num=20&pageNo=1&searchDiv=&searchString=#
- Kenny, C. and Sumner, A. (2011). 'More money or more development: what have the MDGs achieved?' http://www.cgdev.org/files/1425806_file_Kenny_Sumner_MDGs_FINAL.pdf
- Kenny, C. & Williams, D. (2001). 'What do we know about economic growth: or why don't we know very much?' *World Development*, 29. 1, 1-23.
- Koch, S. (2011). 'Poverty Reduction in a Changing Development Landscape'. Paper presented at DSA-EADI Conference, York, UK
- Koehler, G., Gasper, D., Jolly, R., and Simane, M. (2012). 'Human security and the next generation of comprehensive human development goals'. http://www.networkideas.org/alt/may2012/Human_Security.pdf

- Kuznets S. (1955). Economic growth and income inequality. *American Economic Review*. 45,1, 1-28
- Kuznets S. (1963). 'Quantitative aspects of the economic growth of nations: VIII, Distribution and income by size.' *Economic development and cultural change*. 11, 2, 1-80
- Lingan, J., Cutter, A., Cornforth, J., and Ullah. (2013). UNDESA Survey on the Sustainable Development Goals-synthesis of responses from UN Member State Missions. http://www.stakeholderforum.org/fileadmin/files/Analysis%20SDG%20UNDESA%20Survey_Final.pdf
- Loewe, M. (2012). Post 2015: How to reconcile the Millennium Development Goals (MDGs) and the Sustainable Development Goals (SDGs). [http://www.die-gdi.de/CMS-Homepage/openwebcms3.nsf/\(ynDK_contentByKey\)/ANES-935C9R/\\$FILE/BP%2018.2012.pdf](http://www.die-gdi.de/CMS-Homepage/openwebcms3.nsf/(ynDK_contentByKey)/ANES-935C9R/$FILE/BP%2018.2012.pdf)
- Manning, R. (2009). 'Using indicators to encourage development: lessons from the Millennium Development Goals.' Copenhagen. <http://www.econstor.eu/bitstream/10419/59842/1/591898950.pdf>
- Melamed, C. (2012). 'After 2015: contexts, politics and processes for a post 2015 global agreement on development'. <http://www.odi.org.uk/sites/odi.org.uk/files/odi-assets/publications-opinion-files/7537.pdf>
- Mniki-Mangaliso, N., Waituru, M. October (2012). 'Joining the dots: people's perspective for a post MDGs development framework.' <http://post2015.org/2012/10/26/joining-the-dots-peoples-perspective-for-a-post-mdgs-development-framework/>
- Meltzer, A. G. & Richards, S. F. (1981). 'A Rational Theory of the Size of Government'. *Journal of Political Economy* 89(5), 914–27.
- Naicker, I. (2011). 'The search for universal responsibility: the cosmo-vision of Ubuntu and the humanism of Fanon'. *Development* Vol. 54 Number pp.445-460
- Narayan, D. and Petesch, P. (2007). 'Moving out of Poverty'. Washington, DC: World Bank
- Nováček, P. (2011). 'Sustainable development.' Palacky University: Olomouc
- Nyarko, Y. (2011). *Rethinking the MDGs: Towards an Alternative Development Agenda post-2015*. Paper prepared for UNECA Regional workshop: Articulating Africa's position on the post-2015 development agenda 15–16 November, Accra.
- OECD (2010). *Resource flows to Fragile and Conflict Affected States*, Paris: Organisation for Economic Co-operation and Development
- Ohiorhenuan, J.F. (2011). *The post-2015 Development Agenda: The Case for Reformulating the MDGs*. Paper prepared for UNECA Regional workshop: Articulating Africa's position on the post-2015 development agenda 15–16 November, Accra.
- Pollard A., Sumner A., Polato-Lopes M. and de Mauroy A. (2011). '100 Voices – Southern Perspectives on What Should Come after the Millennium Development Goals'. London: CAFOD and Brighton: IDS. <http://www.cafod.org.uk/Media/Files/Resources/Policy/100-Voices>

- Piketty, T. (1995). 'Social Mobility and Redistributive Politics'. *Quarterly Journal of Economics* 110.3, 551–84
- Ravallion, M. (2010). 'Do Poorer Countries Have Less Capacity for Redistribution?' *Journal of Globalization and Development* 1.2, 1–8
- Raworth, K. (2012). 'A safe and just space for humanity: can we live within the doughnut?' <http://www.oxfam.org/sites/www.oxfam.org/files/dp-a-safe-and-just-space-for-humanity-130212-en.pdf>
- Sumner, A. and Lawo, T. (2010). 'The MDGs and beyond: pro-poor policy in a changing world' EADI Policy Paper
- Sumner, A. and Tiwari, M. (2009). 'After 2015: International Development Policy at a Crossroads.' Basingstoke, Palgrave MacMillan
- Sumner, A. (2010). *Global Poverty and the New Bottom Billion*, IDS Working Paper 349, Brighton: IDS
- Sumner, A. (2012a). 'Where do the Poor Live?', *World Development* 40.5, 865-877
- Sumner, A. (2012b). 'Where do the World's Poor Live? A New Update', IDS Working Paper, Brighton: IDS
- Sumner, A. (2012c). 'From Deprivation to Distribution: Is Global Poverty Becoming A Matter of National Inequality? IDS Working Paper, Brighton: IDS
- Torgler, B. (2005). 'Tax Morale in Latin America.' *Public Choice* 122(1/2), 133–57.
- UN (2000) *Millennium Declaration*, New York: United Nations. <http://www.un.org/millennium/declaration/ares552e.pdf>
- UN (2012). *Realizing the future we want for all: Report to the Secretary-General*, New York: United Nations http://www.un.org/millenniumgoals/pdf/Post_2015_UNTTreport.pdf
- Vandemoortele, J. (2012). 'Advancing the global development agenda post 2015: some practical suggestions' http://www.un.org/en/development/desa/policy/untaskteam_undf/desa_post2015paper_jv.pdf
- Vandemoortele, J. (2009). 'Taking the MDGs beyond 2015: hasten slowly.' http://www.devstud.org.uk/downloads/4b9ea0272d30b_Vandemoortele_PAPER.pdf
- Van Norren, D. (2012). 'The wheel of development: the millennium development goals as a communication and development tool.' <http://post2015.files.wordpress.com/2012/06/wheel-of-development-twq2012.pdf>
- World Bank (2011a) *Country Classifications: a Short History*, <http://data.worldbank.org/about/country-classifications/a-short-history>. (accessed 1 March 2011)
- World Bank (2011b) *World Development Indicators*, Washington, DC: World Bank
- World Bank (2012) *PovcalNet* <http://iresearch.worldbank.org/PovcalNet/index.htm> (accessed 1 April 2012)

Annex I: Poverty Indicators – The state of the art

There is a wide range of initiatives that are seeking to revisit or rethink indicators of poverty, progress and development. Evidence of this is most visible in the three international initiatives in particular. First, there has been the in-depth report of the Sarkozy Commission (Stiglitz et al., 2009), chaired by Joseph Stiglitz, Amartya Sen and Jean-Paul Fitoussi (see below). Second, there has been the major review of 20 years of the Human Development Report that informed the UNDP Human Development Report 2010 and introduced the new Multi-dimensional Poverty Index and related new indices on equity-adjusted human development drawing upon the work of the Oxford Poverty and Human Development Initiative (OPHI) who have also developed research on indicators for decent employment, agency and empowerment, physical safety, the ability to go about without shame, and psychological and subjective wellbeing (see for discussion Alkire and Santos, 2010).

Relatedly, there is new interest in notions of ‘Human Wellbeing’ and poor people’s own indicators and seeking to combine together material, relational and subjective aspects (see for discussion, McGregor and Sumner, 2010). Indeed, although wellbeing in its broadest sense has a long intellectual history, the concept has been particularly hotly debated over the last ten years or so, if the amount of published books and articles is any measure (for overviews see Gough and McGregor, 2007; McGillivray and Clarke, 2006).

Finally, there is the OECD-convened Measuring the Progress of Societies Project, now renamed the OECD Better Life Initiative (OECD, 2012), which amongst others, has discussed broader definitions of progress, such as intra-generational and sustainability issues and has an indicators compendium (OECD, 2011).

The Sarkozy Commission is the most significant attempt to look, in-depth at measuring progress (Stiglitz et al., 2009: 10, 14-15). It concluded that there is a need,

[T]o shift emphasis... to measuring people’s wellbeing... ...objective and subjective dimensions of well-being are both important... ...the following key dimensions that should be taken into account... (a) Material living standards (income, consumption and wealth); (b) Health; (c) Education; (d) Personal activities including work (e) Political voice and governance; (f) Social connections and relationships; (g) Environment (present and future conditions); and (h) Insecurity, of an economic as well as a physical nature.

The commission was inspired by three different streams of conceptual thinking on wellbeing: subjective wellbeing (individuals are the best judges of their own condition); capabilities (a freedom to choose amongst different functionings); fair allocations (weighting the various non-monetary dimensions of quality of life beyond the goods and services that are traded in markets) in a way that respects people’s preferences) (Ibid: 42). The report distinguishes between current and future wellbeing’ and ‘sustainability’: “Current well-being has to do with both economic resources, such as income, and with non-economic aspects of peoples’ life (what they do and what they can do, how they feel, and the natural environment they live in). Whether these levels of well-being can be sustained over time depends on whether stocks of capital that matter for our lives (natural, physical, human, social) are passed on to future generations.” (Ibid: 11). The commission recognised that wellbeing is multi-dimensional and recommended an number of dimensions to be taken into consideration (see text box 1 below) and OPHI had developed indicators and survey modules on some of the below: employment (Lugo, 2009); empowerment/agency (Ibrahim and Alkire, 2009); physical safety (Diprose, 2011); ability to go without shame (Zavaleta, 2011) and subjective wellbeing (Samman, 2009).

The HDR 2010 (UNDP, 2010) also included the Multi-dimensional Poverty Index (MPI) and the new inequality adjusted HDI. The MPI is a measure of 10 aspects of poverty across the three dimensions of the HDI (living standards, health and education). It thus produces one poverty headcount for 2000-2008 for 104 countries in which the data are available (DHS, MICS and World health Survey). To be multi-dimensionally poor, households must be deprived in at least 6 standard of living indicators or in 3 standard of living indicators and one health or education indicator (Alkire et al, 2011). The main limitations are due to data constraints the index includes outputs and inputs indicators; stock and flow indicators; and doesn't reflect well known intra-household inequalities (see Alkire and Santos, 2010 and Ravallion, 2010). The new inequality adjusted-HDI (IHDI) seeks to capture losses in human development due to inequalities in health, education and income. UNDP (2010) estimated the I-HDI for 139 countries and thus inequalities in health (via life expectancy), education (via years of schooling by household income) and income (via the gini). Each dimension's average value is discounted according to its level of inequality so as inequality rises the IHDI falls. Under perfect equality the HDI and the IHDI are equal. The lower the IHDI (and the greater the difference between it and the HDI), the greater the inequality. As UNDP (2010: 72, 86) notes as an example, 'inequality is almost three times greater in Namibia than in Kyrgyzstan, countries that both have an HDI of 0.6... Losses in the three dimensions vary across countries, ranging from 1 percent in education (Czech Republic) to 68 percent in income (Namibia), and tend to be largest in low HDI countries.

In reality what we actually do currently measure is more limited and any MDG 2.0 framework would need to be based on existing data to provide a baseline for any targets. Those aspects listed by the Sarkozy commission could be grouped into indicators related to material aspects of poverty; relational aspects; and subjective aspects of poverty (see table) and aligned with available indicators from the exhaustive dataset in the Human Development Report.

Human wellbeing: Areas of study, determinants, indicators and examples of existing datasets

	Material wellbeing – ‘needs met’ and ‘practical welfare and standards of living’	Relational wellbeing – ‘ability to act meaningfully’ and ‘personal and social relations’	Subjective wellbeing – ‘life satisfaction’ and ‘values, perceptions and experience’
Area of study	The objectively observable outcomes that people are able to achieve.	The extent to which people are able to engage with others in order to achieve their particular needs/goals.	The meanings that people give to the goals they achieve and the processes in which they engage.
Key determinants	<p>Income, wealth and assets.</p> <p>Employment and livelihood activities.</p> <p>Education and skills.</p> <p>Physical health and (dis)ability.</p> <p>Access to services and amenities.</p> <p>Environmental quality.</p>	<p>Relations of love and care.</p> <p>Networks of support and obligation.</p> <p>Relations with the state: law, politics, welfare.</p> <p>Social, political and cultural identities and inequalities.</p> <p>Violence, conflict and (in)security.</p> <p>Scope for personal and collective action and influence.</p>	<p>Understandings of the sacred and the moral order.</p> <p>Self-concept and personality.</p> <p>Hopes, fears and aspirations.</p> <p>Sense of meaning/meaninglessness.</p> <p>Levels of (dis)satisfaction.</p> <p>Trust and confidence.</p>
Indicators	<p>Needs satisfaction indicators.</p> <p>Material asset indicators.</p>	<p>Human agency indicators.</p> <p>Multi-dimensional resource indicators.</p>	<p>Quality of life indicators.</p>

Sources: Sumner and Mallet (2012).

Synthesised from Copestake (2008); McGregor (2007); McGregor and Sumner (2010); UNDP (2010); White (2008; 2010)



EADI – the European Association of Development Research and Training Institutes – is the leading professional network for development and regional studies in Europe. EADI pursues the following objectives:

- to promote quality in research and education in development studies,
- to promote contacts among affiliated members, inter alias, by disseminating information on research in progress or on studies and experiments in training and on new training schemes.
- to establish or facilitate exchanges, working relations and useful cooperation between the affiliates on the one hand and the regional associates, institutions of research and/or training and individual researchers in African, Asian and Latin American countries on the other.
- to cooperate with governments, development agencies, and international organizations, in development training and research activities.
- to communicate and disseminate research and training results on development to government and private development agencies, international organizations, as well as to policy-makers and the mass media.

This policy paper in cooperation with King's College London:



King's College London is one of the top 30 universities in the world (2012/2013 QS international world rankings), the Sunday Times 'University of the Year 2010/11' and the fourth oldest in England. A research-led university based in the heart of London, it has more than 24,000 students (of whom nearly 10,000 are graduate students) from 150 countries and more than 6,100 employees.

King's has an outstanding reputation for providing world-class teaching and cutting-edge research. In the 2008 Research Assessment Exercise for British universities, 23 departments were ranked in the top quartile of British universities; over half of our academic staff work in departments that are in the top 10 per cent in the UK in their field and can thus be classed as world leading. The College is in the top seven UK universities for research earnings and has an overall annual income of nearly £525 million.

King's has a particularly distinguished reputation in the humanities, law, the sciences (including a wide range of health areas such as psychiatry, medicine, nursing and dentistry) and social sciences including international affairs. It is the largest centre for the education of healthcare professionals in Europe; no university has more Medical Research Council Centres.

This policy paper was funded by BMZ.

