



Millennium Development Goals and Africa: An Alternative View

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Overview

In his paper “How the Millennium Development Goals Are Unfair to Africa” (Brookings Institution Working Paper # 14, November 2007), **William Easterly** argues that the Millennium Development Goals (MDGs) are poorly constructed targets for development efforts and that they are inherently biased against Africa, making it more likely that the continent will fail to achieve them by the year 2015. He cites numerous references to the current trends whereby Africa will fail to meet the seven major MDGs and he posits that this is an almost deliberate attempt to “make Africa look bad.”

In these brief comments, I will argue that although the MDG goals could have been better specified, they have served a purpose, namely, to galvanize support among concerned donors to increase official aid flows as well as to focus attention on the one continent where poverty rates have moved little in recent decades. I argue that there are improvements possible in the targets themselves, and indeed that the first goal, that of halving the poverty rate by 2015, is the major challenge. Finally, it seems to me unlikely that there is a systematic bias against Africa in the setting or monitoring of MDGs.

Let’s analyze the MDGs one by one.

MDG#1: Reduce the poverty rate by half by 2015

Easterly’s critique is based on the arguments that (i) the poverty rate is a poor welfare measure; (ii) using 1990 as the base year was detrimental to Africa’s chances of success; and (iii) there are non-linearities in the relationship between poverty reduction and the growth rate, thus making monitoring spurious.

Arguing that the poverty percentage—those below the poverty line—is a poor measure implies that other measures would better capture the realities of poverty. The answer to most development economists would be that it depends on what you wish to measure. There are other indicators, such as the poverty gap or the amount of income on average it would take to move all poor people to the poverty line, or even the severity of poverty that places greater weights on those whose income is farthest from subsistence. Easterly argues that by accepting the target of reducing by half the number of poor, the MDG designers place greater concern on some poor than on others.

In most cases, various measures of poverty are highly correlated, but, to be fair, not necessarily. In Ghana, for example, both headcount poverty rates and poverty gaps moved consistently downward in the past decade, while in Uganda, the headcount pov-

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erty rate fell by 32 percent and the severity of poverty rate fell by 52 percent in the same period. Because the MDGs were designed as global targets, the fact that in individual country circumstances, alternative poverty measures might be superior is not an argument for abandoning MDGs.

According to Easterly, using 1990 as the benchmark year makes it tougher for Africa to meet MDG#1, because the 1990s were a bad decade in terms of economic performance. Apart from the fact that the deliberate distortion argument is hard to see, many countries in Africa have done well during the 1993–2003 period. Ghana’s poverty rate fell from 52 percent to 28 percent; Uganda’s fell from 56 percent to 38 percent; other countries outside of the African continent have conversely done poorly—look at Haiti or Nepal. What is true is that South Asia and Africa had similar poverty profiles in 1990, similar initial conditions, and South Asia has seen a drop from 43 percent to 35 percent, while Africa’s poverty is still around 45 percent. The bottom line is poor performance not bias.

Finally, let’s take a look at the “elasticity of poverty reduction with respect to growth” performance, where Easterly argues that the poorer you are, the lower the growth impact on poverty. He presents some relevant findings that show a quicker catch-up in poverty reduction once the growth process gets going. This is a statistically correct finding, but the policy implication is not as clear because it is like saying dieting is unfair to fat people because their initial conditions are detrimental. Moreover, there are notable exceptions to this non-linearity finding. Vietnam, for instance, grew faster between 1993 and 1998 (4 percent on average per year) than it did between 1998 and 2004 (3 percent on average) in a period when the country saw its dramatically high poverty rate of 58 percent fall to 19 percent.

The bottom line is that this MDG target is neither biased against poorer countries, nor more biased against Africa than any other low income developing country. What non-linearity does imply, in the majority of cases, is that we need not necessarily use the mid-point between 2000 and 2015 to calibrate that half the gains should have occurred. More importantly, it is key to recall that the MDGs were

constructed as global not regional targets, and certainly not as country targets to be applied uniformly across countries.

MDG#2: Reach universal primary completion in education by 2015

The criticism of MDG#2 is that it is a level target (total enrollment or completion) and that even rapid improvement will be unrecognized because 100 percent is the target. The reason for an absolute goal is that unlike dieting, individuals don’t get to try again! Once a child is denied primary education, it has lifelong consequences.

A better critique in fact would be that neither enrollment nor completion actually measures educational attainment. It is known from the data, for example, that countries with enrollment rates above 90 percent can have sixth grade literacy equivalents of anywhere from 32 percent and 48 percent (Malawi and Namibia, respectively) to 50 percent and 65 percent (for Uganda and South Africa). Therefore, the more prescient criticism of this MDG is that it lacks a quality dimension. With respect to an anti-African bias, I would point to ethno-linguistic fractionalization, which is highest in Africa according to Alesina, et al. (2003), as the main factor causing lower learning levels despite educational expenditures.

MDG#3: Achieve gender parity in primary and secondary enrollments

The argument given as to why this is a silly MDG is that if MDG#2 were attained, it would make MDG#3 redundant! While the logic is impeccable, Easterly misses an opportunity to say something really meaningful about gender parity. The target is not biased against Africa; it is merely imprecise and therefore less useful than it could be in measuring gender disparities.

A few pertinent observations that help inform the gender issue are that

- Girls’ gains for those with the lowest enrollment rates have indeed outstripped those for boys.
- While you cannot attain universal enrollment without gaining parity, the converse is not true, and parity is a useful develop-

ment goal for many reasons, including the positive impact of education of girls/women on health and other outcomes.

- Because you can reach parity in enrollment and not in completion, the latter would be a more discriminating measure of gender equality of opportunity.

The bottom line is that countries as diverse as Sierra Leone, Lesotho, and Ecuador have achieved gender parity despite falling short of the overall completion rate targets by varying margins. Second, male-female disparities are greater in South Asia and the Middle East than in Africa. Therefore, for Africa, the issue is one of an overall lag and not necessarily a lag in parity of education.

MDG#4: Reduce the under five child mortality rate by two-thirds

This MDG is criticized by Bill Easterly because he sees a pattern whereby those above the mean in Child Mortality Rates (CMRs) are less likely to achieve the goal in Africa and vice versa. While it can be argued that the targets are not terribly meaningful for individual countries, because it matters where you are on CMRs, there are other aspects worth examining if one wants to get to the country-specific level. For instance, the World Bank's 2008 Global Monitoring Report, an assessment product that Easterly disparages, focuses attention on access to health services, including prenatal and postpartum care, available to the poorest versus richest quintile (20 percent) of the population. The figures for Africa show that there are disparities and also that the CMR for the richest 20 percent is 100 per 100,000 compared with 171 on average for the poorest 20 percent of the population.

The changes in CMRs are usefully constructed for various countries based on their initial conditions, namely, how likely is it that a country will be able to improve on its child mortality depending on where it begins. Here Easterly is on to an interesting pattern that shows (in his figure 8) little progress for countries worldwide when their CMRs are above 220 per 100,000 and also that there are diminishing returns once countries reach about 120. The bias, should there be one, is for all countries in this predicament, Nepal and Haiti or some in Africa. Moreover, 3 of

the best 10 performers in the reduction of CMRs are actually in Africa—Guinea, Malawi, and Mozambique between 1990 and 2004.

The conclusion is that country-specific goals are to be preferred to omnibus measures because the dynamics do vary considerably across countries.

MDG#5: Reduce by three-quarters the maternal mortality rate

This MDG is given rather short shrift by Easterly as he sees it as highly correlated with infant or child mortality rates, which is an accurate observation. My observation here is that the inequality of access to health services highlighted earlier is highly relevant. In Africa, the top quintile receives 29 percent of all public education expenditure and 30 percent of all health expenditure, compared to 13 percent and 12 percent, respectively, for the lowest or poorest quintile of the income distribution. A second feature of health expenditures is that scatter plots of expenditures seen versus health outcomes show no pattern at all, that is to say, higher expenditures do not necessarily lead to better outcomes.

MDG#6: Combat HIV/AIDS, malaria and other diseases

Easterly is less harsh in his criticisms here, perhaps because of the public goods aspects of disease control, which is a legitimate concern. A concern, however, is the fact that these are disease-specific MDG targets of a global nature when the disease prevalence is quite different from country to country. The illustration of how a goal can be misused in a country-specific context is seen vividly in the case of Rwanda, where donors have aligned their official development assistance program with the AIDS epidemic in Africa—putting US\$47 million in funds annually in HIV programs in Rwanda, despite the fortunate fact that the HIV/AIDS prevalence rate is 3 percent. Unfortunately, donors have dedicated only US\$1 million to other health programs, even though the infant mortality rate is an alarming 152 per 100,000. Furthermore, the majority of health aid bypasses the Health Ministry, making it rather difficult for the authorities to manage public health interventions.

An area where a greater contribution to the debate would have been possible is in that of nutrition, the “forgotten MDG.” Moderate to severe stunting in Africa (1990–2005) is largely unchanged over this period, beginning at 37 percent of kids and remaining at 34 percent almost 15 years later. By comparison, in South Asia there was a dramatic drop from 51 percent to 35 percent and an equally impressive reduction in East Asia from 36 percent to 19 percent. The Middle East saw a decline from 26 percent to 18 percent, and Latin America and the Caribbean from 18 percent to 11 percent. Stunting, the result of malnutrition, has long lasting cognitive and health effects and destines children to underemployment, low incomes and persistent poverty.

The bottom line, once again, is that MDGs were not designed to be applied in their current form to country target-setting exercises without serious modification, customization, and recalibration.

MDG#7: Ensure environmental sustainability, including the reduction by half of the population percentage lacking access to safe drinking water

Easterly dislikes this target because it is the inverse of a positive measure, although he doesn’t disagree with its importance. Indeed, as an intervention with strong and proven health consequences, it is a valid concern for development policymakers.

One interesting feature is that research findings (see Chong, Hentschel, and Saavedra, 2003) show that it is better to bundle services such as water, electricity, and sanitation than to provide them singly. Their joint delivery in Peru showed higher welfare gains than any intervention done individually. This is an important finding, and indicates that individual intervention measures are less useful because of complementarities.

There is also evidence showing that spending on improved access without improvement in quality yields little impact, so that access measures on their own are unreliable. Clearly the distribution of service delivery—who benefits—matters a great deal as well.

Summary

Bill Easterly asks whether the design flaws in the MDGs were either accidental, pointing to carelessness, or intentional, indicating a willful determination to make Africa look bad.

A look at a statement by one of the UN co-chairs of the group putting the MDGs together is instructive:

Global vs. local targets—assessing whether progress is ‘on track’ for meeting the targets by 2015 can only be done at the global level. The quantitative targets were set in line with global trends, not on the basis of historical trends for any particular region or specific country. It is erroneous, for instance, to lament that sub-Saharan Africa will not meet the MDGs. These targets were not set specifically for that region. (UNDP, 2007)

Rather than either accident or design, the MDGs are political targets intended to mobilize international support, especially for Africa and other low-income countries. In that sense they are conceptually little different from “Basic Human Needs” indicators of the late 1970s (see Leipziger, 1981 or Streeten, 1980). In their political context they are no different than Kyoto targets or other internationally agreed to indicators. Subjecting them to a rigorous review is only helpful if it leads to a redesign of the indicators themselves or a more judicious use of them for individual countries. Again the originators of the MDG concept state it well:

It should not be surprising that many countries will miss several of the global MDGs because these targets were not set specifically for individual countries; they were based on aggregate global trends. It would be a tragic misunderstanding of the MDGs if all these countries were to be classified as ‘failures’ for the irrelevant reason that they will not meet artificial benchmarks set on the basis of past global trends. (UNDP, 2007)

The fact is that, apart from MDG#1, there is a lot to quibble with on the MDGs; indeed, the lack of an MDG on job creation opportunities or adequate measure of shelter or nutrition show that the MDGs are not the best set of goals for a region or an individual

country. But that doesn't equate to their being either purposely biased or irrelevant.

On the issue of bias, where Easterly argues that the MDGs are demoralizing for African leaders and detrimental to the region because they highlight failure, I would have to respectfully disagree. Africa's leaders are not demoralized by UN set targets; they are demoralized when they are denied market access in trade, when official aid doesn't live up to expectations or when growth is frustrated because of overwhelming infrastructure constraints (see Collier, 2007).

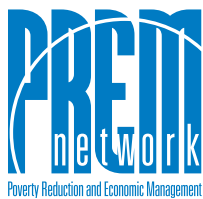
In fact, country outcomes in Africa vary widely. And there are at least 10 non-oil-exporting African economies that grew at rates above 5 percent in the 1996–2005 period. This accounts for more than a third of Africa's population; and when some oil exporters are included, the picture improves further. In terms of discouraging investors, the picture is far different from what Easterly would have us believe. Total Foreign Direct Investment (FDI) increased from an annual average of US\$2 billion (1990–1996) to an average annually of US\$8 billion (1997–2003). Seemingly FDI is not being deterred by poor MDG performance in Africa.

There is a useful conversation about what the right outcome measure might look like for individual countries and I agree that MDG global targets are poor for this purpose. It can also be said that MDG#1 is the most relevant one for Africa and that sustained and shared high growth will yield positive results. To date, those countries sustaining 7 percent growth for a decade have done best in terms of poverty reduction and this will be as true in Africa as in China or Vietnam. The reality is that East Asia has already achieved this goal,

and most other regions, with the exception of Africa, are expected to do so. The UN targets are a device to mobilize international attention and they are gathering greater interest than did Basic Human Needs or Social Development Indicators. If they achieve this, and can be harnessed to improve aid predictability, quality and performance and can at the same time help countries in any region to improve the lives of their populations, they will have been a useful construct.

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