

## THE MDGs, EASIER SAID THAN MEASURED

In September 2000, building upon a decade of major United Nations conferences and summits, world leaders came together at United Nations Headquarters in New York to adopt the United Nations Millennium Declaration, committing their nations to a new global partnership to reduce extreme poverty by 2015 and setting out a series of targets that were later organized in a list of eight Millennium Development Goals.

### The MDGs:

- Eradicate extreme poverty and hunger
- Achieve universal primary education
- Promote gender equality and empower women
- Reduce child mortality
- Improve maternal health
- Combat HIV/AIDS, malaria and other diseases
- Ensure environmental sustainability
- Develop a global partnership for development

United Nations Secretary-General Ban Ki-moon has highlighted, as many others did before him that “the MDGs set time-bound targets, by which progress in reducing income poverty, hunger, disease, lack of adequate shelter and exclusion – while promoting gender equality, health, education and environmental sustainability – can be measured.”

The measurability of the MDGs is key to their success. Same as the Olympic Games (or any other tournament, for the matter) base their appeal in the simple notion that all players abide by the same rule and a set of impartial referees and scorekeepers guard the integrity of “fair play”, the MDGs derive their capacity to motivate decision-makers and mobilize public support in their being time-bound and measurable.

In order to monitor progress towards the MDGs at a global level and country by country, the goals were subdivided in 48 indicators, ranging from the proportion of the population below USD 1 a day (adjusted by the purchasing power parity of their income) to the percentage of internet users. Since January 15, 2008 the list of indicators has been officially expanded to more than 60, so as to be able to include data on issues like employment that were not counted before.

In real life, though, for most of the developing countries there are no accurate or updated data for many, if not most, of those 60 indicators, and the set is too complicated for non-experts. Thus, the World Bank defined poverty line of USD 1 a day became the de facto yardstick with which progress was being measured. In 2000 the figure of 1.2 billion people living in poverty was massively circulated and quoted indirectly by the heads of state themselves in the Millennium Declaration: “We will spare no effort to free our fellow men, women and children from the abject and dehumanizing conditions of extreme poverty, to which more than a billion of them are currently subjected.”

By October 2007 the number of people living in extreme poverty had been reduced substantially: “Nearly one billion people live on just USD 1 a day” said World Bank President Robert B. Zoelick in his address to the Board of Governors of his institution. “Globalization must not leave this ‘bottom billion’ behind”, he added. By June 2008, the draft Accra Action Agenda on aid, authored mainly by donor governments and the secretariats of the World Bank and the OECD stated that “progress has been made. Fifteen years ago, one of every three people

lived on less than one dollar a day; today, that figure has been reduced to one in five. Yet one billion people still live in extreme poverty”.

All of a sudden, in August 26, 2008 the World Bank announced that poverty estimates had been revised and the number of extremely poor people was actually 1.4 billion in 2005. An overnight increase of almost 50%! How does that leave the affirmation that “progress has been made” (and therefore some adjustments might be needed, but not a major change in course)? Do not worry, says the World Bank. According to Martin Ravallion, director of the Bank’s Development Research Group, “the developing world is poorer than we thought but no less successful in the fight against poverty”. In order to substantiate such an optimistic view, the team led by Ravallion and Shaohua Chen revised the poverty figures all the way back to 1981 in order to claim that previous estimates were mistaken and that the proportion of poor people has been cut to half in the last 25 years and can therefore still be reduced enough to meet the MDG number 1 by 2015.

It took the researchers of the Bank eight months since the publication of the new Purchasing Power Parity tables in December 2007 to compute the new total of the poor of the world and they did not reveal the new number until the whole series back to 1981 was recalculated. Why? Because the World Bank is not just a scorekeeper, responsible for producing the measures of how the fight against poverty is going but also the major player, an institution with a budget several times higher than that of the whole United Nations based on its claim to work “for a World Free of Poverty”. And in that regard, the **trend** is what ultimately matters. We can admit having produced dramatically wrong estimates in the past, so inaccurate in fact that the new tables decree that ten thousand academic papers on poverty produced in the last decade are wrong because they were based on false data. But we cannot admit an error in the trend, because the logical conclusion would then be that the course needs to be changed.

If a Central Bank realized that inflation forecasts had to be increased by 50%, say from 4 to 6%, drastic measures would be taken immediately. If the unemployment rates had been underestimated by 50%, a political scandal would ensue. But poverty estimates can be increased by 50% without any of the multiple multilateral organizations dealing with the problem calling for emergency measures, not even a reassessment of their policies.

Social Watch has argued repeatedly that the USD 1 a day indicator is the wrong indicator. But even if the concept behind that indicator had been right, we know now that the estimates were wrong. And even if the new estimates and their recalculated history are right, the trend of the last years is not a forecast of the future, among other things because, as the Bank itself recognizes, “the new estimates do not yet reflect the potentially large adverse effects on poor people of rising food and fuel prices since 2005”.

Using three simple indicators available for most countries in the world and averaging them in a way that any secondary school student can repeat, the national and international trends in the fight against poverty can easily and convincingly be assessed. The resulting picture is not rosy. Policy makers need to understand that the credibility of their commitments relies, like in the Olympic Games, in honest scorekeeping, independent referees and rules that do not change in the middle of the game. An adverse half time result might be bad news for the coach, but it allows to change strategies for the second half.