

## SEMINAR

### **“EUROPE AND THE CHALLENGES OF DEVELOPMENT: BEYOND THE MILLENNIUM DEVELOPMENT GOALS”**

#### Introduction and approach

*“No society can surely be flourishing and happy, of which the far greater part of the members are poor and miserable”. ADAM SMITH*

*“A person's actual capability to be or do something is under the influence of economic opportunities, political liberties, social powers and the enabling condition of good health, basic education, and the encouragement and cultivation of initiatives”. AMARTYA SEN*

**0.- The current context of this Autumn 2011 in Europe is that of an entire region intimidated by the economic crisis. European citizens are still expectant but suspicious of the actions of European political leaders, particularly concerning the rescue measures for Greece, the weakest and heaviest link of the European countries “roped together”, which threatens to drag the rest down. The general social atmosphere is one of insecurity and fear for the future, every day large numbers of people are keeping track of the stock exchange or interest rates and they are very aware that the single currency is under threat and that a number of eurozone countries are suffering fierce speculative attacks.**

**In this worrying situation, where the single biggest priority is the economic crisis, can there continue to be room for solidarity with other countries? Within this atmosphere of alarm because of our internal problems, does it make sense to continue with our commitment to development cooperation in other countries?**

#### **1.- DECLARATION AND MILLENNIUM CAMPAIGN.**

The Millennium Assembly of the United Nations held at the turn of the century managed to gather the world's largest meeting of Heads of State and/or government ever. Thus, on 8th September 2000, representatives from 189 states approved the Millennium Declaration<sup>1</sup> in

<sup>1</sup> United Nations (2000): Resolution A/RES/55/2

which in addition to “reaffirming their faith” in the United Nations Organisation and its Charter, they decided to establish what would subsequently be known as the Millennium Development Goals (MDGs). For the first time there was a real agreement between rich and poor countries that poverty was a global problem and that it was necessary to work together to eradicate it.

But this Declaration was made at a time when there was still optimism, when it was expected that in a world without blocs the world's greatest problems could begin to be solved. Within the framework of the United Nations, from the Rio de Janeiro Conference on Environment and Development in 1992 to the Durban Conference against Racism in 2001, there were high expectations raised and there was widespread participation of civil society worldwide surrounding the World Summits during that decade.

Everything changed with the September 11 attacks, exactly one year after the Millennium Summit. The international agenda was completely transformed. The “global war against terror” captured all the attention of the main powers and its influence spread throughout the world. In addition, there were important changes in the logic of development cooperation as a consequence of new security priorities after 9/11.

Without a doubt, any assessment of the progress of the Millennium Declaration and the Millennium Development Goals must take 9/11 into account, its significance from that moment on and its impact.

It is true that the Millennium Declaration made progress in its development after the Assembly held in 2000, and a year later the 8 Goals and 18 targets to measure progress towards the Millennium Development Goals were established (quantifiable by means of 48 specific indicators), to be achieved by the year 2015: The first seven goals and first eleven targets focus on eradicating extreme poverty and hunger; achieving universal primary education; promoting gender equality and empowerment of women; reducing child mortality; improving maternal health; combating HIV/AIDS, malaria and other diseases, and ensuring environmental sustainability. The eighth goal proposes a global partnership for development by setting seven targets concerning assistance, foreign trade and debt relief.

Soon after, in 2002, an important public/private Campaign, called the “Millennium Campaign”, was set up by the United Nations to mobilise governments and society worldwide. This United Nations Campaign coexisted and was even coordinated partly with others that were more politically inclined, fostered by NGOs, large social platforms and religious organisations, such as *Make Poverty History – White Band*; *Global Coalition Against Poverty (GCAP)*; *Pobreza Cero (Zero Poverty)*, etc. In general, synergies between all of them were taken advantage of to advance in the fight against poverty.

The moment of greatest global impact and pressure of it all took place during the large mobilisations of 2005, organised mainly around the celebration of the G-8 Summit in Gleneagles in July that year (within the context of the Commission for Africa's report promoted by Tony Blair and the start of the British presidency of the EU), but also around the UN Assembly held that year and the ministerial conference of the World Trade Organisation (WTO) held in Hong-Kong.

In any event, the *End Poverty by 2015* Millennium Campaign (*No Excuses 2015*, within the Spanish context), through its national coordination and United Nations delegations, has been characterised more by the work carried out with governments and authorities and by securing new adhesions and educational and eye-catching awareness-raising initiatives, than by mobilisations with socio-political demands. Only at very specific moments has the Campaign achieved a high profile.

## 2.- A CRITICAL LOOK AT THE MILLENNIUM DEVELOPMENT GOALS.

Although the MDGs were created as the agenda for social globalisation and an essential reference point for progress based on the human development model, from the beginning they received objections and criticism, which is still present and which would be convenient to examine when making an assessment and proposing future steps to be taken.

The MDGs possibly respond to the only consensus possible between the countries that were part of the international architecture of the moment, as in the year 2000 there was a majority of regimes that could not be considered democratic. At the time, there was already a noted absence of a more explicit link between development and democracy and human rights, and “that there was no clear mention of the structural fractures that existed at a global level”<sup>2</sup>.

Among other elements, the MDGs seem to define poverty in a restrictive manner (income less than 1.25 dollars per day), ignoring other no less important factors of poverty, such as capacities, political and social voice, democratic environment, etc. (*poverty as a deprivation of freedom*). Nor do they say anything about inequality, so closely linked to poverty. They avoid the transnational dimension of development and focus mainly on social development targets and on the final products of development without paying adequate attention to the economic and social processes.<sup>3</sup> Nor do they propose a “debate on the development strategies and the existing obstacles”.<sup>4</sup>

As for the governance of the Millennium Campaign, we can see that the relations and communications to achieve the MDGs are not established with the societies, but solely with the governments of each country. At a formal level, the MDGs are proposed as a United Nations agenda with the government of each country, where the role of civil society as a player is not necessarily taken into account. For example, it is now evident that in Arab Countries the interlocutors of the Millennium Campaign were not the most appropriate. It was not (nor is it now) precisely the dictators and oligarchs who were going to encourage the development of these countries, these societies, or any other regions.

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<sup>2</sup> Unceta Satrustegui, Koldo , Martinez Herrero , Mari Jose y Zabala Errasti, idoye – Instituto Hegoa y Departamento de Economía Aplicada I. UPV/EHU (2011): “*Objetivos del Milenio, financiación del desarrollo y eficacia de la ayuda 2000-2010: necesidad de un análisis integrado y de un enfoque alternativo*” en XIII Reunión de Economía Mundial

<sup>3</sup> Bello, Oladiran (2010): “*Are the Millennium Development Goals proving counter-productive?*” Policy Brief, No. 42. FRIDE

<sup>4</sup> Unceta Satrustegui, Koldo et ál. - óp. cit.

### 3.- FULFILMENT OF THE MILLENNIUM DEVELOPMENT GOALS.

Today, eleven years after the Millennium Summit, the international bodies involved, in particular the United Nations<sup>5</sup> and the World Bank<sup>6</sup>, highlight the progress made (despite the important setback of the current economic, energy and food crisis): "Two-thirds of developing countries are on track or close to reaching important targets to eradicate extreme poverty and alleviate hunger"; but they also note that "the most vulnerable sectors are still being left behind and **will be unable to reach all the targets before the deadline set for 2015**" (the most vulnerable countries still need urgent aid). Progress is actually very poorly distributed and very concentrated geographically.

It is hard to decide whether the "bottle is half-full or half-empty". It is necessary to carry out a calm analysis of the extent to which the MDGs have been achieved today and the expectations for the year 2015, keeping in mind that there are technical problems for their assessment and that all the information is not always available. In their Global Monitoring Report of April 2011, the World Bank and the International Monetary Fund highlight the encouraging data with respect to the progress made regarding poverty (MDG 1):

- From 1981 to 2005 the percentage of people living in extreme poverty (less than 1.25 dollars per day) went down from 52% to 26% of the global population, that is, it went down from 1.9 to 1.4 billion people. The expected percentage for 2015 is 14.4% of the world's population, that is, 883 million people.
- From 1981 to 2005 the percentage of people living in poverty (less than 2 dollars per day) went down from 70% to 48% of the world's population, but in absolute terms it increased from 2.5 to 2.6 billion people. The expected percentage for 2015 is 33% of the world's population, 2.036 billion people.

In this introduction we cannot go into it in more depth, but the World Bank experts offer a general view concerning the percentage of achievement of the most important targets of the first 7 goals. The figure that we include a copy of in the next page indicates the current global distance from the MDGs with a broad, general perspective. The top table (a) refers to the distance –percentage- that currently remains, in October 2011, to achieve the MDGs according to the latest indicators; and the bottom table (b) indicates the distance or percentage of achievement that according to the experts at the World Bank will be reached by 2015 as they are currently progressing.

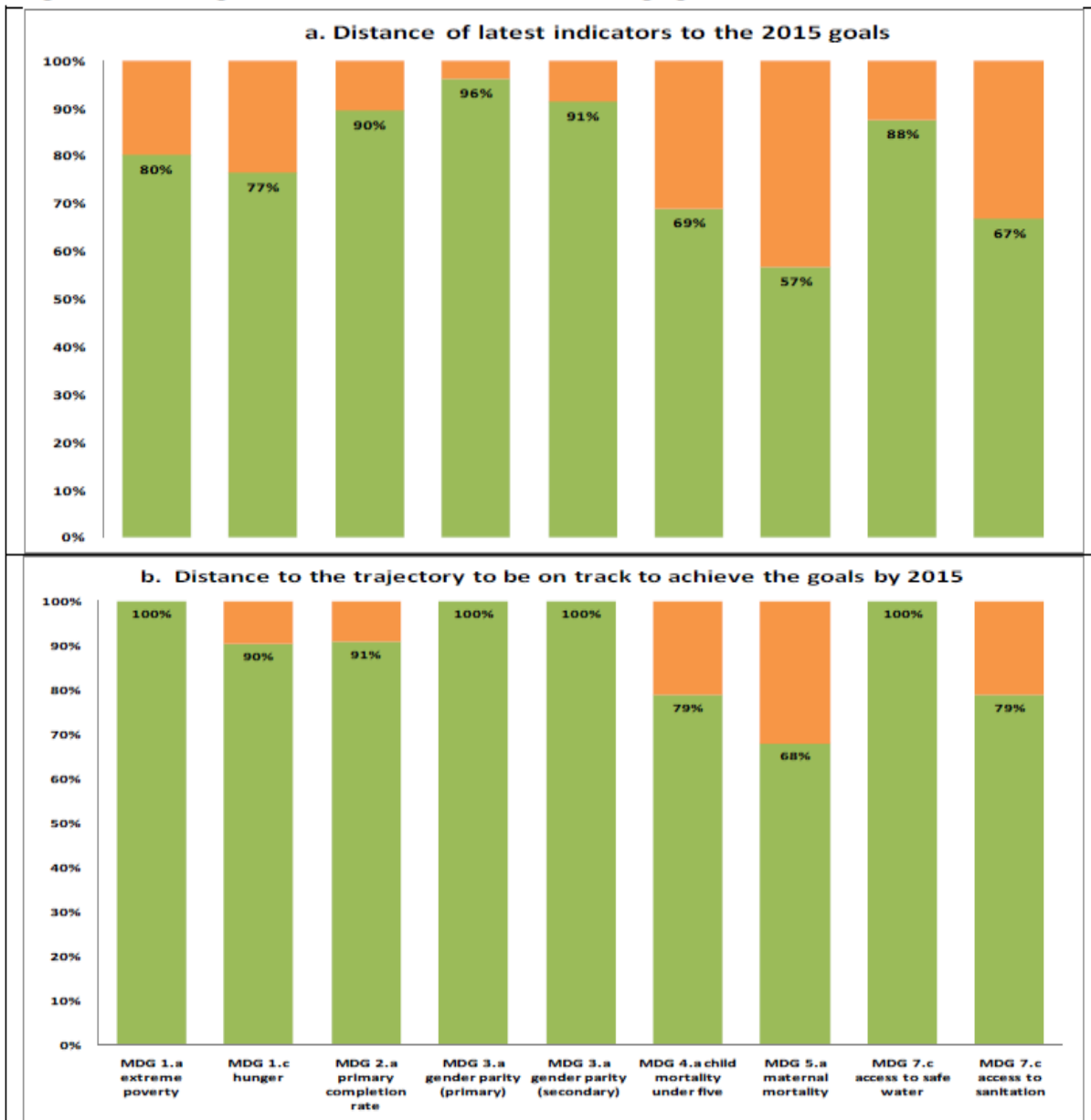
The World Bank estimates that by 2015 the target of halving extreme poverty (MDG 1.a.); equal enrolment of girls in primary and secondary education (MDG 3.a.); and halving the proportion of the population without sustainable access to safe drinking water and basic sanitation (MDG 7.c.) will be achieved. They also estimate that we will be "close" (10% worldwide) to halving hunger (MDG 1.c.) and ensuring that boys and girls finish the complete cycle of primary education (MDG 2.a.). Other targets are farther away.

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<sup>5</sup> United Nations (2011): *"Millennium Development Goals Report 2011"*. New York.

<sup>6</sup> World Bank & IMF (2011): *"Global Monitoring Report 2011 – Improving the Odds of Achieving the MDGs"*. Washington.

**Figure 1. Current global distance to the MDGs is wide ranging**



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They are important improvements but the balance shows a harsh, intolerable reality. A large part of humanity lives left out of progress and has no access to a minimum amount of development that would allow them to lead a dignified life.

But In addition we have to bear in mind that the main reason for this optimistic forecast, in absolute numbers, concerning the reduction of poverty (in particular extreme poverty) is the high rate of economic growth registered in less developed countries between 2007 and 2010 (an annual 6.6% compared to 3.2% for the entire global economy) and that predicted for 2011-

<sup>7</sup> Source : Go, Delfin S. y Quijada, Alejandro (2011): "Assessing the Odds of Achieving the MDGs". Policy Research Working Paper 5825. World Bank. (Figure 1 – page 3)

2014 (an annual 6.3% compared to 4.6% for the global economy). A large part of this progress is attributable to the rapid growth of China and India (the large emerging economies) and other Asian countries, while many African countries are being left behind<sup>8</sup>. In other words, it is tough to say so, but in most cases there is not a causal relationship between what has been done by the Millennium Campaign and the development results of the last eleven years.

#### 4.- DEVELOPMENT COOPERATION EXAMINED.

Along with the strict measurement of the MDGs, their targets and indicators, it is also necessary to carry out an in-depth assessment of the Official Development Assistance (ODA) and the cooperation policies, of what has been done –right and wrong- and what has not been done to find ourselves in the current situation. Despite the money used (the main donor countries and multilateral agents have spent over 10 trillion dollars during the last 10 years) the situation worldwide is still disappointing. There are also other situations. For example, some of the achievements of the MDGs have been in danger because of a lack of absorption capacity and weak governance in some receiving countries.

In addition, when rethinking development cooperation we must be aware that we are currently in a scenario that is completely different to a decade ago, with new global geopolitics and a new geo-economy, with new players and donors<sup>9</sup> and highly fragmented assistance<sup>10</sup>.

Shouldn't we reduce as much as possible the weight of development assistance and foreign interference with recipes from abroad? Well-intended pseudo-solutions with a “remote control” do not work. It is very probable that the best options to mitigate poverty come from the base, not from the centres of power: we need to encourage societies themselves to take responsibility of their own challenges. Shouldn't we stop thinking of these populations as mere recipients of assistance, as victims or as a burden, and consider them once and for all as the active subjects of their own development? It has been known for some time now that poverty in the world will not be solved with development assistance, despite it still being essential. But it is evident that development cooperation cannot be reduced exclusively to the mechanisms of money transfers (unilateral, unequal and which cause dependency). And the fact is that sometimes, cooperation assistance is perceived as the compensation that the developed world gives to poor countries for the obstacles and difficulties that it imposes for their development<sup>11</sup>.

The EU and rich countries are not fully aware of the possibilities that are arising in regional contexts of great macro-economic growth, such as the current case of Africa, where a more stable scenario that is more favourable for activating investments and entrepreneurial projects is emerging. It is interesting to note that in 2010 Latin America and the Caribbean was the

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<sup>8</sup> World Bank & IMF (2011): “*Global Monitoring Report 2011 – Improving the Odds of Achieving the MDGs*”. Washington.

<sup>9</sup> Schulz, Nils-Sjard (2010): “*The third wave of development players*”. FRIDE Policy Brief No. 47

<sup>10</sup> Sanahuja, José Antonio (2007): “*¿Más y mejor ayuda?: la Declaración de París y las tendencias en la cooperación al desarrollo*”, en Manuela Mesa (Coord.), Guerra y conflictos en el Siglo XXI: tendencias globales. Anuario 2007-2008 – CEIPAZ.

<sup>11</sup> Macías Aymar, Iñigo (2010): “*5 años para la consecución de los ODM ... ¿quién da más?*” – Opinión CIDOB, nº 86. Barcelona

region that received the most foreign investment in the world (although it is still concentrated on the search for raw materials and natural resources).

While we continue to foster the things that work (the work done by institutions, agencies and NGOs –local and national as well as regional and international- that do it well and which activate the essential currents of solidarity at all levels), shouldn't we allow and encourage poor countries more decidedly to adopt a multiple strategy of economic development?

If in “rich countries”, in addition to the key role of civil society, education and culture, their growth strategies include consolidating democratic governance and strong institutions (effective and transparent guarantors of the welfare state) as well as facing deep internal transformations through innovation, an entrepreneurial culture, the promotion of a knowledge economy and being open to the outside world, are these not also precisely the key factors that should support the development strategies of “poor countries”?<sup>12</sup>.

There are development instruments and initiatives (many of them very innovative) and forms of international cooperation that are already being put into practice and which are worth reinforcing, extending and continuing with their experimentation.

But can all this work if we fail to transform the rules of international commerce? Apparently the answer is no. There is an urgent need to allow the exports of less developed countries to access the markets, free from taxes and quotas, with simple rules, without complexities and with transparency. These measures would immediately offer extraordinary opportunities for businesses and entrepreneurs in poor countries. By the way, it would also be necessary to eliminate the commercial restriction measures adopted during the economic crisis<sup>13</sup>.

## **5.- THE CHALLENGE OF INEQUALITY.**

But along with the reduction of poverty in the world, paradoxically, inequalities increase, both at a global level and within many countries. Poverty is not therefore alien to the extreme poverty there is around the planet. The MDGs forget that in order to end poverty it is not enough to generate more resources, it is necessary to set up mechanisms for a global redistribution of wealth. This aspiration of justice and equality undoubtedly clashes with the logic and structures of power and the interests that prevail in the world.

Most of a person's income is significantly determined by the country they were born in and which they inhabit. The inequalities between incomes are increasingly larger and are mainly due to the big differences between the average incomes of countries<sup>14</sup>.

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<sup>12</sup> See also Reinert, Erik (2007): *“How Rich Countries got Rich and why Poor Countries stay Poor”*. Constable. London.

<sup>13</sup> United Nations (2011): *“The Global Partnership for Development: Time to Deliver – Millennium Development 8. MDG Gap Task Force Report 2011”*. New York.

<sup>14</sup> Milanovic, Branko (2011): *“Global Inequality – From Class to Location, from Proletarians to Migrants”*. Policy Research Working Paper 5820 – World Bank.

Furthermore, the distance separating the rich from the poor is greater than ever and is still increasing: the richest 2% of humanity possess 50% of global wealth; and the poorest 50% just 1%. Wealth is highly concentrated in North America, Europe and the countries with high income in the Asia-Pacific region. The population of these nations collectively owns 90% of total global wealth<sup>15</sup>.

Without a doubt, global poverty and global inequality are ethical issues; the fate of any individual in the world affects us, but in addition these situations generate an increase in tension around the world, which could gradually generate an escalation of very notable conflicts. People not only worry about their absolute income in dollars but also about their position in the social pyramid and whether they consider that position to be fair. This enormous gap, among other consequences, favours migration. People today know much more about conditions in other countries than in the past, and if crossing a border means that they will multiply their income, they will attempt to do so<sup>16</sup>. Also, in this context the categories of poverty are altered. Not only will a person living on less than 1.25 dollars a day be extremely poor, but also anyone who by comparison perceives themselves to be at the bottom of the pyramid. The consequences of inequality would therefore have to be seen as negative from all points of view, also from the stability of rich countries.

National inequalities are also on the rise particularly in both so-called emerging countries (as shown by the Gini Coefficient) such as Brazil, China, South Africa, India, etc. and in some rich countries, in particular the United States<sup>17</sup>.

Historian Tony Judt said that *unequal access to all kinds of resources –from rights to water- is the starting point of any truly progressive criticism in the world. But inequality is not only a technical problem. It illustrates and exacerbates the loss of social cohesion, the feeling of living in closed communities whose main function is to keep other people out (less fortunate than us) and confine our advantages to ourselves and our families: the pathology of our time and the greatest threat to the health of democracy. If we continue to be grotesquely unequal, we will lose all sense of fraternity*<sup>18</sup>.

## **6.- EUROPE AND THE MILLENNIUM DEVELOPMENT GOALS.**

The EU likes to remind us that it is the leading provider of assistance for development in the world and that over half of public aid for development comes from the EU (49 billion euros in 2009). If we only take into account the aid that the European Commission provides each year, it occupies the second place at a global level as a provider of development funds. The EC has an action plan to support the MDGs as a financing mechanism with various African countries.

However it still acknowledges that in 2009 there was a slight reduction, only corresponding to 0.42% of the EU's GNP. So the EU is still far from reaching the intermediate collective target of

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<sup>15</sup> James B. Davies, Susanna Sandström, Anthony Shorrocks, and Edward N. Wolff (2008): “”. UNU-WIDER Discussion paper No. 2008/3

<sup>16</sup> Milanovic, Branko (2006): “La desigualdad mundial de la renta: qué es y por qué es importante” en Revista Principios, nº 5.

<sup>17</sup> CIA – The World Factbook - Field Listing : Distribution of family income - Gini index

<sup>18</sup> Judt, Tony (2010): “*Ill Fares the Land*”. The Penguin Press.

0.56 % by 2010, prior to the 0.7 % target of 2015<sup>19</sup>. (For now, rich countries are far from reaching the targets of the MDG 8 of the world development alliance).

It is true that during the state of the Union address 2011 of 28th September, President Barroso stated that the EU would pay attention to helping the world's poorest societies "with particular focus on achieving the Millennium Development Goals"<sup>20</sup>.

But the EU, as we said, has not been capable of designing specific plans to link better assistance to issues related to trade, investment and the changes that the economies of some developing regions are going through, particularly in Africa. There is criticism, for example, because Europe has not taken the lead in new initiatives and taken advantage of its full potential with the different instruments it has and of the coordination among member states<sup>21</sup>.

It is also still necessary for Europe to redefine its common agricultural policy given the terrible impact it has on stockbreeders and farmers throughout the world, who would otherwise have more opportunities. It is not possible to keep maintaining the agricultural subsidies, and among other measures, there is an urgent need to open the markets to the exports of less developed countries, particularly non-primary basic products.

## **7.- OLD CHALLENGES, NEW UNCERTAINTIES, TIME FOR COMMITMENT.**

At the time of writing these words we are mainly concerned about two current events:

- The famine in the Horn of Africa, where over 11 million people need urgent help. Once again, the international community has not been capable of avoiding a humanitarian crisis caused by a terrible drought within a context of poverty and armed conflicts in the region. Nor have we been capable yet of gathering all the necessary help to tackle the magnitude of the catastrophe. Our global governance is still too weak, hesitant and ineffective to provide an adequate response to these situations.
- The global financial crisis and worsening in Europe in two aspects:

First of all, the discredit that rich countries have generated in the eyes of poor countries due to their failure to keep their word and their lack of commitment. In addition to the repeated failure to fulfil the commitments acquired during previous summits, with the global economic crisis developing countries saw how the G-20 countries spent more money on fiscal stimulation, just during 2009, than all the aid

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<sup>19</sup> European Commission (2010): "A twelve-point EU action plan in support of the Millennium Development Goals". COM(2010)159 final. Brussels.

<sup>20</sup> José Manuel Durao Barroso (2011): "European Renewal – State of the Union Address 2011". SPEECH/117607. Strasbourg.

<sup>21</sup> European Think-Tanks Group (ODI, DIE, FRIDE, ECDPM) (2010): "New Challenges, New Beginnings - Next Steps in European Development Cooperation"

given to Sub-Saharan African countries since this information is recorded –over 50 years-<sup>22</sup>

Secondly, the global -and particularly the European- economic and financial situation is in complete disarray. The traditional categories with which we found our place have lost all validity. As an example, in recent weeks we were informed that there was a possibility that Brazil, Russia, China, India and South Africa could come to the rescue of the eurozone, increasing part of their reserves of euro-denominated assets. In the current situation, we can no longer speak of Northern or Southern countries, nor of Third World or Developing countries. Not even the classification of countries as rich or poor is useful any more. (We have examples of so-called emerging countries that are growing faster than the “developed countries”, which in macroeconomic terms are not suffering the crisis and are rich, but which have an overwhelming majority of their population living in poverty).

And we return to the questions at the start of this text: In this scenario of extreme concern, in this post-Lehman Brothers period, in this multi-polar world with new players gaining weight, while Europe loses its own in relative terms, when the EU and its countries are overwhelmed by their internal problems, does it still make sense to worry about the poorest societies? Can we still take joint responsibility for the problems of the rest of the world?

There is a real risk that, due to the economic crisis, development cooperation will gradually start to disappear from the political agendas and the annual budgets of public administrations and that through inertia, almost silently, it will slip away.

The challenges of development are still there and the atmosphere of uncertainty is tormenting us, undoubtedly. But, despite it all, the crisis, the fear, the risk of xenophobia and so many other problems, Europe must renew its commitment to its own model, which has characterised it until now and which has given it meaning and prestige: That of the welfare state, of inclusive and democratic societies. Europe must reinforce these values and this model internally, and at the same time, it must take responsibility for transferring this to the rest of the world, through an up-to-date and innovative development cooperation located in the current international context. Wouldn't Europe, along with all other countries, have to consider a new type of governance system for development issues?

This seminar on *“Europe and the Challenges of Development: Beyond the Millennium Development Goals”* attempts to tackle these issues directly and offer solutions, through a series of proposals, so that Europe not only refuses to renounce nor abandon its commitments to global development, but is also capable of promoting an agenda for development that goes beyond the horizon of 2015 and these Millennium Development Goals.

*Paul Ortega  
Bilbao, October 2011*

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<sup>22</sup> Macias Aymar, Iñigo (2010) - óp. cit.