

# IDS IN FOCUS POLICY BRIEFING

Research and analysis from the  
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ISSUE 09  
AFTER 2015: PROMOTING  
PRO-POOR POLICY AFTER THE MDGs  
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## After 2015: Rethinking Pro-Poor Policy

As we enter an era characterised by global uncertainties such as climate change and the global economic crisis, what has been the impact of the Millennium Development Goals (MDGs) model and how can we accelerate progress on poverty reduction through such turbulent times?

The MDGs were an approach created in a benign era of relative stability, stronger economic growth and fairly buoyant aid budgets. We now face a very different world in which changes sparked by increased uncertainty and a growing sense of multiple insecurities have the potential to change the context for development policymaking and delivery (see box, right).

The current economic crisis has led to an opportunity to rethink the approaches to the development policy paradigm. For example:

- **Global governance:** The G8 to G20 shift means more representation and power for large developing nations but changes in the IMF and World Bank will be crucial for wider changes in governance;
- **New economic policies:** There is likely to be a greater tendency for developing countries to explore new development models; approaches from China – the ‘Beijing Consensus’ – are more likely to be taken up than Western prescriptions;
- **Greater social protection:** The scale of food and financial crises has made a powerful case for better social protection systems. But building

### What are the ‘game changers’ shaping development policy to 2015 and beyond?

- **Markets:** e.g. greater volatility in international markets for finance, fuel and food; reconfiguration of the global economy with the rise of China and India and other emerging economies; rising oil prices due to ‘peak oil’;
- **Demographics:** e.g. population growth and changing labour markets;
- **Environment:** e.g. climate change leading to greater volatility in weather and agricultural production; water scarcity; resource conflicts;
- **Technology:** e.g. the spread of existing technologies such as biotechnology and the development of new(er) technologies such as industrial biofuels, ICTs and nanotechnology;
- **Governance:** e.g. changes in global governance; the decline of US and Western global influence; changes in aid architecture; new donors and policy actors such as China and the private philanthropic foundations.

Sources: Grimm et al., (2008), Sumner and Tiwari (2009)

ownership of these programmes in governments and civil societies remains a challenge in securing long-term budget allocations;

- **A green(er) economy:** There is a strategic opportunity to use fiscal stimuli to promote a shift to lower carbon development but political pressure to implement such measures quickly and to protect or create as many jobs as possible in the process may mitigate this.

Source: McCulloch and Sumner (2009).

### The impact of the MDG model

The 2008 MDG review found that while the global poverty targets on the number of people living on less than a dollar-a-day and net primary school enrolment are likely to be reached, the world is off-track on every other MDG, particularly the health and nutrition goals. The review also showed that the gaps are largest in South Asia and Sub-Saharan Africa (Bourguignon et al., 2009).

# After 2015: Rethinking Pro-Poor Policy

“Agreeing to a post-MDG architecture is not just a question of which goals to focus on, but also of the process we should promote to produce any new set of pro-poor policy indicators or targets.”

As we move closer to 2015, interest in reviewing the impact of the MDG model itself has risen. Three areas of evidence for this are:

- **Impacts on policy narratives:** Recent analysis of the impact of the MDGs on the international poverty discourses found them to be ‘strong, and significantly stronger than previous attempts to use indicator sets to highlight issues’, citing, among others, the MDG reports, high-level events and G8 discussions as evidence.
- **Mobilisation of social spending for key MDGs:** In general there has been a shift in aid from productive sectors and infrastructure in favour of the social sectors. For example, budget allocations of aid to primary schooling increased modestly in the 1990s but accelerated from 2002 onwards.
- **Country ownership of the MDG model:** Locally defined MDGs have been added in Afghanistan, Albania, Azerbaijan, Benin, Bhutan, Cambodia, Cook Islands, Kenya, Kosovo, Mongolia and Vietnam.

Sources: Fukuda-Parr (2008); Manning (2009)

However, a review of Poverty Reduction Strategy Papers (PRSPs) and donor policy statements found that while a commitment to the MDGs is always included, attention is given to some goals more than others. Whether the impacts of the MDG model reflect donor roles in aid-dependent countries is also an issue.

## What is the ‘After 2015’ debate about?

The ‘After 2015’ debate is about questioning the value of an MDG-type, target-based approach to international development, about progress so far on poverty reduction, about looking to an uncertain future and exploring what kind of system we will need after the MDG deadline has passed.

- 1 What has been the impact of the MDG approach on poverty reduction to date, and what does it mean for any post-MDG measures?
- 2 What key processes are likely to shape development over the next 10–15 years, and what are their implications for a new approach?
- 3 What, if anything, should replace the MDG model and form a future agenda?

Agreeing to a post-MDG architecture is not just a question of which goals to focus on or which indicators of pro-poor policy to emphasize, but also of the processes we should promote to produce any new set of pro-poor policy indicators or targets. The following are three possible ways forward:

- **More of the same:** We continue with the same MDGs, with or without a timeline. Economist Jeffery Sachs has argued for a timeline of 2025, while others press for 2020.
- **Something a bit more radical:** We create new targets, perhaps locally defined, with or without a timeline.
- **Combine the MDGs with something new:** We pursue an ‘inner core’ group of the existing MDGs, but add new and locally defined targets as an ‘outer core’.

We could be bolder about heralding a new development agenda that is wider in scope, but which are still anchored on the MDGs. However, more work is needed in order to have sufficient time for a global discussion on any post-2015 architecture – and soon.

## Credits

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## After 2015: '3D Human Wellbeing'

'3D Human Wellbeing' is emerging as a complement to the more traditional and material ways of conceptualising and measuring poverty and deprivation such as those implicit in the MDGs. But human wellbeing is not simply a new banner. It stands at the heart of the argument for a more human-centred approach to development and helps us to rethink indicators and policies for pro-poor policy.

Recent initiatives, the most notable of which is the OECD's *Measuring the Progress of Societies*, suggests that current approaches to poverty and development indicators and pro-poor policy need rethinking.

'3D human wellbeing' shifts our focus beyond incomes and narrow human development indicators to take account of what people can do and be, and how they evaluate what they can do and be (see box, right). Human wellbeing is three-dimensional (3D): it takes account of material wellbeing, subjective wellbeing and relational wellbeing. Policy that is intended to stimulate development processes cannot realistically focus on just one or two of them to the exclusion of the other(s). People's own perceptions and experience of life matter, as do their relationships and their material standard of living.

### What is the value of a focus on '3D human wellbeing'?

A 3D human wellbeing approach adds value to the 'traditional poverty' lens of the MDGs (which define poverty largely as material deprivation) in two ways. Firstly, it explicitly integrates *relational* and *subjective* perspectives on human

### What is '3D human wellbeing'?

Wellbeing arises from a combination of:

- what a person has
- what a person can do with what they have
- and how they think about what they have and can do.

It involves the interplay of:

- the resources that a person is able to command
- what they are able to achieve with those resources and what needs and goals they are able to meet
- the meaning that they give to the goals they achieve and the processes in which they engage.

Source: McGregor (2007)

wellbeing. How people relate to others and what people feel they can do or can be play a strong role in what people will actually do and be able to be. Secondly, it is a positive perspective. A wellbeing focus is respectful of the rounded humanity of all people by focusing on what people *can* rather than *can't* do, be or feel. It is also respectful in its focus on self-determination. The 3D wellbeing focus is inherently political. It addresses the questions of who has what? Who can do what? And who feels positive about what they can have and do?

### What does refocusing development on 3D human wellbeing offer for pro-poor policy and practice?

Refocusing development on 3D human wellbeing offers critical ways of reflecting on the adequacy of our currently accepted wisdom concerning how we think about and do development.

There is much nervousness about a policy focus on human wellbeing. It is argued by some that wellbeing is too personal for public policy. Others point out how complicated the concept of wellbeing is and that this makes it difficult to work

with. It is increasingly recognised that we need more complex understandings of human development, yet policy and practice is struggling to find ways to cope with this observation. A 3D human wellbeing focus represents a coherent way of framing this complexity so that it is more amenable for policy thinking.

This means that we must work to develop indicators of each dimension and find ways of integrating these into development policy design and into monitoring and evaluations systems.

“ We need more complex understandings of human development, yet policy and practice are struggling to find ways to cope with this observation. ”

Table 1: Interventions for 3D Human Wellbeing

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

The indicators that flow from a 3D definition differ from those that currently dominate development practice. Income-based and even human development indicators deal primarily with material and objectively observable (or reportable) dimensions of human wellbeing. Here we require a combination of 'needs satisfaction indicators', 'human agency indicators' and 'quality of life indicators' (see Gough and McGregor, 2007).

Using the 3D wellbeing framework we can construct a simple matrix to illustrate the types of analysis and policy choice when considering the combinations of personal 'capabilities' and societal 'conditions' interventions that the focus on human wellbeing requires (see Table 1, above). For example, a focus on improving the material wellbeing of sections of the population may involve the establishment of a credit programme but must also consider whether market reforms are necessary to ensure that any credit received is not immediately eroded by unfair market conditions in which poor people might operate. Equally, however, the approach encourages us to consider whether such efforts to improve the material dimensions of wellbeing must be accompanied by actions in relation to the other two dimensions in order to have overall effect on human wellbeing outcomes.

Post-2015 development policy should continue in its emphasis on material wellbeing but place this in its proper three-dimensional human wellbeing context. More attention is needed to the subjective and relational domains of human wellbeing and particularly to how these relate in the spheres of human values, relationships, norms and behaviours.

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## After 2015: Gender Equality

Gender equality is essential for poverty reduction yet a focus on gender only features in only two of the eight Millennium Development Goals (MDGs). Attention to the links between the gender-related MDGs and other key economic, health and environmental goals is needed to ensure sustainable gender equality and the empowerment of girls and women.

### Gender and the MDGs

Gender inequality is both a serious brake on development and a denial of the rights of women and girls. Despite this, only two of the MDGs have sought to explicitly address it. MDG 3 measures gender parity in education, the share of women in non-agricultural wage employment, and the proportion of national legislature seats held by women. MDG 5 focuses on reducing maternal mortality and, since 2005, on universal access to reproductive health. However, when examining all the goals, one can identify four key areas in which gender inequality needs rethinking (see box, right).

### How can we promote pro-poor gender-equitable change now and after 2015?

Piecemeal approaches to tackling gender equality need rethinking. Rather than reinventing the wheel, a reworking of the aid architecture is required. It will be more effective to build on current successes, better promote existing frameworks (such

### Gender and the MDG agenda: Gaps in pro-poor policy

- The MDGs related to *poverty and sustainable development* lack sex disaggregated data which masks the gender dynamics of poverty;
- The MDGs have not adequately recognised the differential challenges men and women face in *accessing quality services*, including for instance women's greater lack of time and challenges related to biological difference, such as the greater susceptibility of pregnant women to malaria.
- Women's roles in *care and care-giving* have been overlooked with resulting slow progress on MDGs 4 (child mortality) and 5 (maternal mortality). A shift in thinking is required, with care seen as the joint responsibility of society, including men, and the state, rather than women alone.
- Attention to *voice and agency* is crucial to overcome deeply engrained socio-cultural conditioning and the gendered division of labour.

as the Convention on the Elimination of Discrimination against Women and the Beijing Platform for Action) and take concrete steps to integrate gender equality into all development strategies. These efforts should be underwritten by a commitment to MDG 8 which calls for strengthened global partnerships in international development (particularly between North and South).

### Gender mainstreaming

Gender mainstreaming efforts have resulted in considerable achievements; UN agencies have become better at capacity building, many programmes now feature performance indicators and the Organisation for Economic Co-operation and Development's Development Assistance Committee (OECD-DAC) has encouraged the use of gender equality markers in programme delivery (OECD, 2007). However, mainstreaming efforts lack consistent financial and human resources and have suffered in some cases from policy evaporation. There continues to be a lack of systematic gender analysis,

“Piecemeal approaches to tackling gender equality need rethinking. Rather than reinventing the wheel, a reworking of the aid architecture is required.”

“Gender equality is a cross-cutting issue that needs to be considered in all pro-poor policy and programming, including those aimed at MDG achievement.”

and bilateral and multilateral agencies are frequently unable to effectively link gender equality policies to broader organisational goals. Given the institutional weaknesses which have plagued UNIFEM, the creation of a well-resourced, independent agency focused on gender equality and women's empowerment is needed to promote effective gender mainstreaming across the UN system. This agency would have operational and oversight capacity, universal country presence and the ability to monitor the effective implementation of gender goals within broader development efforts.

## Gender budgeting and aid effectiveness

The aid effectiveness agenda has been a major game changer since the Paris High Level Meeting on Aid Effectiveness (2005) and is likely to remain a key development focus after 2015. As such, the recognition of gender equality as a cross-cutting issue in the Paris Declaration and the OECD-DAC's gender marker system to assess the contribution of overseas development assistance (ODA) to gender equality goals have been important first steps.

However, early assessments of the move to General Budget Support suggest that more proactive measures are needed, including greater opportunities for civil society to participate in national priority setting (OECD, 2008). It is also important to make the outcomes of the Accra High Level Forum on Aid Effectiveness politically compelling by promoting a wider development effectiveness approach, where operational commitment to gender equality and women's empowerment become essential to both donor agencies and partner country governments.

Gender budgeting will be one tool by which governments can avoid policy evaporation. Given that government policy choices about revenue and expenditure impact people in a number of ways (which often differ for women and girls) budget policies and processes must be equally bound by the Convention on the Elimination of Discrimination Against Women (CEDAW) principles of non-discrimination, equality, participation and modification of social and cultural patterns of conduct.

## Promoting gender-sensitive social protection

Social protection policies can help to achieve the MDGs in a synergistic and gender-sensitive manner and will be integral for long-term pro-poor policy. Whilst a number of social protection programmes are attracting international attention and incorporate gender issues, few programmes to date have answered the call for 'transformative' social protection that would address gender-specific risks and vulnerabilities. A gender-sensitive approach to social protection will require a coordinated institutional approach, including the strengthening of local institutions, committed long-term funding, and a strategy to scale up interventions to address equity concerns. It will also need to recognise intra-household inequalities, the importance of social reproduction – including unpaid care-giving and household management, the diversity of family arrangements, and gendered labour market discrimination.

Links to other key economic, health and environmental goals is crucial for sustainable gender equality and the empowerment of girls and women. From now and beyond 2015, bilateral donors, multilaterals, southern governments and the NGO community must champion the importance of gender equality as a cross-cutting issue that needs to be considered in all pro-poor policy and programming, including those aimed at MDG achievement.

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## After 2015: Pro-Poor Low Carbon Development

Low carbon development (LCD) debates to date have been mainly about high- and middle-income countries. However, there are good reasons why the poorest countries with low emissions should be interested in pursuing LCD as an opportunity to pursue pro-poor development in a carbon-constrained world.

### The MDGs and sustainability

Despite a goal dedicated to environmental sustainability, some of the fundamental criticisms of the MDGs have been based on issues of sustainability and the lack of attention to tackling climate change – the impact of which is likely to affect poor people more than others.

As livelihoods shift in response to more extreme climatic conditions, issues of climate change adaptation and mitigation need to cut across all poverty reduction efforts, including any post-2015 architecture. It is often argued that alleviating energy poverty is a prerequisite to fulfil the MDGs. With energy-related activities being the main contributor to global climate change, energy is closely linked to climate change. Low carbon development (LCD) is a way of reducing energy poverty and achieving the MDGs.

### What is low carbon development (LCD)?

'Actions which include making a contribution towards stabilising levels of CO<sub>2</sub> and other greenhouse gases at a level that will avoid dangerous climate change, through deep cuts in global emissions, demonstrate a high level of energy efficiency and use low-carbon energy sources'.

Source: Skea and Nishioka (2008)

### Why would low income countries pursue low carbon development?

There is currently no internationally agreed definition of LCD. Definitions (such as the one in the box, left) mainly focus on mitigation, which neglects the importance adaptation plays in low-income countries.

- Most developing countries rely primarily on traditional biomass such as fuelwood. Fossil fuel resources, which are finite, see increased use as countries develop. Fossil fuels lead to a 'carbon lock-in' with infrastructure and investments bound to a carbon-intensive economy for decades. Relying on them can mean greater costs in the long run.
- The emission trading scheme under the United Nations Climate Change Convention (UNFCCC) has introduced a price for carbon. Having a high price attached to carbon could mean a competitive disadvantage for low-income countries in relation to global markets.
- Low carbon development can be beneficial to the poor as it can provide climate-friendly energy for electrification, allow community participation, and provide 'green jobs'.

### Policy responses to low carbon development

LCD can be thought of as changes in production (i.e. supply or economic growth) and/or consumption (i.e. demand, consumption patterns or lifestyles). Table 1 (overleaf) gives four interpretations, resulting from where policymakers place themselves on two different dimensions of response: their approach to growth; and their focus on production or consumption-related policy measures.

The first two types of low carbon development (here labelled 'Green economy' and 'Green lifestyles') assume that economic growth is compatible with significant reductions in carbon emissions. The latter two (here labelled 'Equilibrium economy' and 'Coexistence with nature') assume it is not. The Green economy and Equilibrium economy approaches both put the emphasis on reducing the production of carbon through technological changes – whilst the Green lifestyles and Coexistence with nature approaches focus on reducing demand through lifestyle and behavioural changes.

Of course, the options presented in Table 1 are not all mutually exclusive. For example, most country policymakers will favour a mix of production and consumption side approaches to low carbon development. However, the debate about the appropriate mix of policy measures in each country is still ongoing.

# After 2015: Pro-Poor Low Carbon Development

Table 1. Types of low carbon development (LCD)

Type of Low Carbon Development	Focus and approach
<b>Green economy:</b> Focuses on the production side of an economy and on how goods and services can be produced with lower emissions. It aims at decoupling economic growth from carbon emissions (e.g. halving emissions, but doubling GDP).	Focus mainly on mitigation, though adaptation also plays a role. Approach: Technological change, sectoral change
<b>Green lifestyles:</b> Focuses on the consumption side of a growing economy and on the consumer's ability to reduce emissions by consuming climate-friendly products. It implies lifestyle changes and behavioural changes and also leads to a decoupling of carbon emissions (e.g. halving emissions, but doubling GDP).	Focus equally on mitigation and adaptation. Approach: Behavioural changes, sectoral change, technological change
<b>Equilibrium economy:</b> Focuses on the production side of an economy and aims at development rather than growth. No decoupling is necessary as growth is neutral (e.g. halving emissions, but keeping GDP stable).	Focus mainly on mitigation, though adaptation also plays a role. Approach: Technological change, sectoral change
<b>Coexistence with nature:</b> Focuses on the consumption side of an economy and aims at development rather than growth. No decoupling is necessary as growth is neutral (e.g. halving emissions, but keeping GDP stable).	Focus equally on mitigation and adaptation. Approach: Behavioural change, sectoral change, technological change

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## How can low carbon development be pro-poor?

The appropriate types of policy measures will depend on the LCD definition chosen and the resources available. LCD differs between countries that have high fossil fuel resources and those do not. Countries with high fossil fuel resources usually tend to primarily promote so-called 'cleaner' fossil energy while countries with low fossil fuel resources often place emphasis on renewable energy. Forest resource availability is also important: countries with large forest resources aim to achieve LCD through climate-friendly forest and land use management.

What's missing so far are distributional issues (i.e. how do different types of LCD impact on the poor?). Since the main goal of the UNFCCC mechanisms are to reduce greenhouse gas emissions, we need to link up pro-poor policy debates with those on low carbon debates as part of a post-MDG agenda. Key policies for pro-poor LCD can be drawn by linking up pro-poor growth debates (see review of McKay and Sumner, 2008) and LCD debates (see Barrett et al., 2008; NIES, 2006; Ockwell, 2008; Urban, 2009). For example:

- **Redistributive policies and public expenditure:** This can take place when the government revenues made by 'green' industries are distributed to pro-poor sectors such as health and education.
- **Support for specific sectors which are crucial for the poor such as agriculture and forestry:** This requires specific sectoral investments, market development and infrastructure for pro-poor productive sectors.

- **Social protection for adaptation and combining the synergies between mitigation and adaptation:** Such as social protection measures to reduce vulnerability to climate change.
- **Community participation:** LCD provides opportunities to involve communities on a small-scale local level, such as rural electrification with renewable energy. This can enable sharing the profits from LCD on a community level.
- **Development to foster capacity for the legislative, economic and technical frameworks needed to achieve low carbon pathways:** For example, capacity building to ensure local policy-makers can develop the legislative frameworks needed for LCD.
- **Increasing the rate of 'green' job creation:** This will require investments, development of the finance sector and increased investments in small-scale infrastructure.

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