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CREATING KNOWLEDGE TO END POVERTY

IS GLOBAL GOVERNANCE FAILING THE WORLD'S POOR?

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Trainee nurses in rural Rwanda – part of a UN MDG initiative.
Photo: Sven Torfinn/Panos.

In 2000-2001 the leaders of 189 countries and all of the world's major multilateral institutions (the UN, World Bank, IMF and others) committed themselves to the goal of global poverty eradication. They formulated plans to halve poverty by 2015. Ten years later, the UN General Assembly is reviewing progress towards achieving the Millennium Development Goals (MDGs). It is time to examine whether the promises have been honoured.

The promises on tackling global poverty break down into two main sets. The countries of the rich world promised to support poorer countries by:

- increasing aid (and finance for development more generally);
- reforming trade policies;
- finding a framework to deal with the problems of rich-world-induced climate change; and
- making international institutions more legitimate and effective.

The countries of the developing world (a concept which has become increasingly problematic as 'new powers' and 'middle powers' emerge) agreed to:

- focus domestic policies on poverty reduction through Poverty Reduction Strategy Papers; and
- improve their governance (especially in sub-Saharan Africa).

What has been achieved?

From an MDG achievement perspective, the results are complex and mixed. Globally, income poverty reduction targets for the period 1990-2015 may be achieved. But this is largely due to growth in China and India, much of which was achieved in the 1990s – before the goals were set! In much of sub-Saharan Africa, however, and in sub-Siberian Asia (Northern India, Bangladesh, Burma, western China, Central Asia, Afghanistan, Pakistan and Nepal) economic and social progress has been limited.

Similarly, achievement patterns for different goals vary greatly. 'Education for all' has made great progress in primary school enrolment (but not educational quality). In contrast, reducing maternal mortality has made little advance.

From a process perspective, it is clear that global governance processes are failing the poor. After a short rise, foreign aid levels in 2008 were back to 1990 levels. Agreements to make aid more effective through better coordination are not being implemented. Promises of innovative finance for development (taxes on flying, Tobin tax, global lotteries and premium bonds) have made no progress. The Doha Development Agenda (DDA) to make trade fair has stalled, though there have been small advances in modifying intellectual property rights rules that made medicines unaffordable for poor people. Efforts to mitigate climate change, and for rich countries to pay for adaptation in poor countries, have faltered in Copenhagen.

In terms of promises made by developing countries, 'mixed results' might be viewed as an exaggeration. The African Union's much heralded New Economic Pact for African Development (NEPAD) has failed to impact on the quality of national governance on the continent. While some countries are 'moving forward' (Ghana, Rwanda and Tanzania) others have gone into reverse (most spectacularly Zimbabwe).

So, what can be done? There are clear lessons to be learnt from the 2000s. Reform of global and national institutions through active citizenship is vital. A new social norm is needed, which rejects extreme poverty as morally unacceptable. Key points for policy makers are outlined below.

Key policy points

- Activists must continue to demand reform of global institutions (especially making the UN more effective and the World Bank and IMF more accountable).
- Efforts are needed to increase support for reform from active citizens in poor and rich countries.
- The MDGs, and whatever succeeds them, need to promote an international social norm of the moral unacceptability of extreme poverty in an affluent world.
- Future activities need to focus much more on the national level – setting national goals, raising domestic resources, debating policies at national level – and much less on global goals and foreign aid.

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Further reading

Hulme, D. (2010) *Global Poverty: How Global Governance is Failing the Poor* (Routledge). http://www.routledge.com/books/details/9780415490788/

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