

Abstract

Since 1980, the notion of development has expanded to include dimensions such as health, education, natural resources, good governance, and human rights. Major contributions have been the 1987 Bruntland Report, the 1990 Human Development Report, and the 2000 Millennium Goals (MDGs). Development involves a wider notion of wellbeing and of poverty. An international debate led to the 17 Sustainable Development Goals of 2015 (SDGs), which underline the three dimensions of sustainability. This chapter examines the major novelties of the SDGs with respect to the MDGs. The approach to international cooperation has moved from being a donor-beneficiary relationship and from the Washington Consensus conditionalities to a broader view of global partnership. Empowerment and ownership are two concepts which highlight the changing views on development cooperation.

Chapter 2. Towards a broader definition of development

Nowadays development is no longer defined in terms of income per capita only, but as a multi-faced phenomenon and a continuously evolving process. Towards the end of the eighties, a consensus emerged on a broader definition of development (Vaggi 2016). This evolution owes a lot to the work of Amartya Sen, who has provided the decisive contributions to extend the vision of development beyond the borders of economics.¹

The broadening of the view of development has been stimulated by the fact that during the eighties many developing countries experienced a prolonged crisis. Except for some countries in East Asia, there was no convergence of low income countries towards the living standards of high income economies. After some improvements between 1960 and 1980, the debt crisis in developing countries in 1982 led to the 'lost decade' of the eighties and to the sluggish recovery (if any) of the nineties: two decades were lost.

Given the uneven progress and the economic crisis in countries, it is necessary to take a new view towards development. Moreover, several experiences show that economic growth alone does not guarantee sustainable development. There are rapidly growing economies where social hardship increases and new forms of poverty arise; other countries improve human development and the quality of life despite slow growth. The international community searches for a decoupling between economic growth and human development.

Development policies have also been deeply influenced by the debt crisis of the eighties; the mood has moved from the standardized economic recommendations known as Washington Consensus towards global partnership. However, the policy debate is quite fierce and still going on, which is not surprising; it is much easier to agree on broad development goals than on the concrete actions to be taken to achieve them.

2.1 Human Development and the Millennium Development Goals

We will examine three major contributions to a broader view of development: the 1987 Brundtland Report, the 1990 Human Development Report, and the 2000 Millennium Development Goals.

2.1.1 The Brundtland Report, 1987

In the early eighties, Gro Harlem Brundtland, a former Prime Minister of Norway, was asked by the UN Secretary General Perez de Cuellar to organize and chair a World Commission on Environment and Development. In October 1987, the Commission presented a lengthy report entitled *Our Common Future* (United Nations 1987) containing an initially approved definition of sustainable development.²

“Sustainable development is development that meets the needs of the present without compromising the ability of future generations to meet their own needs” (ibid., Chapter 2, point 1).

Since this report appeared, both the environmental dimension and the idea of sustainability have become essential aspects of the notion of development; however, the focus on natural resources has obscured the fact that the report takes a much broader and critical approach to the issue of development.

Following the above definition, there has been a specification of the two key concepts the notion of sustainable development incorporates:

- “the concept of "needs", in particular the essential needs of the world's poor....and
- the idea of limitations imposed by the state of technology and social organization on the environment's ability to meet present and future needs" (ibid.).

The first concept reminds us of the basic needs approach to development (see section 1.3 above).

The second phrase puts environmental sustainability into broad social perspectives and highlights a rather neglected aspect of the Bruntland Report. The limits posed by natural resources depend upon the prevalent technology and on the organization of societies. Both elements are not at all ‘natural’ but imply some specific social and economic setting. Natural resources are not a gift of nature; their availability and utilization depend upon the social and economic establishment, in particular on the way in which different stakeholders have the power to make decisions about investments in research and technology. Section IV of Chapter 3 of the Report is about *A Sustainable World Economy*, posing the question of to what extent the international economy is geared to fulfil the sustainable development challenge, a point we will return to in Chapter 5.

To the two key concepts included in the notion of sustainable development I would add a third one, which has also gone unnoticed:

- generations.

This concept brings up the question of rights: future generations have the same rights as the present generation, and also a time element: a generation is roughly twenty-five years. Decisions about sustainable production and consumption patterns should be guided by long-run perspectives and not

by short-run profitability. In Chapter 6 we shall see that this is still the main challenge for the coming years.

The final chapter, 12, describes the institutional and legal changes which are necessary to pursue sustainable development. Even if the main focus is on environmental matters, this chapter anticipates many of the themes which will reappear in the 2015 Sustainable Development Goals: the need for new aid and cooperation policies, the necessity to involve the private sector, the role of science, and the financial means of implementation.

The Report takes a holistic approach to development; the paramount concern is the limitations of natural resources, but there are very important pages on technology, food security, population, industrial production, cities, peace and security, and, above all, poverty. The report opens with the issue of poverty (ibid, Chapter 1, section 1), making clear that the needs of the poor are at the forefront.

The Brundtland Report laid the groundwork for a large UN Conference on Environment and Development, held in June 1992 in Rio de Janeiro. The conference, sometimes known as the Earth Summit, ends with two main documents: the Rio Declaration, a document with 27 general principles and Agenda 21, whose name is meant to indicate the challenges for the 21st century.

Agenda 21 is a comprehensive document organized into four sections, and it is not only devoted to the environmental dimension of development. The opening section is dedicated to the “social and economic dimensions” and highlights the need to fight poverty in developing countries; while sections 3 and 4 discuss the possible partnerships and the means of implementation, respectively.³

2.1.2 The Human Development Report, 1990

Two years before the Rio Conference, the UNDP published the first Human Development Report, HDR, with the Human Development Index, HDI, a composite index which includes three dimensions: income, education and health.⁴ The opening pages of the HDR clarify the purpose of the whole project and the vision behind it; Chapter 1 opens with the following words: “People are

the real wealth of a nation..... This may appear to be a simple truth. But it is often forgotten in the immediate concern with the accumulation of commodities and financial wealth.”(UNDP 1990:9).⁵

The main goal of the human development approach is to put people at centre stage. The initial pages of the Report highlight the fact that the consideration of human beings as an end and not as a means is not a new approach: “This way of looking at human development is not really new” (ibid.: 10).

This concern is shared by some philosophers of the calibre of Aristotle and by many important thinkers, from Kant to Smith to Marx (ibid.: 9). The report states that to have a sounder view of human development it is necessary to go back to these masters, something we will do in Chapter 4.

The formal definition of human development appears on page 10:

“Human development is a process of enlarging people’s choices. The most critical ones are to lead a long and healthy life, to be educated and to enjoy a decent standard of living” (ibid.: 10).

This sentence highlights the three fundamental spheres where people should have more opportunities and choices. Economic growth is only one of the three spheres; it is “necessary but not sufficient for human development.” (ibid.: 11).

The HDI is a composite index made up of three indicators, or sub-indexes, which capture the average conditions of health and education and the economic possibilities of the people of a country. In the present composition of the HDI life expectancy is the indicator for the health dimension, while the mean years of schooling and expected years of schooling, respectively, which refer to the education of the existing adult population, as resulting from historical patterns, are the two indicators used for the educational dimension.

The economic dimension is not meant to portray the value of an economy but to capture the standard of living of people; hence, in the HDI the figures of GDP per capita are in terms of Purchasing Power Parities. PPP “provide better approximations of the relative power to buy commodities and to gain command over resources for a decent living standard” (ibid.: 12). The “PPPs can thus be used to convert the cost of a basket of goods and service into a common currency

while eliminating price level differences across countries”

(<http://www.worldbank.org/en/programs/icp>); in other words, the PPPs equalize the purchasing power of currencies in a certain consumption basket. The per capita GDP in terms of PPP describes the ability of the people of a country to satisfy their own needs in a better way than would the average income per capita of the country expressed in local currency or U.S. dollars. The possibility to buy goods and services and to have access to resources depends upon the composition of the consumption basket and on the prices of the items included in it; therefore, to know the PPP it is necessary to know the prices of the same type of goods in different countries.⁶

Each country is part of a ranking which ranges from low to high human development, the maximum value being 1; the closer to 1 the better, since each of the three sub-indexes describes how far away each country is from the best existing situation.⁷ The HDI and its three components use the notion of ‘distance’ to measure human development; for instance, the farther away the country’s life expectancy is from the highest value, the lower is the value of the health sub-index. This approach highlights the size of the gap each country is facing.

The Report emphasizes that “the expansion of output and wealth is only a means. The end of development must be human well-being” (ibid.: 10). The notion of well-being is superimposed on that of income, which will lead to the search for possible definitions of well being.⁸

The notion of human development is related to Sen’s capabilities approach and to the Human Rights based approach to development; in fact, the 2000 Human Development Report is dedicated to human rights (UNDP 2000). In the opening pages of the 1990 Report, we read that in addition to the three dimensions of human development people should be able to decide about other important aspects of their life. “Additional choices include political freedom, guaranteed human rights and self-respect – what Adam Smith called the ability to mix with others without being “ashamed to appear in public” (UNDP 1990: 10, italics added).

Political freedom highlights the fact that human development has an important social dimension, and we also read that “social arrangements must be judged by the extent to which they promote

"human good" (ibid.: 9). This sentence is in the opening page of the report, but its implications are often overlooked. Human good is not only the outcome of development policies and of international cooperation; it is largely determined by the social, economic and political features of a country and by the international environment. These factors determine the conditions which either favour or constrain people's capabilities.⁹ The importance of social arrangements is also underlined by the fact that human development is not only a level but also a participatory process (ibid.: 10). The problem of partnership has become a key attribute of any type of development policy.

In 2010, the Human Development Index was modified in part because of some critical remarks. The HDI was the arithmetical mean of three sub-indexes - the three values were added and then the sum was divided by three; thus, a country with very poor records on health and education could partly compensate for this with a high income per capita, thanks, for instance, to the sales of its natural resources. Since 2010, the HDI has become a geometrical mean, in which the three sub-indexes are multiplied among themselves. Thus, if one of the three values is very low, it drags down the HDI, making it more difficult to improve the HDI thanks to only one of the three dimensions.¹⁰ The HDI has also been criticized because each sub-index is, in fact, an average which covers the entire population; however, this does not properly capture the more marginalized groups. To partially overcome the problem, the 2010 Human Development Report has introduced the Inequality-Adjusted Human Development Index, IHDI. The IHDI is adjusted for the inequality in the distribution of each dimension across the entire population (Alkire and Foster 2010).

2.1.3 The Millennium Development Goals, 2000

In September 2000, the United Nations General Assembly approved the *Millennium Declaration*, which includes the Millennium Development Goals, MDGs. The first MDG is about reduction of so-called extreme poverty: one goal is dedicated to the environment, one to education, one to gender, and three to health. The final goal, number 8, is about global partnership.

It might seem strange that at a time in which the definitions of development and poverty are being enlarged and enriched, the first MDG refers to the economic dimension of poverty. This apparent paradox can be explained by the fact that from 1980 to 2000 three macro-regions of the world, Latin America and the Caribbean, the Middle East and North Africa, and Sub-Saharan Africa, had no increase at all in income per capita, with many countries experiencing a significant drop. It is no surprise that in the year 2000 income poverty was regarded as a priority.

In the mainstream approach to economic development, growth is regarded as the best way to fight poverty. The 2002 paper 'Growth is Good for the Poor' by Dollar and Kraay (Dollar and Kraay 2002) is a clear example of this; market forces lead to an efficient allocation of resources, which implies a high growth rate that, in turn, will benefit all people, including the poorest ones. This is an example of a 'trickle down type of growth' with no specific analysis of income distribution and equity.¹¹ Though MDG1 does not directly tackle this view, it asks for more direct policies to fight poverty.

Some features of the MDGs must be mentioned.

First, the 2000 Millennium Declaration does not introduce a unique indicator and a single measure of development, such as income per capita and the Human Development Index. The MDGs adopt a holistic approach to development; a way to look at development through a multitude of indexes and goals, without trying to synthesize the various aspects into a single number. This is the so-called 'dashboard approach', which indicates a menu of options and has become very successful in the 21st century.

Second, the MDGs do not require a ranking of countries, which are not directly compared one with the others; in a sense, each country competes with itself because the focus is on the improvements made to achieve the goals. In fact, the Monitoring Reports of the progress of countries towards the MDGs analyse whether countries are on track to achieve the goals or are lagging behind. The MDGs focus on some basic human needs and on the outcome of the policies put in place to move along the path leading to the achievement of the targets.

Third, three of the eight goals refer to health, which reflects the importance of health conditions from human development perspective. However, this fact has also to do with the HIV pandemic, which the international community became aware of in the mid-eighties, and the large losses in life expectancy, especially in Sub Saharan Africa, during the nineties. During the nineties, some countries lost almost ten years of life expectancy, which fell from sixty to fifty years of expected life: an enormous setback. Due to the enormous human costs of AIDS as well as its reverberations in the media, in the beginning MDG 6 was dedicated to the fight against the HIV infection only. Now MDG 6 reads: “Combat HIV, malaria and other diseases”; among the latter is tuberculosis. Malaria and tuberculosis have been introduced because many African countries made it clear that AIDS was not at all the first cause of death; other diseases were much more widespread and affected millions of people.

Fourth, in the international development community the issue of gender was already an important component of the idea of development, but in MDG 3 gender is now explicitly identified as a major universal goal.¹²

Fifth, all the goals, perhaps with the exception of the last one, have been devised mainly in view of the conditions of developing countries. This is much less true for the 2015 Sustainable Development Goals.

2.2 Poverty

The MDGs have played a very important and useful role in highlighting the major challenges confronting developing countries and the entire world, but MDG 1 about extreme poverty is the goal which has received more attention. The idea of reducing by half, between 1990 and 2015, the number of people living on less than one dollar a day was a huge challenge, but it also has had an enormous impact through a powerful but very easy to understand message. How was the one-dollar-a-day story born?

The so-called extreme, absolute, international poverty line derives mainly from the work of Martin Ravallion and was first exemplified in the 1990 *World Development Report* (World Bank 1990: 27-9). The international poverty line is not the income per capita of a country but refers to the cost of a minimal consumption basket and is meant to indicate a threshold below which people cannot afford basic subsistence.¹³

Of course, each country has its own national poverty line, which differs from country to country. The international poverty line is a threshold which aims at highlighting the purchasing power of very poor people all around the world. These people are defined as the citizens who, in 1990, could not afford to buy a basket of goods and services larger than what a US citizen could buy with one dollar a day. The one dollar refers to daily income measured in terms of Purchasing Power Parities; thus, it takes into account the local prices of basic commodities.

The one-dollar-a-day line has never been exactly \$1: in 1990 it was \$1.01; between 1990 and 2001 the international poverty line was moved up to \$1.08 and then to \$1.25 in 2009 at 2005 PPP prices. In principle, the poverty line should be constant in real terms and its modifications should reflect only the price changes of basic goods in developing countries with respect to the dollar prices for the same goods in the US.¹⁴ An update took place in 2015, and in 2018 the threshold is \$1.90 a day, at 2011 PPP prices.¹⁵

Poor people and poor countries do not necessarily overlap. Most of the people who are poor according to the absolute poverty threshold live in middle income countries, even if this is largely accounted for by India, Pakistan and Indonesia (Sumner 2013; Sumner and Lawo 2013).

Poverty is often considered to be the opposite of development; however, the concept of poverty has evolved parallel to that of development. Poverty is no longer defined only in terms of income, but more in general as deprivation and exclusion, the lack of capabilities, in the sense of the lack of the possibility to decide and to choose regarding one's life.

Since 2010, we have the Multidimensional Poverty Index, MPI (Alkire 2007 and Alkire et al. 2013). Deprivation is the leading view of poverty adopted in this approach. MPI is a sort of

negative measure of well-being, capturing how much poverty, in its different dimensions, is widespread and deep-rooted in a society. The index includes ten different indicators of poverty which refer to the basic needs of households: from child mortality to electricity, cooking fuel, school attendance. For each indicator and for the whole index the MPI highlights the intensity of poverty and the depth of the deprivation; that is, the distance of the poor from the conditions which would enable them to satisfy the specific need.

The MPI shows how many dimensions of well-being people lack, that is, are deprived of, and by how much. People are regarded as being ‘multi-dimensionally poor’ if they experience deprivation based on 33% or more of the indicators. Each year the index is available in the Human Development Report and represents a very useful policy tool, since it shows which are the typical deprivations in each country.

A final note on poverty. The opening pages of the first Human Development Report mention Adam Smith’s view that people may not feel suitable to society (UNDP 1990: 10). Smith looks at poverty from a very interesting perspective. He has an ample definition of the necessities of people, which include “not only the commodities which are indispensably necessary for the support of life, but whatever the custom of the country renders it indecent for credible people, even of the lowest order, to be without”. Necessaries include also the conditions for which “the poorest creditable person of either sex would be ashamed to appear in public without them.” (Smith 1776, V.ii.k.3).¹⁶

Smith defines necessities as a basket of basic goods, but he also offers a more general criterion of poverty: shame, humiliation and embarrassment at not being able to share the type of life which is regarded as decent according to the customs of the country. Poverty as exclusion, as the lack of dignity; this is both a judgment and a feeling by human beings about what is considered a decent condition in a particular society.

2.3 Beyond GDP

Income per capita is no longer regarded as an appropriate indicator of development, as the notion of well-being has now come to the fore. This tendency has been strengthened in recent years. In 2007, the European Commission and other organisations promoted ‘The Beyond GDP conference’ in order “to explore how to improve the measurement of progress, true wealth and the well-being of nations”.¹⁷ It fully supported the momentum to go beyond GDP” (European Commission 2007: 1). In 2008, a famous report by Stiglitz, Sen and Fitoussi appeared on the measurement of social progress (Stiglitz et al. 2008). The Report focuses on the notion of well-being, highlighting its many dimensions, clarifying limitations to GDP, and reviewing various alternative indexes; however, it does not dismiss GDP in favour of any single alternative. The main message is probably the need for awareness of what is measured and cautiousness in using data.

The Human Development Index and the Multi Dimensional Poverty Index are two well-known examples of composite indexes which blend together different dimensions of development, progress and well-being. Some other examples are the World Happiness Report, which owes a lot to the work by a team led by Jeffrey Sachs at Columbia University and which first appeared in 2012 (Helliwell et al. 2013). The Inclusive Wealth Index (IWI), proposed by the UNU-IHDP and UNEP, is measured in monetary terms, like GDP, but advocates for a wealth based approach, i.e., stocks instead of flows, to capture the different dimensions of the sustainability of societies (Dasgupta and Duraiappah, 2012).

A multidimensional notion of well-being is also at the core of the OECD Better Life Initiative of 2011, which has given rise to the Better Life Index with eleven dimensions of well-being, classifying 38 countries, mainly from the OECD (<http://www.oecdbetterlifeindex.org>). In 2014, the Social Progress Imperative, an international coalition of philanthropic foundations, consulting and financial firms proposed the Social Progress Index, which is a simple average of the three dimensions: Basic Human Needs, Foundations of Well-Being and Opportunity, which are further divided into 12 specific components, each measured by numerous indicators aggregated through multivariate data analysis (Porter et al. 2014).

2.4 From the Millennium Goals to the Sustainable ones.

2.4.1 The road to the SDGs

The SDGs arose from the above debates on the multidimensional nature of development, but instead of looking for a single composite magnitude they broaden the view; as the MDGs the SDGs adopt a ‘dashboard’ approach to development, in which various aspects of development are part of a list.¹⁸ The SDGs are the outcome of a specific process which originated during the preparatory works of the 2012 Rio+20 conference, thanks to a proposal by Colombia and Guatemala (Loewe and Rippin, 2015: 2, 4). The Rio+20 conference led to the formation of the Open Working Group for Sustainable Development Goals, OWG, with the participation of many development actors, including civil society organizations. The aim was to have a participatory debate about the post-2015 goals. This process generated many documents; let us recall a few of them.

In May 2013, the United Nations published The report of the High-Level Panel of Eminent Persons on the Post-2015 Development Agenda, containing 12 goals, 54 targets, and a new time horizon: 2030 (UN-HLP 2013). This report was the outcome of the work of the UN Secretariat with the support of some international personalities. The report stressed ‘five transformative shifts’: leave no one behind, sustainability, jobs and inclusive growth, peace and institutions, and global partnership. The five shifts did not appear as such in the final UN Resolution of September 2015, also known as Agenda 2030(UN 2015), which, however, incorporated many important aspects of the 2013 Report. For instance, ‘leave no one behind’ has become a leading expression in Agenda 2030. The shift concerning jobs and inclusive growth appeared in SDG 8, the one regarding peace and accountable institutions highlighted the need for a broader view of institutions and was partly represented in SDG 16. Shift five was dealt with in SDG 17 on global partnership, the topic of Chapter 6 below. In July 2014, the Open Working Group for Sustainable Development Goals presented its final report with 17 goals and 169 targets (UN-OWG 2014), which is almost identical to the final UN

Resolution of September 2015. It is immediately clear that the OWG report has several problems: in particular, there were too many goals and targets, many goals overlap with each other, and some goals are extremely ambitious: zero poverty by 2030?¹⁹ The OWG report was the outcome of long negotiations in which it was necessary to accommodate different inclinations and sensibilities, but the High Level Panel report appears less confused and more focused.

However, reducing the number of goals and targets has proven to be impossible, and in December 2014 the UN Secretary General delivered a Synthesis Report with the beautiful title: *The Road to Dignity by 2030*. The report states that the UN is in favour of “maintaining the 17 goals and rearranging them in a focused and concise manner” (UN-SG 2014: 15). The 17 goals are clustered into six essential elements: dignity, people, prosperity, planet, justice, and partnership (ibid.:16-19). There are still some overlapping and confusion, but the emphasis on human dignity is extremely important, and the six elements provide some sort of guidance in implementing the SDGs.

On August 11, 2015, the UN published a new document,²⁰ which, with very minor changes, has the same 17 goals and 169 targets as the July 2014 Open Working Group report. The August 2015 text became the UN General Assembly Resolution adopted on September 25-27, 2015, in which the 17 goals are preceded by a declaration consisting of 59 points and followed by 32 points dealing with the means of implementation, global partnership, and the follow-up (UN 2015: 24-29).

In the final Resolution, the six elements of the UN Secretary General Synthesis Report are reduced to five “areas of critical importance to humanity and the planet” (ibid.: 2): people, planet, prosperity, peace, and partnership: the five Ps. The element called ‘justice’ in the Synthesis Report became ‘peace’ while the other four elements kept the original name. Although the first element ‘dignity’ is missing, the word dignity appears in several paragraphs at the beginning of the declaration (ibid.: 2-3).

A list of 241 indicators are presented by the UN statistical commission (UN-IAEG SGS 2016).

The SDGs are organised into three layers: goals, targets and indicators, very much like the Millennium Goals, but I suspect that the SDGs will give more emphasis to the indicators and the focus will be on measurement.²¹

The fact that there is no single magnitude to express the development stage of a country/region does not mean that measurement is not important, quite the contrary. Each goal/aspect of development has its own set of indicators, most of which are expressed in terms of a numerical target. It is only by measuring the indicators and how they move through time that it is possible to assess whether there is progress towards a certain goal.

2.4.2 Old and new goals

What is new in the SDGs with respect to the MDGs? Following the 2012 Rio+20 Conference, the environmental dimension entered full force into the new goals (Evan and Steven 2012: 11).

Moreover, in November and December 2015 in Paris, a Conference on Climate Change was held, the so-called COP 21 since it was the 21st session of the United Nations Framework Convention on Climate Change (UNFCCC), which had been established in 1992 at the Rio Summit.²²

The MDGs are much more focused on human development and on extreme poverty. The Millennium Declaration is the outcome of the human development vision and of the human rights approach to development. Most of the MDGs focus on the basic conditions of life and on basic needs: hunger, poverty, maternal and child death, and primary education. In 2000, the focus was on poor countries and on the conditions of the most destitute people.

The SDGs have many more goals, with a very long list of targets and indicators, but the main message. However, the focus is now on sustainability, which received a broad definition not limited to the environmental aspect.²³ Agenda 2030 highlighted “the three dimensions of sustainable development: the economic, social and environmental” (UN 2015: 2). Moreover, the SDGs are for all countries and for everyone.

Table 2.1 presents a simple classification of the old and new goals. The human development and poverty goals are now found in the ‘people’ area. There are many more and more specific goals in the ‘planet’ area, but the novelty is also represented by the goals in the ‘prosperity’ area. These four are the ‘structural’ goals, since they refer to the working of economic forces and the structures and conditions which exist in the international economy. Two of these goals are particularly important: number 8 on full employment and decent work and number 10 on reducing inequalities.

Table 2.1 Old and new goals and the five Ps		
MDGs	Area	SDGs
1- 6	P eople	1- 5
7	P lanet	6, 7, 11, 13, 14, 15
	P rosperity	8, 9,10,12
	P eace, inclusive societies, justice	16
8	G lobal P artnership	17

Peace and justice also represent a new entry, while global partnership was already in the MDGs.

The three areas, ‘people’, ‘planet’ and ‘prosperity’, refer to the social, environmental and economic dimension of sustainability, respectively; however, all goals and targets should incorporate all three dimensions, which is of course a very challenging requisite.²⁴

2.5 Changing views on international cooperation

Different views of development complement different ideas about how to promote it.

2.5.1 The Washington Consensus and conditionality

The term Washington Consensus has been coined by John Williamson to indicate ten major points of the Structural Adjustment Programs (SAP) of the IMF and the World Bank (Williamson 1990).

The ten points recommended a set of economic reforms which were meant to speed up economic growth and were based on two main ideas. First, the reduction in the role of the state and the opening up of the economy would boost economic growth. Second, economic benefits would 'trickle down' to the entire society. As we have seen in sections 1.2 and 1.5, both ideas dominated the views about economic development in the seventies and eighties. The Washington Consensus policies included: privatizations, liberalizations of the capital account and macroeconomic stability; in other words, low inflation and a small state budget. These policies were regarded as necessary and even sufficient to trigger economic growth.

The dominant idea is that there are no alternatives to the Washington Consensus policies, both in theory and in practice, but international and civil society organizations could intervene with programs of 'social safety nets' to mitigate the negative impact of Structural Adjustment Programs on the poorest people. The Structural Adjustment Programs included the conditions that the developing countries had satisfy in order to receive the support of the International Monetary Fund during the financial crisis, but they were also the prerequisites for obtaining aid by international organisations.

In the second half of the eighties, many research works condemned the policies based on the Washington Consensus. First, the structural adjustment programs are a typical case of 'one recipe fits all', because they are supposed to be effective in countries which have very different economic characteristics, and in many cases they do not restore growth (Rodrik 2007). Second, these policies ask for a small role from the state and require a reduction in subsidies and social expenditures, thus causing deep human suffering(Cornia et al. 1987).²⁵

The idea of a 'post-Washington Consensus' derived from a famous paper by Joseph Stiglitz (Stiglitz 1998a). Stiglitz advocated the need for more articulated and less economic-focused policies, while also highlighting the fact that development has to be interpreted in terms of broader goals, not just as an increase in income.

The collaboration between Stiglitz and James Wolfenshon, then President of the World Bank, led to the proposal for a new approach to international cooperation. In January 1999, the Comprehensive Development Framework (CDF) was proposed as a new way of looking at development policies (Wolfenshon 1999). The CDF is a holistic approach to development offering a rich taxonomy which covers many aspects of the development process, from the strictly economic ones to those more related to the human, political and social dimensions. Efficient policies can only be achieved by considering the interrelations of the different aspects of development. No goal or target can progress in isolation and there is no single development model good for every country.

The CDF proposes a new methodology to deal with development policies, which must take into account the role and the actions of many different actors: nation states, international organizations, civil society, and the private sector. With the help of a double entry table, the CDF tries to identify the actors that are likely to be more efficient in pursuing each development goal. The CDF is no longer very well-known, but it anticipated some of the most relevant indications for development and cooperation policies that would emerge from the various high level forums of the 2000s.²⁶ Moreover, CDF tackles the issue of partnership for development, which is the topic of the last goal both in the 2000 Millennium Declaration and in the 2015 Sustainable Goals, numbers 8 and 17, respectively.

2.5.2 From aid effectiveness to global partnership

Aid is an essential component of development policies, and since 1960 the Development Assistance Committee (DAC), which is in charge of coordinating aid policies among the OECD countries, the “old donors”, has operated. Following the presentation of the MDGs there have been many initiatives and documents on the role of aid and on aid effectiveness. Between 2002 and 2017 there were at least ten major international conferences on development: four High Level Fora on Aid Effectiveness, four conferences on Financing for Development, and two High-Level Meetings of the Global Partnership for Effective Development Co-operation. The first two decades of the new

century have been characterized by intense debates on the means necessary for appropriate cooperation for development. The means refer to the financial requirements to first achieve the MDGs and then the SDGs, but above all these meetings have dealt with the procedures and practices of development co-operation.

The central topic of all these high level fora was aid effectiveness. The first High Level Forum on aid and international cooperation took place in Rome in 2003, resulting in the “Rome Declaration on Harmonisation” of cooperation practices. The second forum was held in Paris in 2005 and led to the ‘Paris Declaration’ on aid effectiveness, which highlights five principles: ownership, alignment, harmonisation, managing for results, and mutual accountability. All these principles emphasise the need for effective coordination of development policies by all the partners. Alignment and harmonisation require the traditional donors to coordinate their aid-policies, while managing for results and mutual accountability focus on the outcome of aid and on the transparency in the use of funds.

Ownership stresses the central role of developing countries in managing their policies and strategies and their own development work on the ground. The idea of country ownership was reinforced in the third forum in 2008 in Accra with the Accra Agenda for Action, which underlines that donors must accept the development priorities and development strategies of countries. The Accra Agenda for Action insists on the need to involve new players in development policies, including the private sector and civil society organisations, in order to achieve more effective results.

In 2001 in Busan there was a shift in focus from aid effectiveness to global partnership, the theme which characterizes the following meetings. The first High-Level Meeting of the Global Partnership for Effective Development Co-operation took place in Mexico City in 2014 and the second one in Nairobi in 2016.

Between 2002 in Monterrey Mexico and 2017 in Doha, four major conferences on Financing for Development took place. The second conference took place in Doha in 2008 and the third one was held in 2015 in Addis Ababa, in preparation for the September UN General assembly that approved

the SDGs (UN-AAAA (2015)). All these conferences concluded that to achieve the SDGs more resources must be committed. Since the seventies, the recommended aid target has been at least 0.7 percent of income for each donor country, a figure met by only five countries.²⁸

2.6 Bridging empowerment and ownership

The debates of the last four decades have provided a detailed view of what development is and how it should be achieved. We know the main aspects of development and are aware of the procedures and the policies which all the partners should adopt in order to pursue it. Development is not just about economic growth; it is a multi-faceted phenomenon in which different aspects are linked to each other. We know ‘what’ to do.

Similarly we are aware that cooperation policies should be coordinated, coherent and, of course, that aid should be effective and results-oriented. Cooperation should build a real partnership, aim at sustainability, and lead to country and people ownership. We know ‘how’ to do it.

The overabundance of the targets and indicators in the SDGs could give the impression that sustainable development is just about adding new goals. The new dimensions are important; however, development is a process of empowerment and ownership. Development as empowerment underlines the fact that neither the input-approach, how many funds are employed, nor the outcome-approach, which focuses on the end-results alone, give a satisfactory description of development. The way in which the goals are pursued is an essential component. Sustainable development is a process of transformation which is valued in a positive way by the people and which implies major economic, social and political changes. Development is a way to remove some of the constraints which determine the deprivation and the exclusion of some people, groups and countries.

Empowerment and ownership describe very well the recent outcomes of the debates on development and cooperation. The World Bank has produced several studies on the issue of the empowerment framework, also in relation to the Poverty Reduction Strategy Papers (PRSP) linked

to the debt relief policy known as Heavily Indebted Poor Countries (HIPC), an initiative of the early 2000s. “Empowerment is the process of enhancing the capacity of individuals or groups to make choices and to transform those choices into desired actions and outcomes” (Alsop et al. 2006: 10).²⁹ All the SDGs imply some element of empowerment. This is clear for the goals and targets related to education, health and gender; in other cases, the impact is less direct and requires changes in the social and economic conditions, sometimes called ‘opportunity structures’(ibid.).

Empowerment is not just the improvement of some indicator, of course these improvements might help the process of empowerment. Empowerment is also different from sustainability; most likely, empowerment implies sustainability, but the opposite is not necessarily true. Development programs which comply with the three dimensions of sustainability (see section 2.4. above) may support the process of empowerment, but it might be that the people and groups involved in the programs are still far away from achieving the awareness and self-confidence the empowerment process implies. Empowerment is the possibility to enlarge one’s opportunities, which requires the ability to decide among a set of choices and the possibility to put choices into action.

Ownership is often indicated as country ownership, and it is prominent in both the Paris Declaration and in the Accra Agenda for Action; however, it is also strongly emphasised in the Comprehensive Development Framework and in all the World bank documents related to it (see above 2.5).

Ownership is the ability of a developing country and of its people to lead the development process, In a popular quote by Stiglitz: ‘the degree of ownership is likely to be even greater when the strategies and policies are developed by those within the country itself, when the country itself is in the driver’s seat’ (Stiglitz 1998b: 17). Ownership includes elements such as power, responsibility and capacity (Watson-Grant et al. 2016: 8).

Ownership requires the involvement of all the national stakeholders, which means local governments, civil society organizations, communities, etc. which must participate in the formulation and implementation of development strategies. Country ownership means that there is sufficient political support within a country to implement its developmental strategy(World Bank

2005: 19-21), but of course local elites might gear the development policies and in particular foreign aid towards their own interests (Angeles and Neanidis 2009).

Ownership is a political concept because it has to do with power (Watson-Grant et al. 2016: 8).

Country ownership is meant to overcome the old donor-recipient relationship in which decision-making power is largely in the hands of the funding institutions. Notwithstanding all the international conferences and documents, power is still unequal, and it is not easy to achieve a country-led partnership (World Bank 2005: 24). There are still very large power differences in negotiations on development; in order to have less unequal partners, these differences must be re-balanced.³¹

To achieve a more balanced relationship in development strategies, it is necessary to improve the institutional capacities of developing countries at all levels, from central governments to local organizations. Ownership is linked to empowerment. Empowerment, ownership, power sharing, capacity building: this is the challenge for global partnerships (see Chapter 6 below).

¹ See Sen (1981), Sen (1985) and Sen's (1999).

² The Report is organized in three parts entitled: Common concerns, Common challenges and Common endeavours.

³ Following the Rio Conference, the Commission on Sustainable Development was established in December 1992 by the UN General Assembly.

⁴ The Human Development Report derives also from the collaboration between Amartya Sen and his friend Mahbub ul Haq, when the latter was Special Adviser to UNDP.

⁵ For an analysis of the first twenty years of the report, Alkire (2010).

⁶ Prices are obtained through the International Comparison Program (ICP) coordinated by the World Bank and are revised every 6-7 years (<http://www.worldbank.org/en/programs/icp>). The income per capita in PPP is taken in a logarithmic form.

⁷ For the full definition of the HDI, see the technical notes in UNDP (1990).

⁸ The discussion had already been opened by Sen in his 1986 book on the standard of living.

⁹ The expansion of output is not a sufficient condition for human development, but it is a necessary one (UNDP 1990: 11).

¹⁰ The education sub index has also changed: the literacy rate is no longer included and secondary education is now more relevant.

¹¹ For alternative pro-poor growth theories, Gore (2007).

¹² MDG 3 focuses in particular on the educational opportunities of girls.

¹³ On the methodology for building the international poverty line, World Bank (1990: 27-9) and Ravallion et al. (2009).

¹⁴ Ferreira et al. 2012 and Ferreira 2015 provide a detailed analysis of the update from \$1.25 to \$1.90. As Ferreira writes: “\$1.90 in 2011 buys approximately the same things as \$1.25 did in 2005 in poor countries” (Ferreira F. et al. 2012).

¹⁵ In order to change the poverty threshold, it is necessary to know the PPP, which are updated every 6-7 years and become available 2 or 3 years later. The total number of people in extreme poverty does not change much when moving from the \$1.25 line with 2005 PPP prices to the \$1.90 line with 2011 PPP prices.

¹⁶ A few lines before this passage there is another very similar sentence.

¹⁷ We must also recall the work on economic growth by Nordhaus and Tobin (1972). Several works describe the story of GDP and the reasons for its relevance: (Coley 2014; Fioramonti 2013; Phillipsen 2015).

¹⁸ Since 2016, an “SDG index and dashboards report” has been published (Sachs et al. 2017).

¹⁹ See, for instance, Maxwell (2014), Knoll and Engel (2014).

²⁰ This is the ‘Draft outcome document of the United Nations summit for the adoption of the post-2015 development agenda’; see <https://sustainabledevelopment.un.org/>, where it is possible to find all the documents related to the SDGs process.

²¹ The indicators are still being updated. Note that the original 244 indicators are, in fact, 232 since “nine indicators repeat under two or three different targets” (<https://unstats.un.org/sdgs/indicators/indicators-list>).

²² It was also the 11th session of the parties which in 1997 signed the Kyoto Protocol.

²³ The notion of sustainability has already been investigated; see, for instance, Daly and Cobb (1989) and Sachs (1999). However, it is in the 2030 Agenda that it takes centre stage in development debates and policies.

²⁴ Goals can be organized into 4 different clusters (Vaggi 2016: 47-48), but there are other ways to group the goals; see, for instance, Loewe and Rippin (2015: 4) and OECD (2015: 48).

²⁵ For an analysis of the evolution of development policies since the time of the Washington Consensus Gore (2000) and Kanbur (2008). For the making of the post-Washington consensus see Fine (2001), chapter 8.

²⁶ The World Bank website provides information on the Comprehensive Development Framework (http://web.worldbank.org/archive/website01013/WEB/0_CON-3.HTM).

²⁸ In 2017, Norway, Sweden, Denmark, Luxembourg and the United Kingdom have met the target of 0.7% of GNI, while the Netherlands and Germany were just below it.

²⁹ On the measurement of empowerment, see Alsop and Heinsohn (2005).

³¹ “Mutual accountability assumes a more equal balance of power” (Watson-Grant et al. 2016:11).