

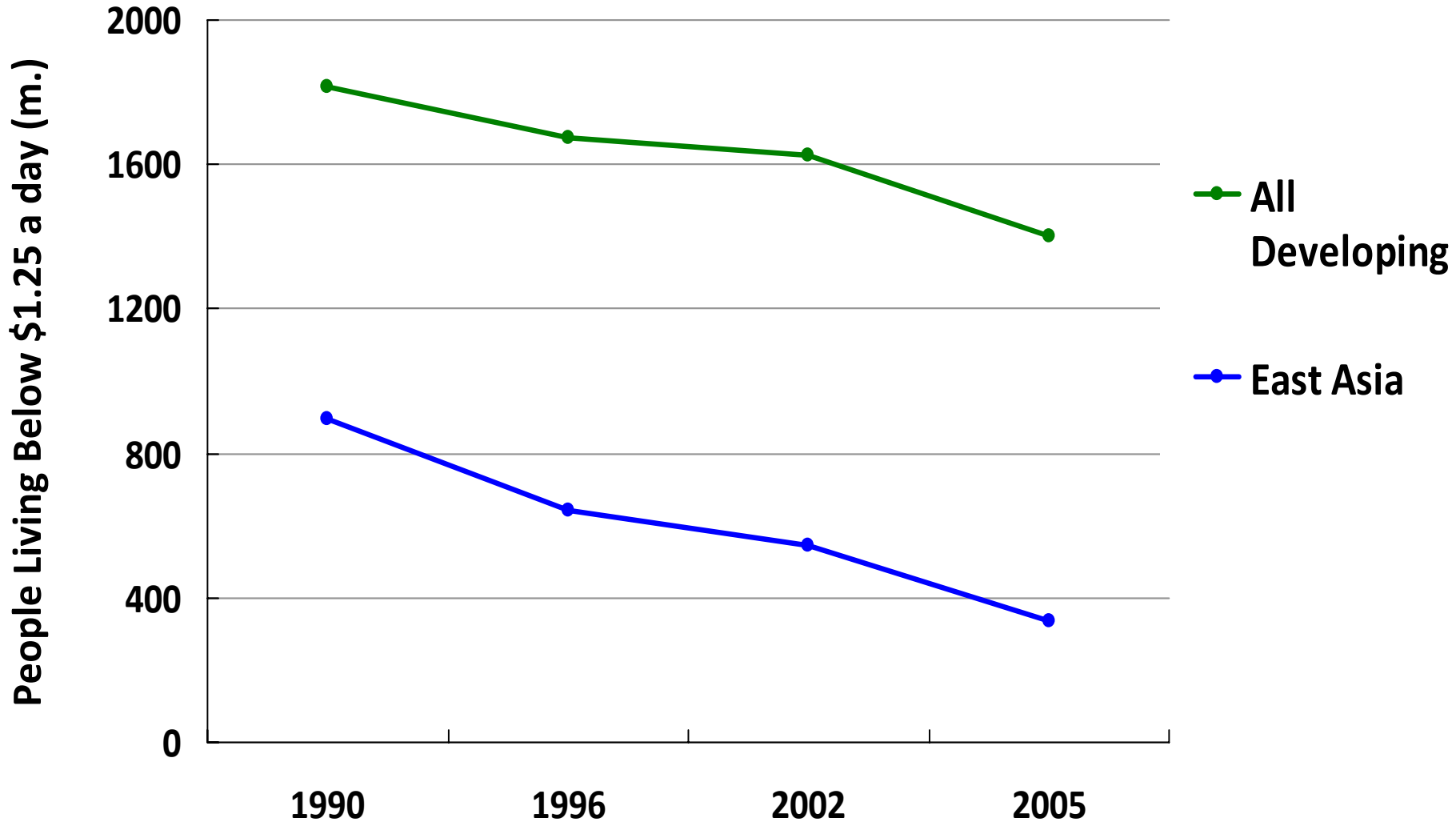
**Governance and the
Millennium Development Goals (MDGs):
*Results, Reflections and Implications for Debate***

Daniel Kaufmann*, [The Brookings Institution](#)

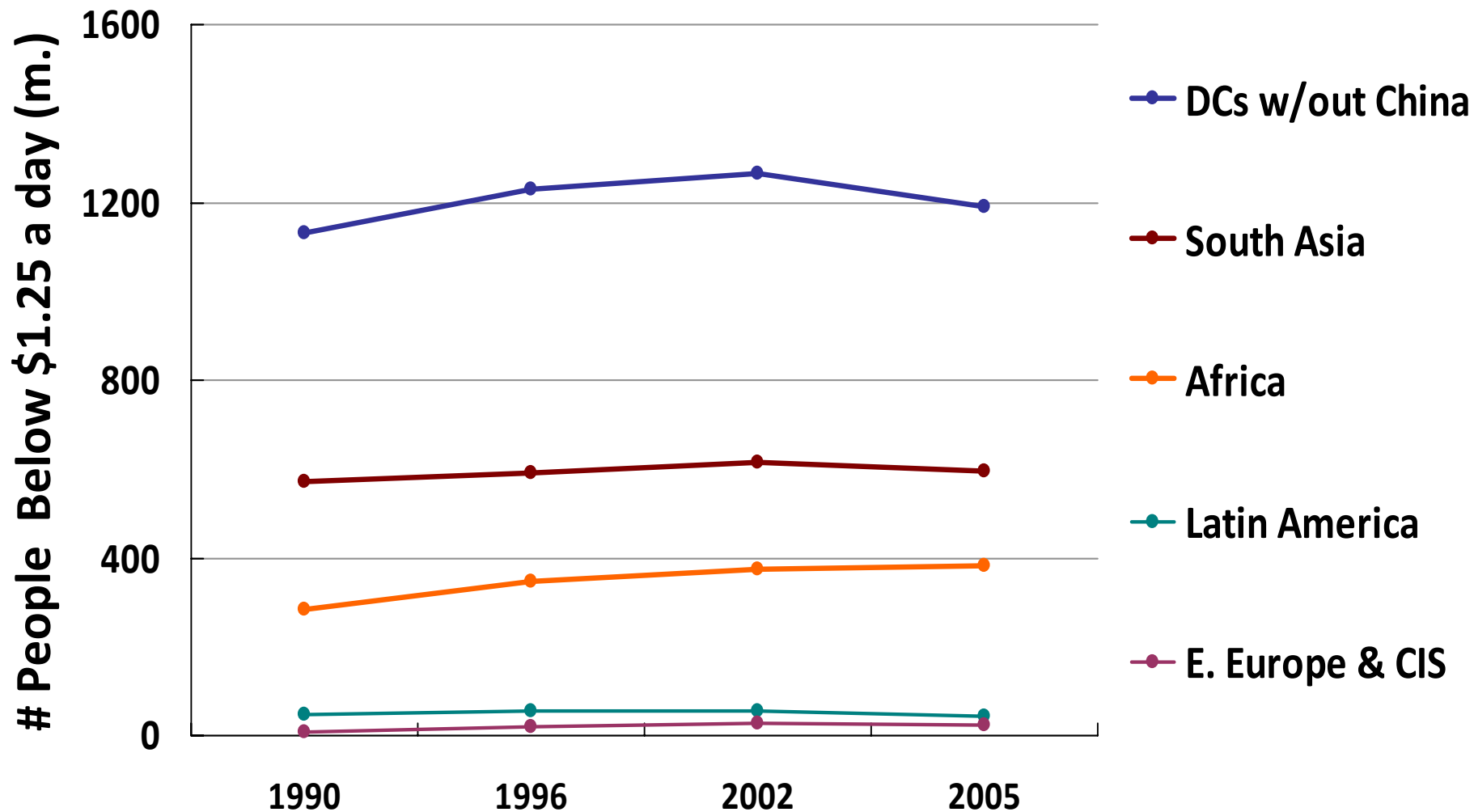
**Presentation at the Third “States General” [*Taking Stock*] of Development Cooperation, on
‘The MDGs: How to step up efforts?’**

***Convened by the Development Cooperation of Belgium,
at the Crowne Plaza Hotel, Brussels, May 4th, 2010***

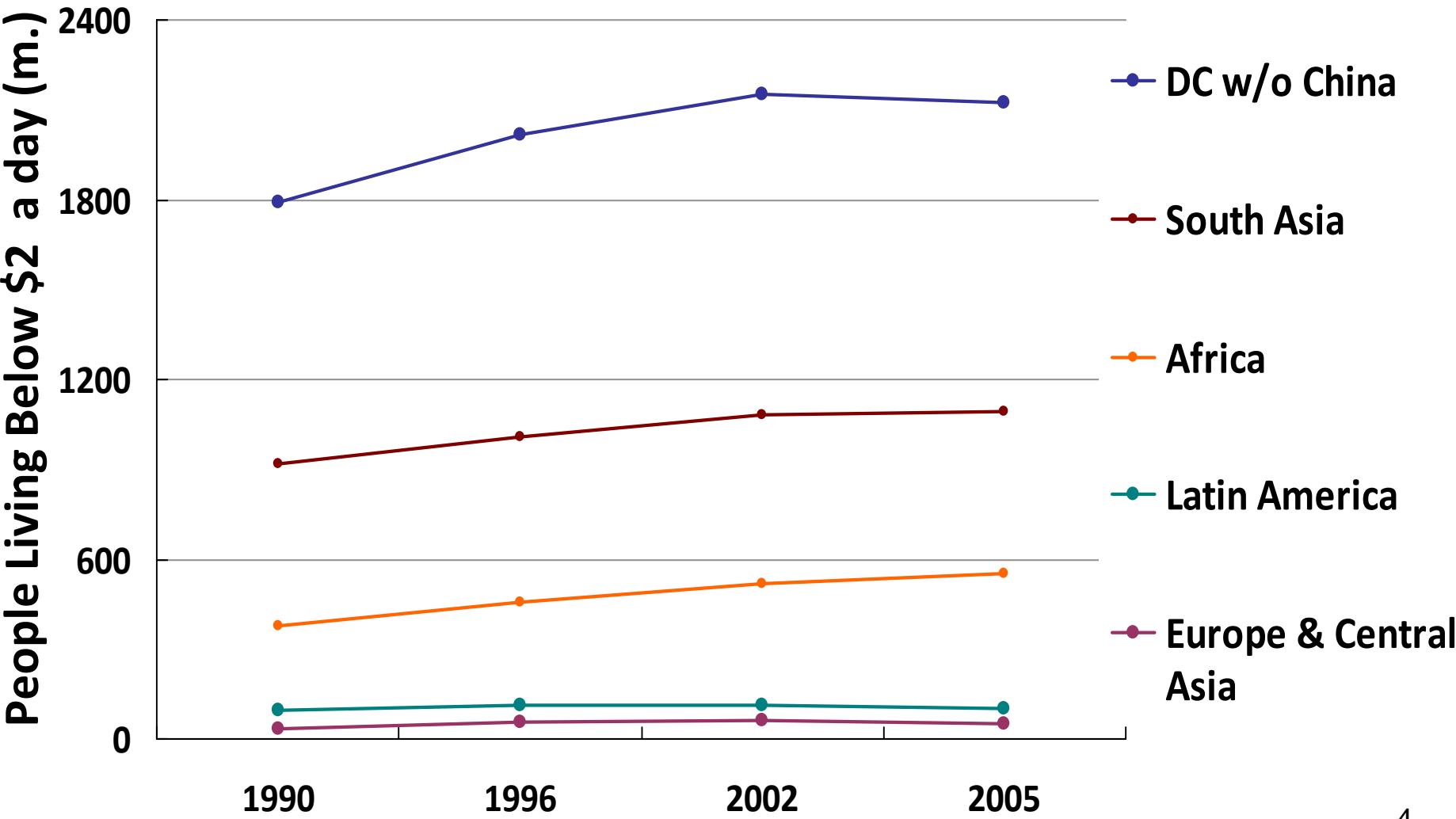
Major Progress in the MDGs?: Number of People Living on Less than \$1.25 a day, 1990-2005, Developing/Emerging Economies



MDG Progress on Poverty less than meets the eye?: # People w/ Less than \$1.25 a day, without China



Poverty remains a major challenge: # People on Less than \$2 a day, 1990-2005 (minus China)



Source: World Bank, World Development Indicators & Chen and Ravallion, "The developing world is poorer than we thought, but no less successful in the fight against poverty," *World Bank Working Paper 4702*, 2008; Sample: 119 Countries

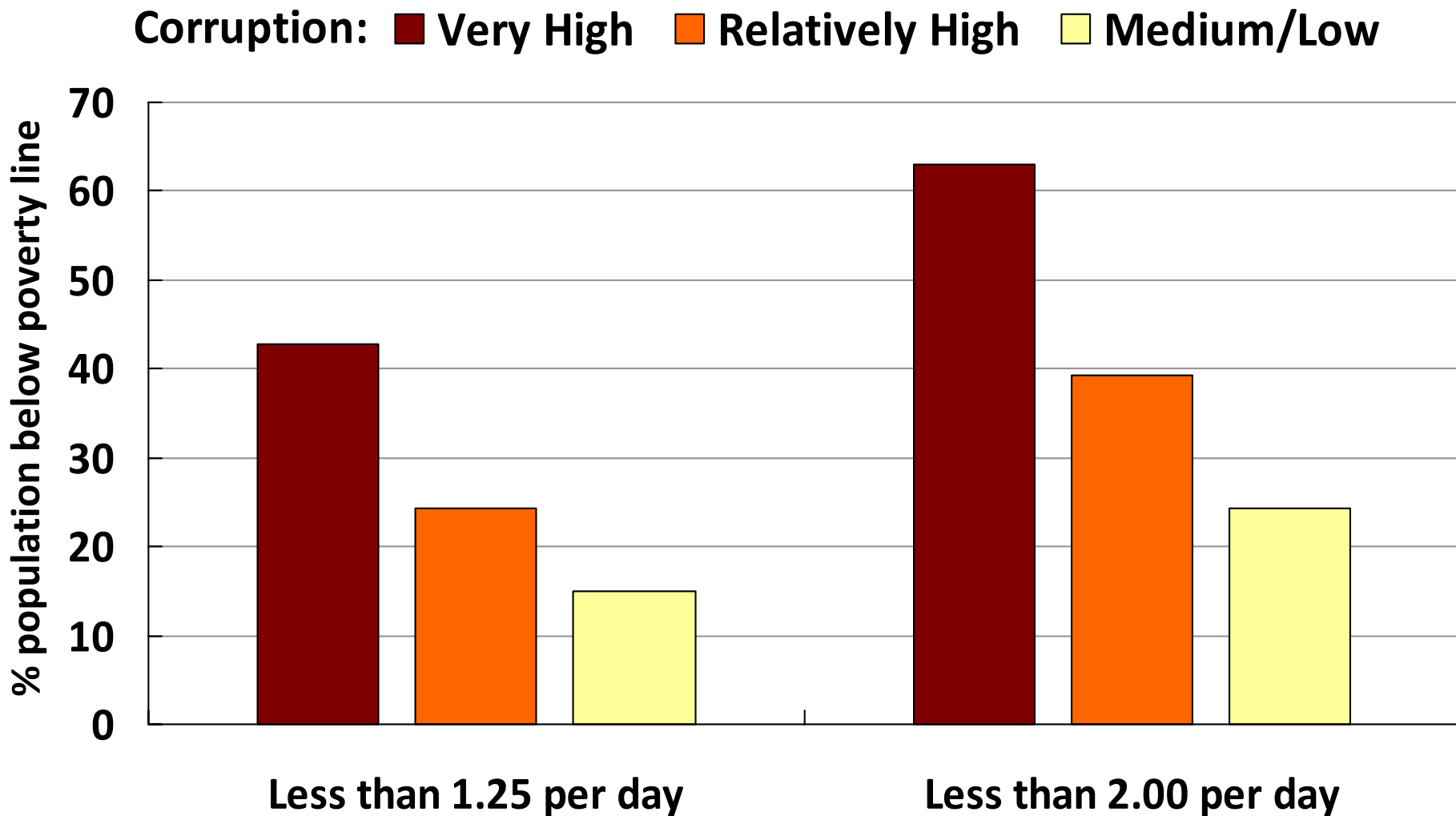
MDG Goals:	MDG Targets (T):	Initially	Recently	Target
Goal 1: Eradicate Extreme Hunger and Poverty	T1: Halve \$1.25 a day poverty (1990/2005)	42%	25%	21%
	T2: Halve undernourishment (1990-92/2004-06)	20%	17%	10%
Goal 2: Achieve Universal Primary Education	T: Universal education (2000/2007)	83%	88%	100%
Goal 3: Promote Gender Equality	T: Equal Ratio of girls' to boys' primary school enrollment (1999/2007)	91	95	100
Goal 4: Reduce Child Mortality	T: Reduce it by 2/3rd (1990/2007)	103	74	34
Goal 5: Improve Maternal Health	T: Reduce by three-quarters the Maternal Mortality (1990/2005)	480	450	120
Goal 6: Combat HIV/AIDS, malaria and other diseases	T: Reverse the rise of new infections of HIV/AIDS (in millions) (1990/2007)	2%	2.7%	< 2%
Goal 7: Ensure Environmental Sustainability	T1: Halve # people without access to sanitation (1990/2006)	57%	45%	28%
	T2: Halve # people without access to clean water (1990/2006)	28%	16%	14%

Worldwide Governance Indicators (WGI): Six Dimensions of Governance

Governance as the set of traditions and institutions by which authority in a country is exercised-- specifically:

- **Process by which those in authority are selected/ replaced**
 - **VOICE AND ACCOUNTABILITY**
 - **POLITICAL STABILITY & ABSENCE OF VIOLENCE/TERRORISM**
- **Capacity of government to formulate & implement policies**
 - **GOVERNMENT EFFECTIVENESS**
 - **REGULATORY QUALITY**
- **Respect of citizens and state for institutions that govern interactions among them**
 - **RULE OF LAW**
 - **CONTROL OF CORRUPTION**

Governance Matters for the MDGs: Corruption and Population under Poverty Line are related (WGI, 2001-2008)*

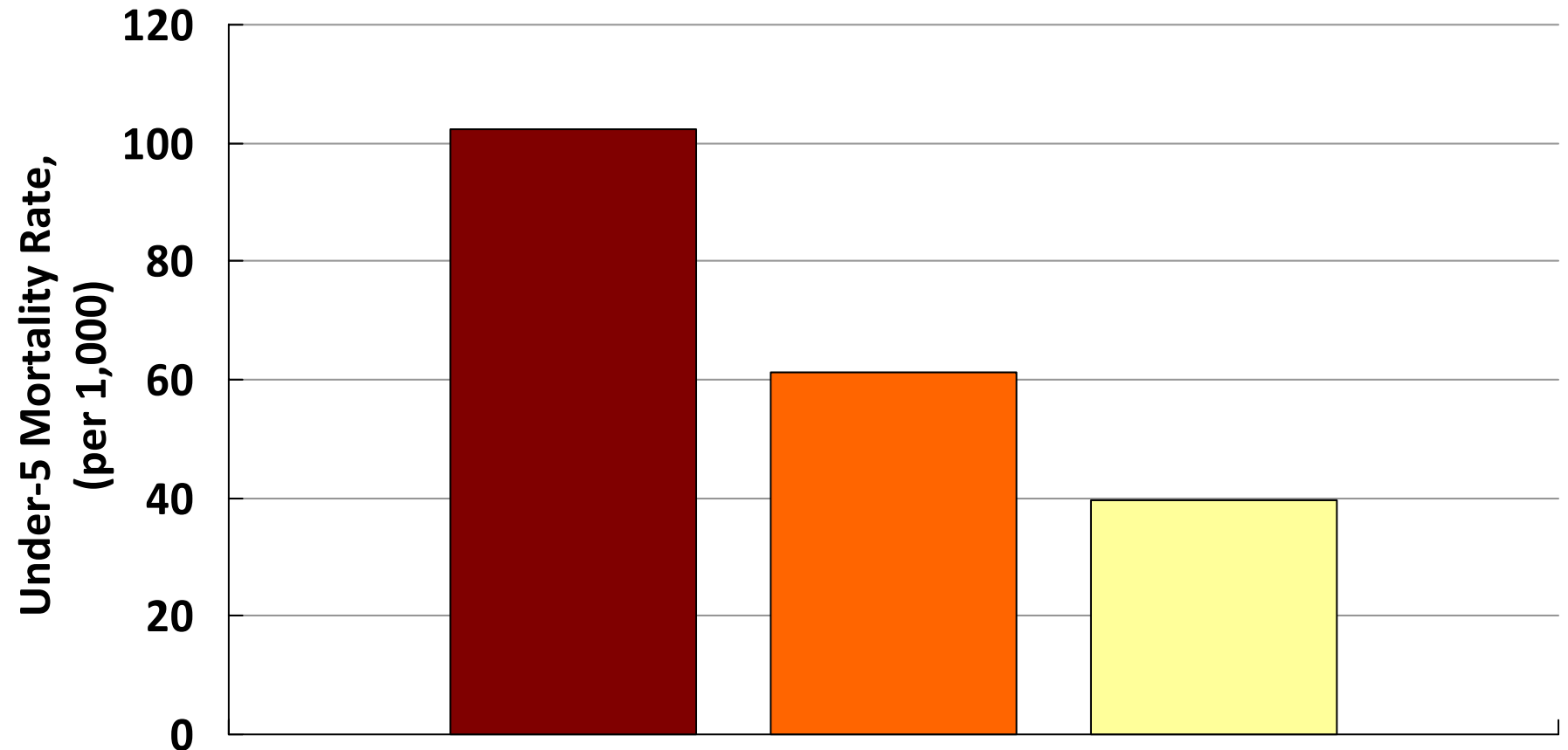


* Developing Country Sample, Excluding Oil-Rich Countries. Sources: World Bank & Kaufmann, Kraay, Mastruzzi, Worldwide Governance Indicators (WGI), 2008. Variables are in 2001-2008 averages; Terciles determined by dividing sample of 119 countries in terciles based on WGI-CC.

Control of Corruption & Infant Mortality Rate, 2001-2008

(Developing Country Sample, Excluding Oil Rich Countries)

Corruption: ■ Very High ■ Relatively High ■ Medium/Low

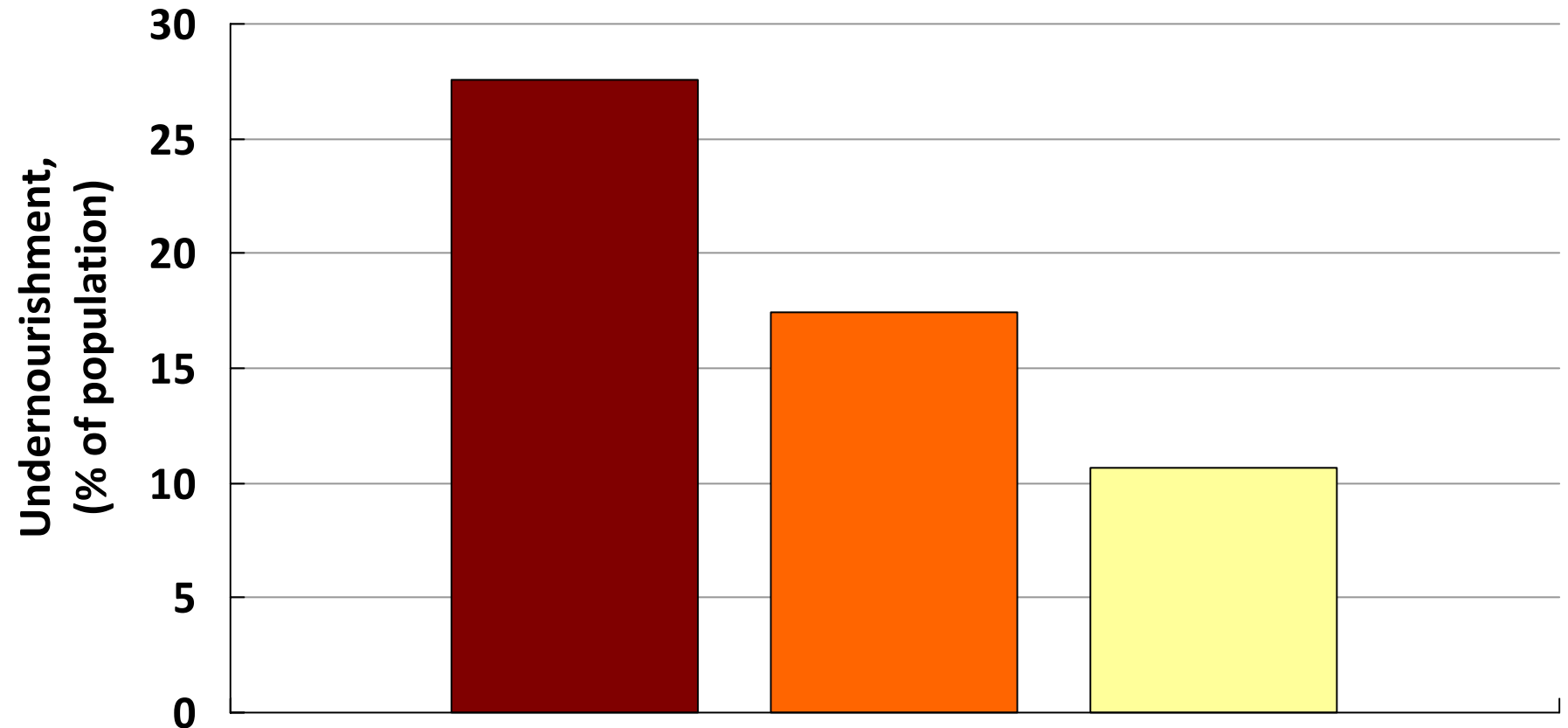


Sources: World Bank & Kaufmann, Kraay, Mastruzzi, Worldwide Governance Indicators, 2008; All variables are expressed as 2001-2008 averages; Terciles determined by dividing sample of 119 countries in terciles based on WGI-CC.

WGI-Control of Corruption & Undernourishment, 2001-2008

(Developing Country Sample, Excluding Oil Rich Countries)

Corruption: ■ Very High ■ Relatively High ■ Medium/Low



Child Mortality Rate and Rule of Law, 2001-2008

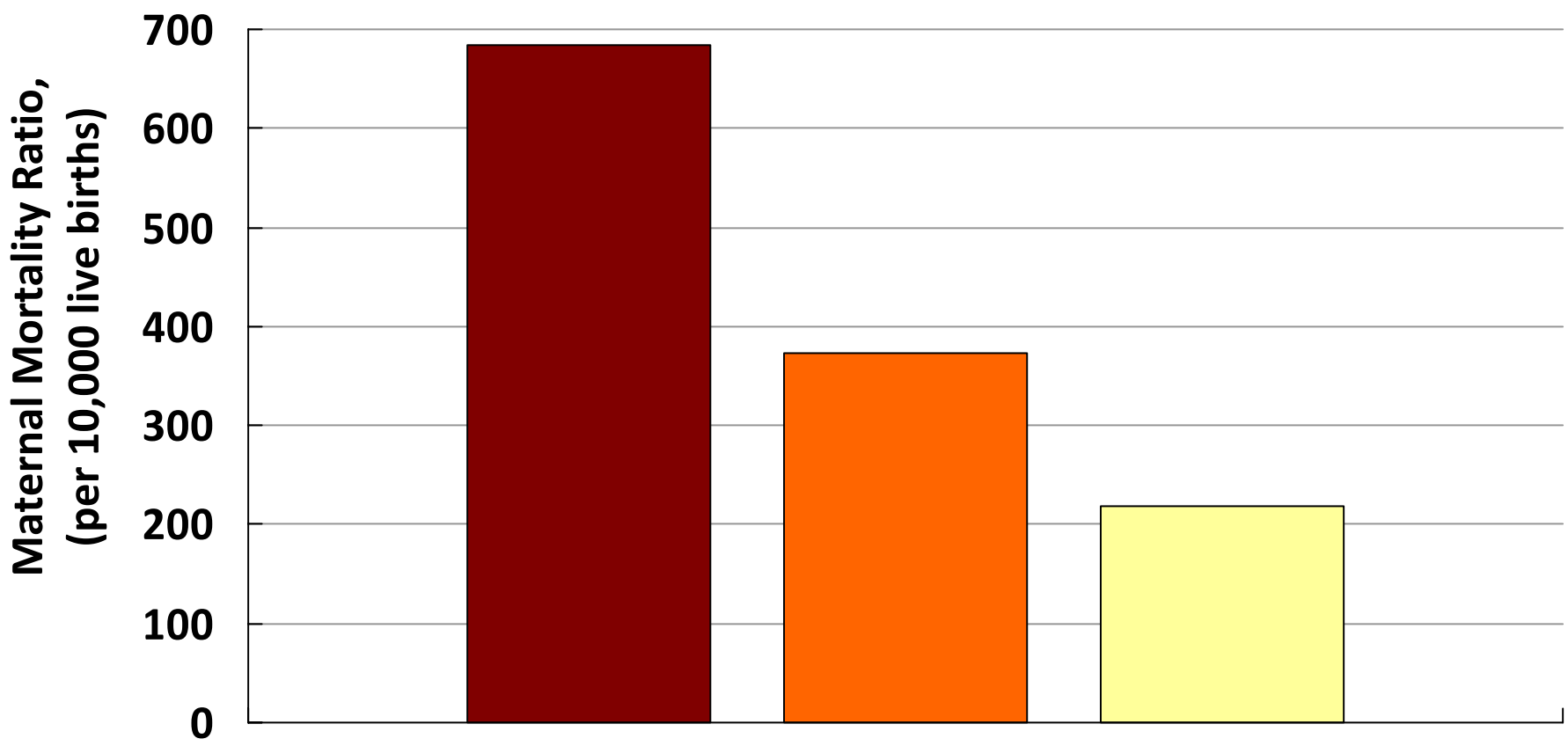
(Developing Countries, excluding Oil Rich Countries)



WGI-Control of Corruption & Maternal Mortality Ratio, 2001-2008

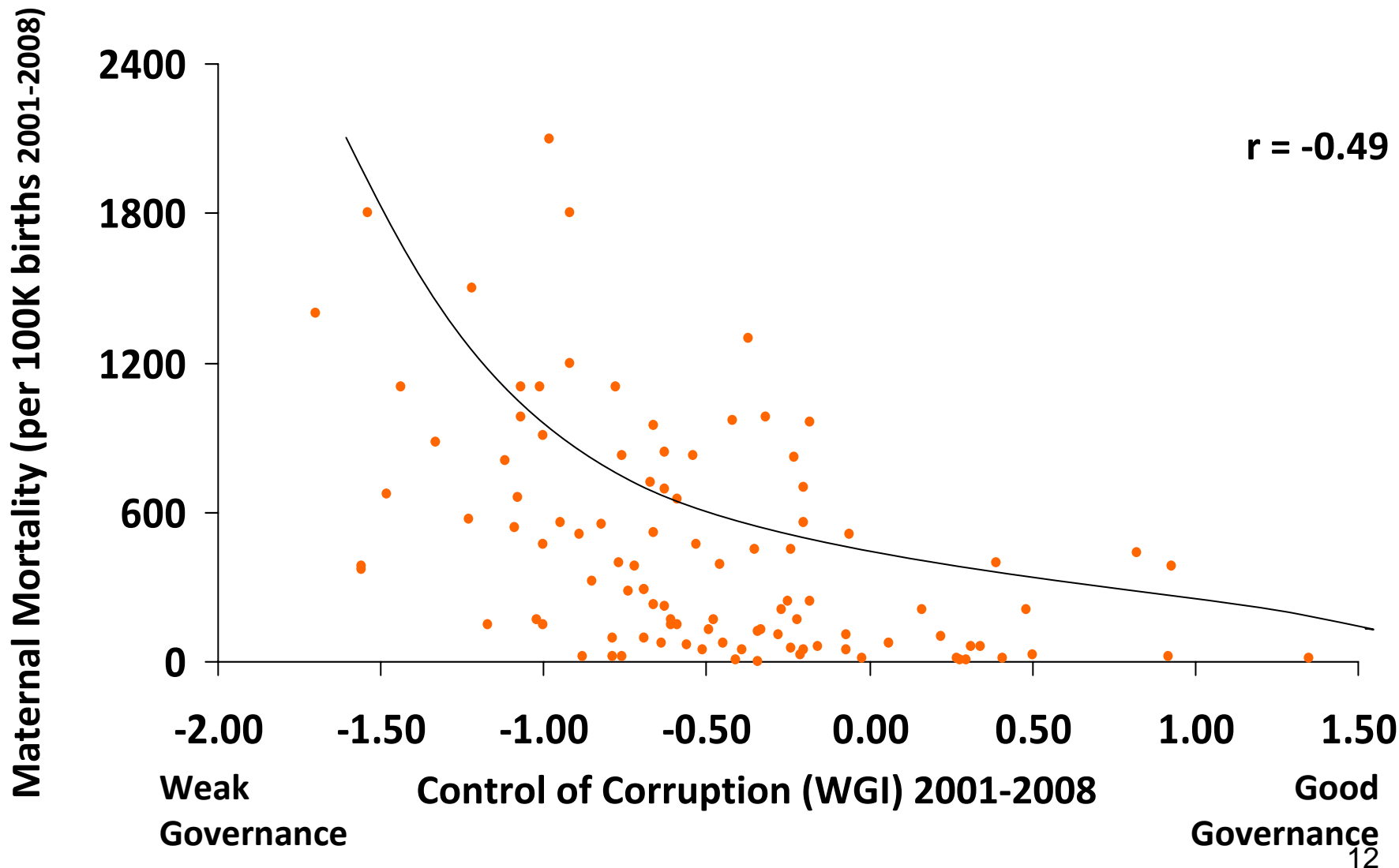
(Developing Country Sample, Excluding Oil Rich Countries)

Corruption: ■ Very High ■ Relatively High ■ Medium/Low



Sources: World Bank & Kaufmann, Kraay, Mastruzzi, Worldwide Governance Indicators, 2008; All variables are expressed as 2001-2008 averages; Terciles determined by dividing sample of 119 countries in terciles based on WGI-CC.

Maternal Mortality and Control of Corruption, 2001-2008 (Developing Countries, excluding Oil Rich Countries)



Source: World Bank, World Development Indicators, Kaufmann, Kraay and Masstruzi, Worldwide Governance Indicators;

Sample: 119 Countries

Research on Development and Governance

1. Baldacci, Clements, Gupta and Cui. “Social Spending, Human Capital and Growth in Developing Countries: Implications for Achieving the MDGs.” *IMF Working Paper No. 04/217*.
2. Filmer & Pritchett. “Child Mortality and Public Spending on Health: How much does money matter?” *World Bank Policy Research Working Paper No. 1864* (November 1999).
3. Kaufmann, D. & A. Kraay, “Growth without Governance,” *World Bank Policy Research Working Papers No. 2928*, (November 2002).
4. Leipziger & Fay. “Achieving the Millennium Development Goals: The Role of Infrastructure.” *World Bank Policy Research Working Papers No. 3163* (November 2003).
5. Lewis. “Governance and Corruption in Public Health Care Systems.” *Center for Global Development Working Paper No. 78* (January 2006)

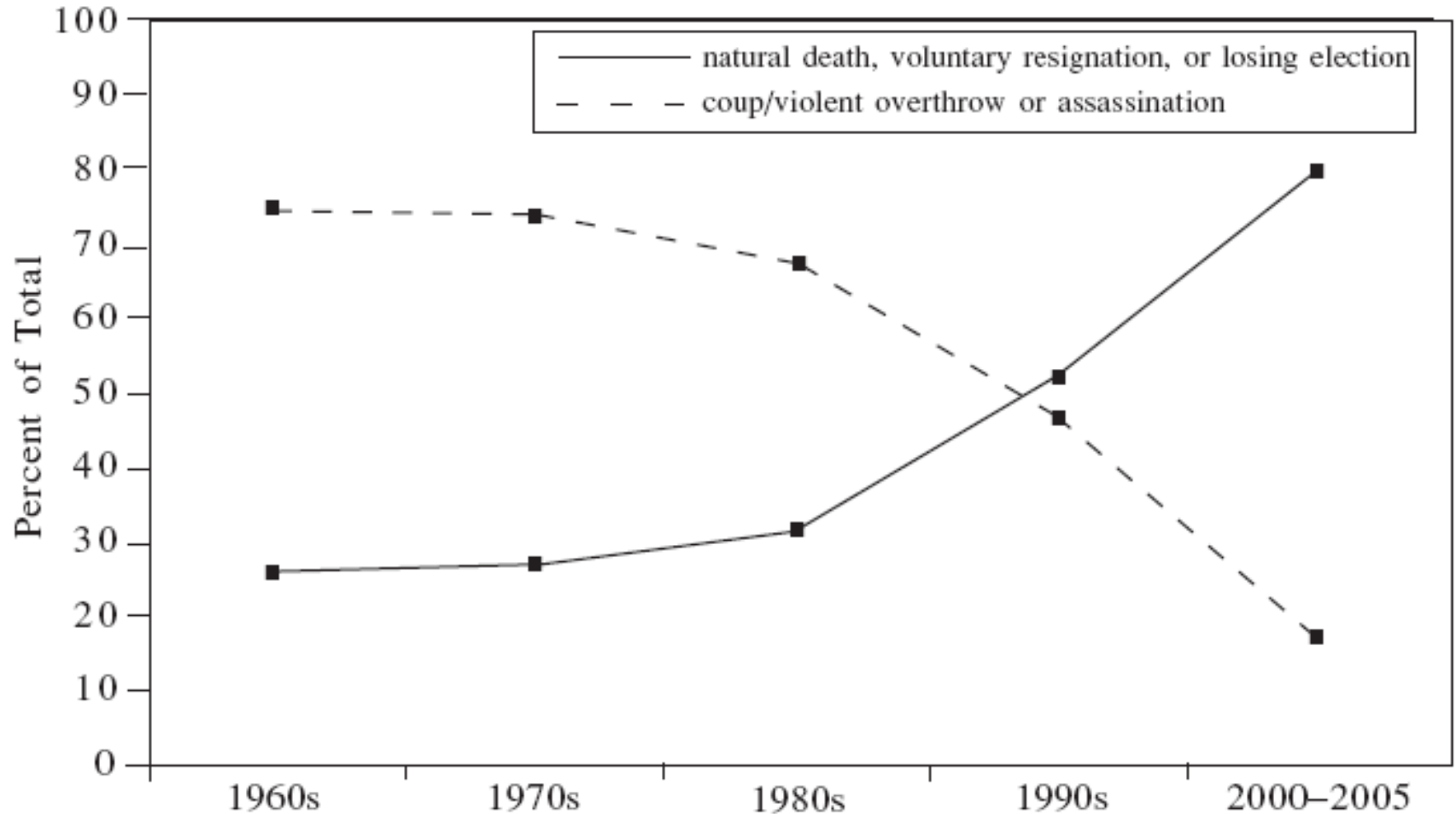
Research on Development and Governance (Cont'd)

6. Michaelow. "Aid Effectiveness Reconsidered: Panel Data Evidence for the Education Sector." *HWWA Discussion Paper No. 264*. (2004).
7. Pritchett, L. "'Where has all the Education Gone?'" *World Bank Policy Research Working Paper No. 1581* (March 1996).
8. Swaroop & Rajkumar. "Public Spending and Outcomes: Does Governance Matter?" *World Bank Policy Research Working Paper No. 2840* (May 2002).
9. United Nations, "Governance for the Millennium Development Goals: Core Issues and Good Practices," 7th Global Forum on Reinventing Government (June 2007).
10. UNDP, "Beyond the Midpoint: Achieving the Millennium Development Goals," (January 2001).
11. Wagstaff and Claeson, *The Millennium Development Goals for Health: Rising to the Challenge*. The World Bank (2005)

Forgotten Dimensions of Governance for attaining the MDGs?

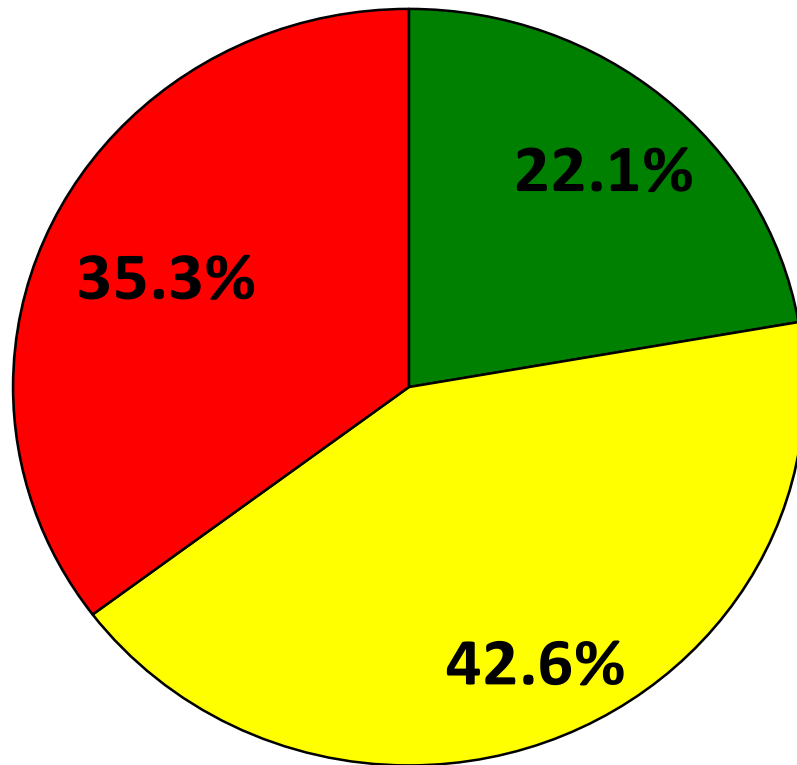
- Political Democratization in many countries a welcomed development?**
- Yet Media Freedoms, Civil Liberties and Gender Rights (Human Rights of Women, and more generally) – all lagging**
- Inequality Matters: in the polity, in the economy**

African Leaders Departure From Power



Original Source: Daniel N. Posner and Daniel J. Young, 2007, "The Institutionalization of Political Power in Africa," *Journal of Democracy* 18-3 (July), pp. 128. This slide was provided by S. Radelet.

Freedom of the Press, Initial period: 1994, Developing Countries



Freedom of the Press:

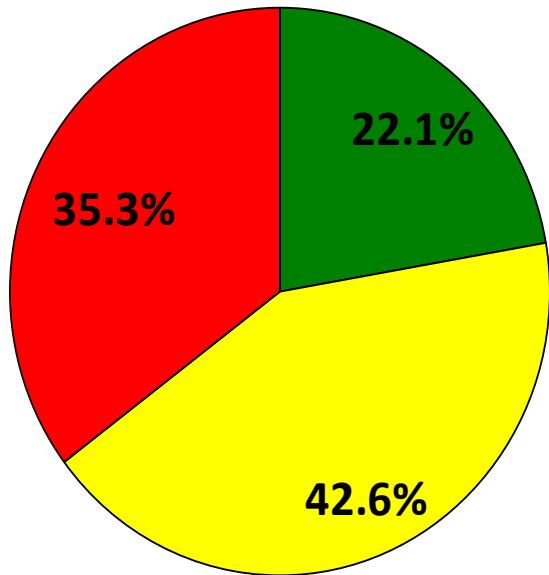


% countries in 1994

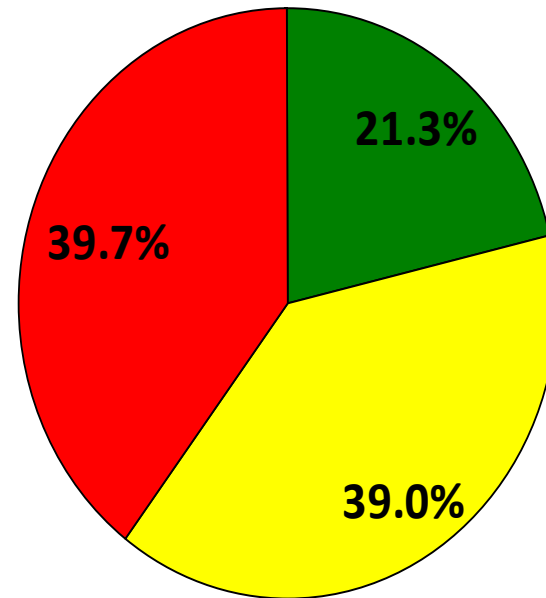
Freedom of the Press, 1994-2009: Developing Countries

Freedom of the Press:

- Not Free
- Part Free
- Free



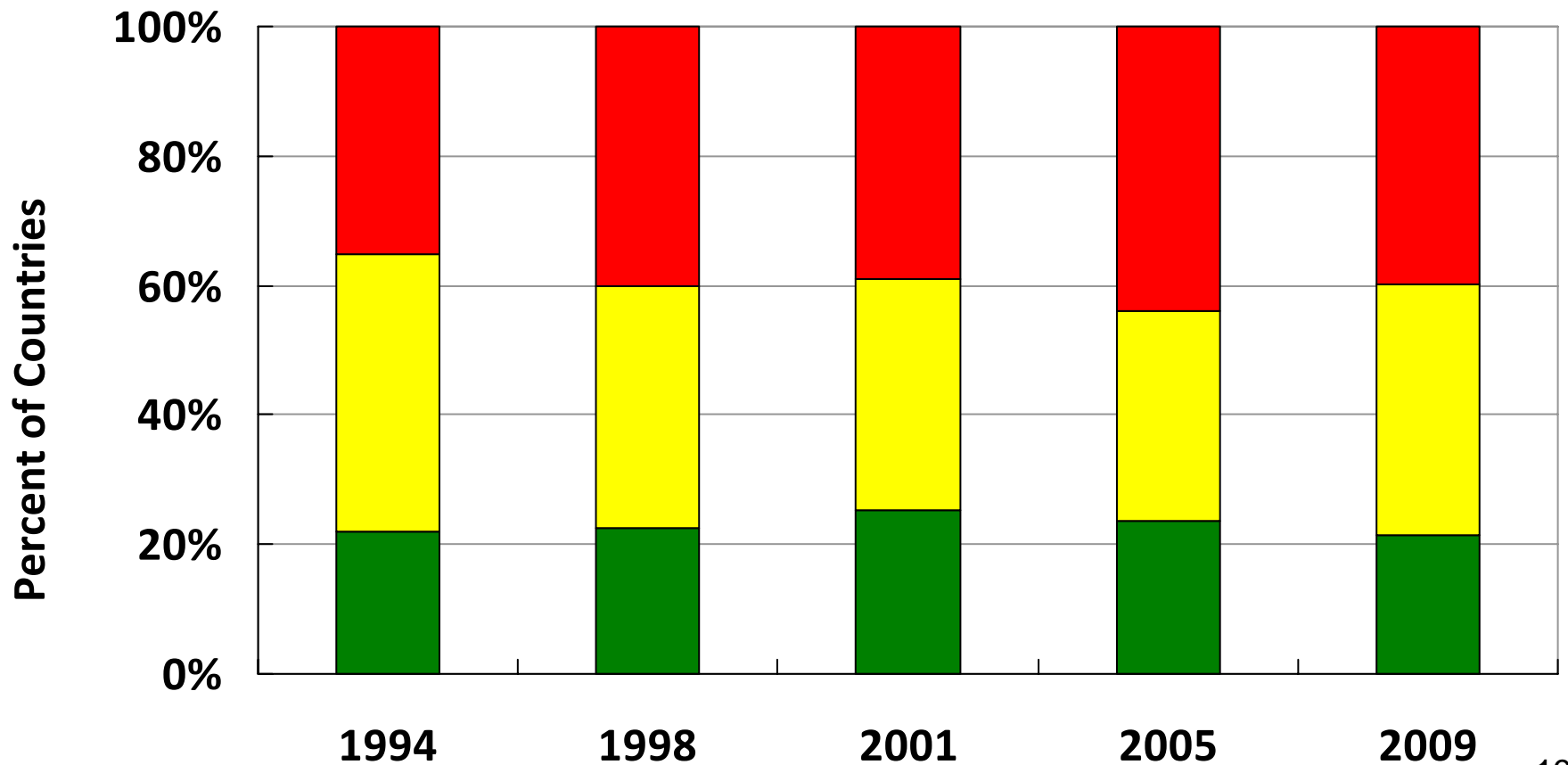
% countries in 1994



% countries in 2009

Press Freedom in Developing Countries, 1994-2009

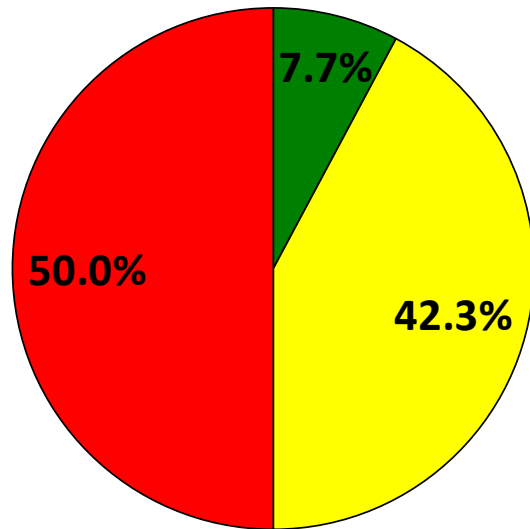
Freedom of the Press: ■ Free ■ Part Free ■ Not Free



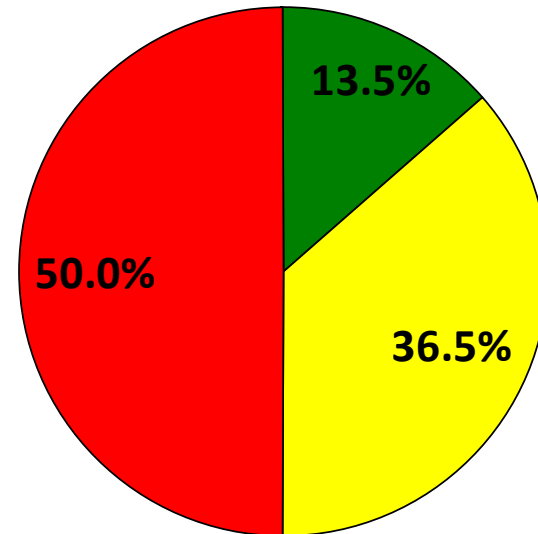
Freedom of the Press, 1994-2009: North and Sub-Saharan Africa

Freedom of the Press:

- Not Free
- Part Free
- Free



% countries in 1994

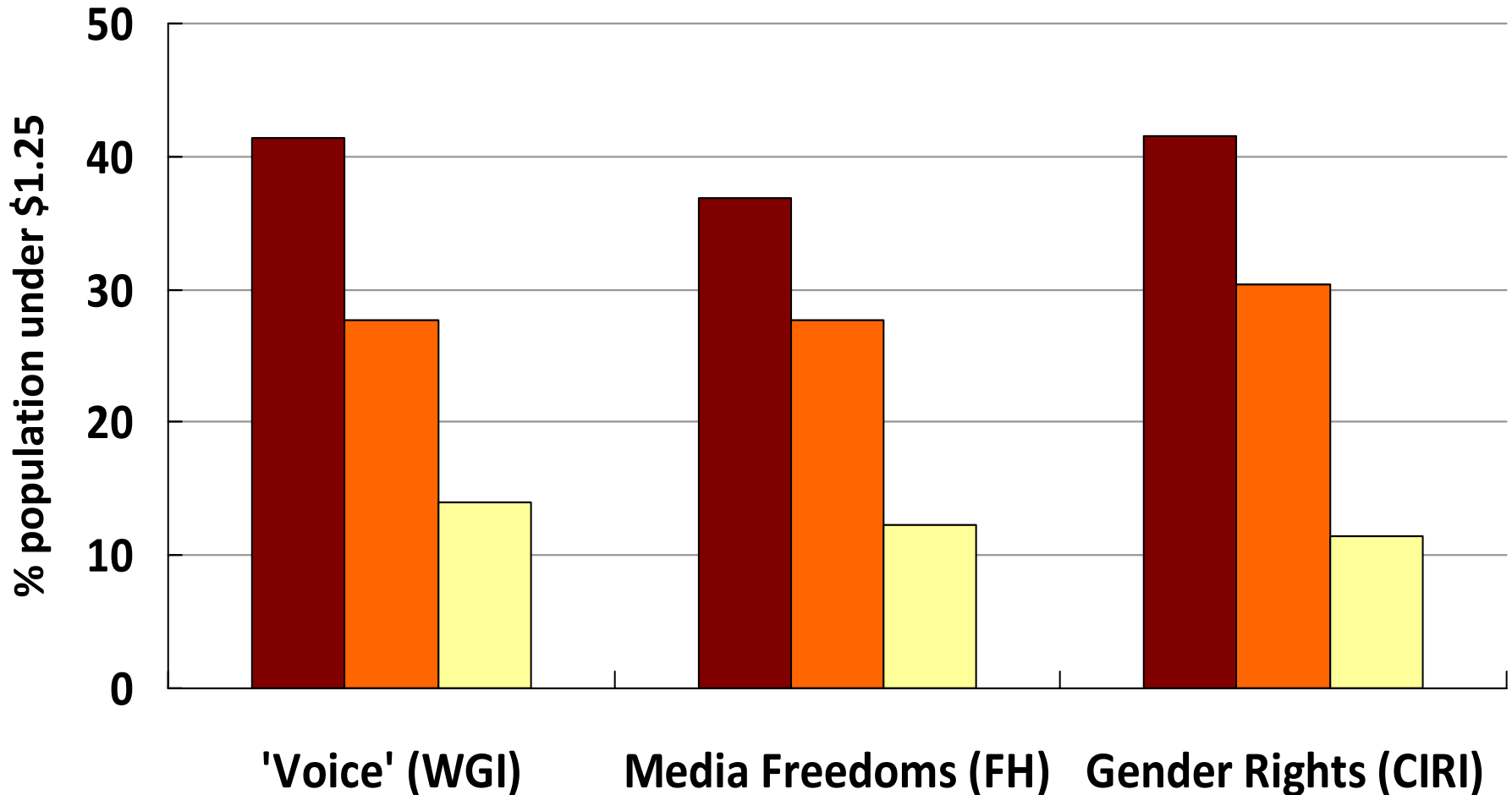


% countries in 2009

Governance & \$1.25 a day Poverty

(Developing Country Sample, Excluding Oil Rich Countries)

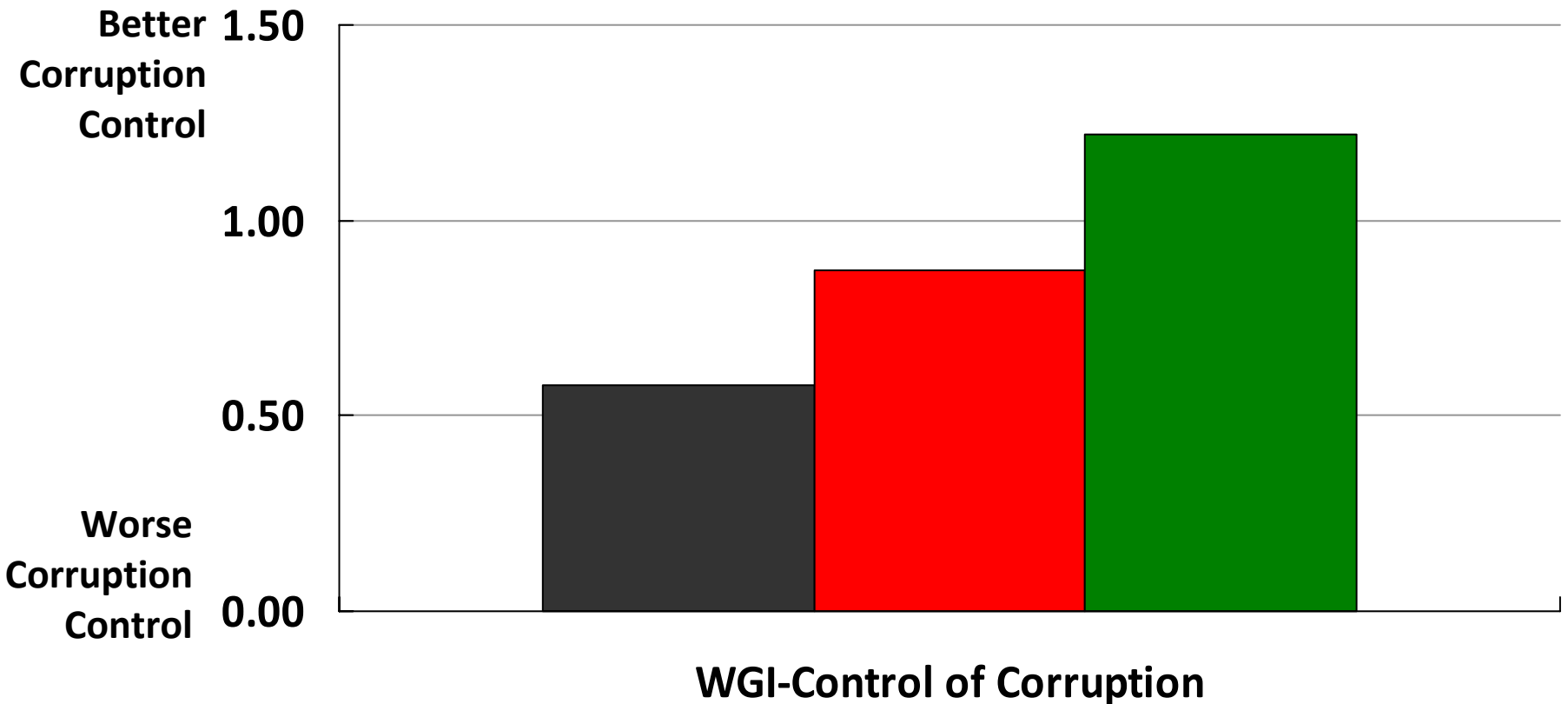
Governance: ■ Very Weak ■ Relatively Weak ■ Medium/Low



Sources: World Bank, Kaufmann, Kraay, Mastruzzi, Worldwide Governance Indicators, 2008, Freedom House, Freedom of the Press Index, 2009; CIRI Human Rights Data Project (*the gender index was created by the authors by averaging Women's Economic, Social and Political Rights*); All variables are expressed as 2001-2008 averages; Terciles determined by dividing sample of 119 countries in terciles based on WGI-CC.

Control of Corruption and Growth Performance in Oil-rich and Developing Countries

Classification: ■ Oil-Rich ■ GDPpc Growth < 2% ■ GDPpc Growth > 2%



General Implications

1. Funding the MDGs: necessary, but insufficient
2. Governance Matters for attaining the MDGs: focus on governance needed now for success
3. Beyond 'conventional' governance (*e.g. PSM/PFM*):
Anticorruption & Rule of Law; Free Expression;
Transparency; Gender Rights
4. Better integration of private sector, and growth
5. Country differences means different strategies: 2nd world vs. Fragile States (*inequality vs. EITI...*)

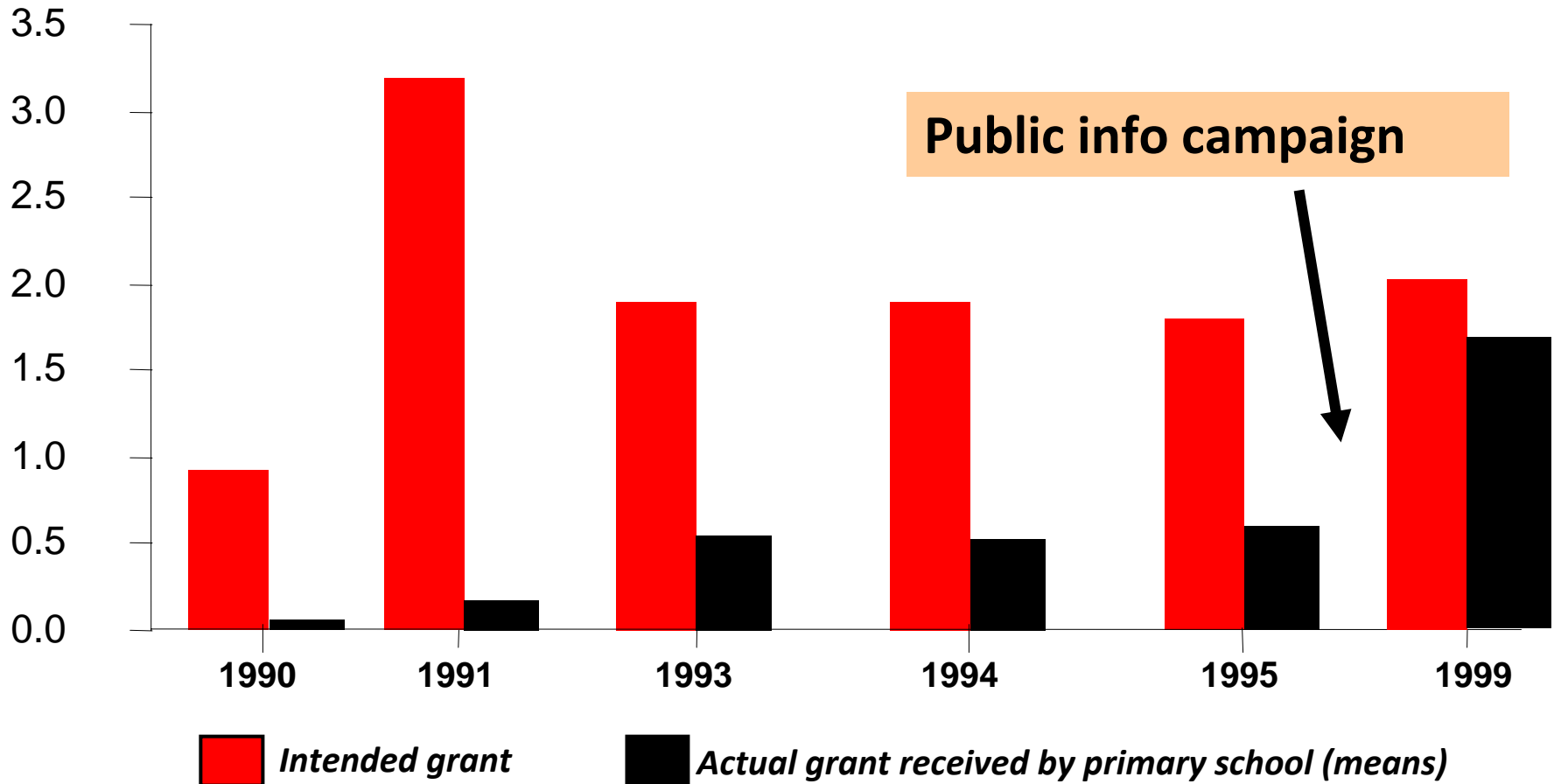
Some Implications for Donors – for debate

1. Reality: Dead Aid or Effective Aid? *Neither (troubled aid)*
2. Fulfilling Funding Commitments. Ok, but...
3. Transparency: funding, project expenditures
4. Industrialized Country Trade & Macro Policies
5. Governance (& Politics) Matter for impact on MDGs
6. ‘Tough Love’: increased selectivity: *also fund other than central government; how much, etc.*
7. What to fund: composition of aid – avoiding neglect of infrastructure, PPP, agri-business
8. Better Data, Applied Research: *Much that we don’t know*
9. Risk-taking, Innovation & Experimentation

Power of Data, Transparency and Citizen Oversight

Tracking Education spending in Uganda

equiv. US\$ per student



Source: Uganda Public Expenditure Tracking Surveys

Power of Transparency & Data...

‘If it cannot be measured, it cannot be controlled’

Lord Kelvin

**‘Not everything that counts, can be counted,
and,**

**not everything that can be counted,
counts’**

Einstein

For more information, informal debate & comment on governance and development issues, visit the blog: www.thekaufmannpost.net