



Finn Tarp

Research forum on what type of indicators are most suitable for policy analysis?



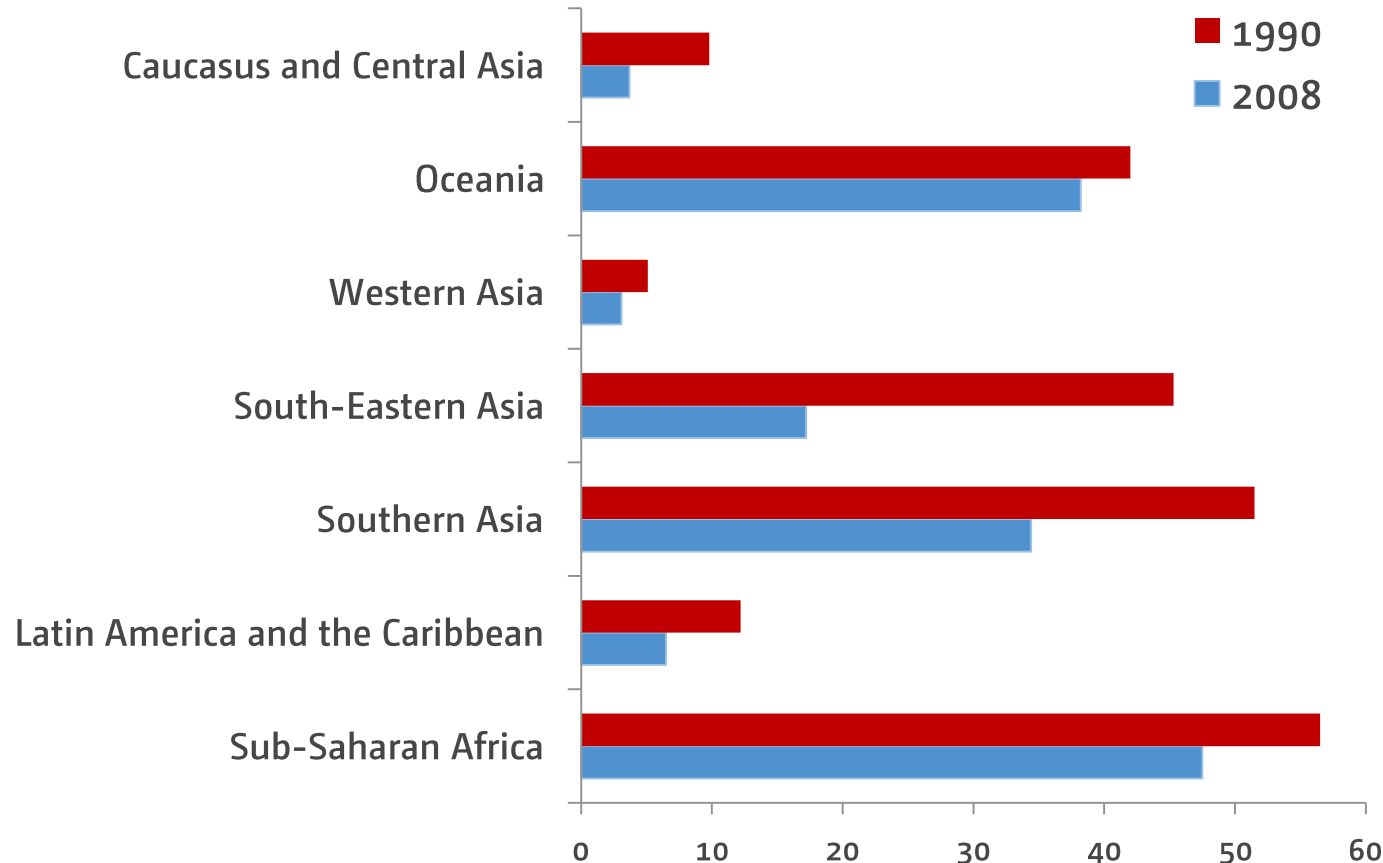
UNITED NATIONS
UNIVERSITY
UNU-WIDER

Background

- The MDGs were established in 2000 following adoption of the United Nations Millennium Declaration. All 189 countries at the time (today there are 193 countries) committed to achieve eight goals and 21 targets by 2015
 1. Eradicate extreme poverty and hunger
 2. Achieve universal primary education
 3. Promote gender equality
 4. Reduce child mortality
 5. Improve maternal health
 6. Combat HIV/AIDS, malaria, and other diseases
 7. Ensure environmental sustainability
 8. Develop a global partnership for development
- Important progress has been made since 2000

Significant poverty reduction

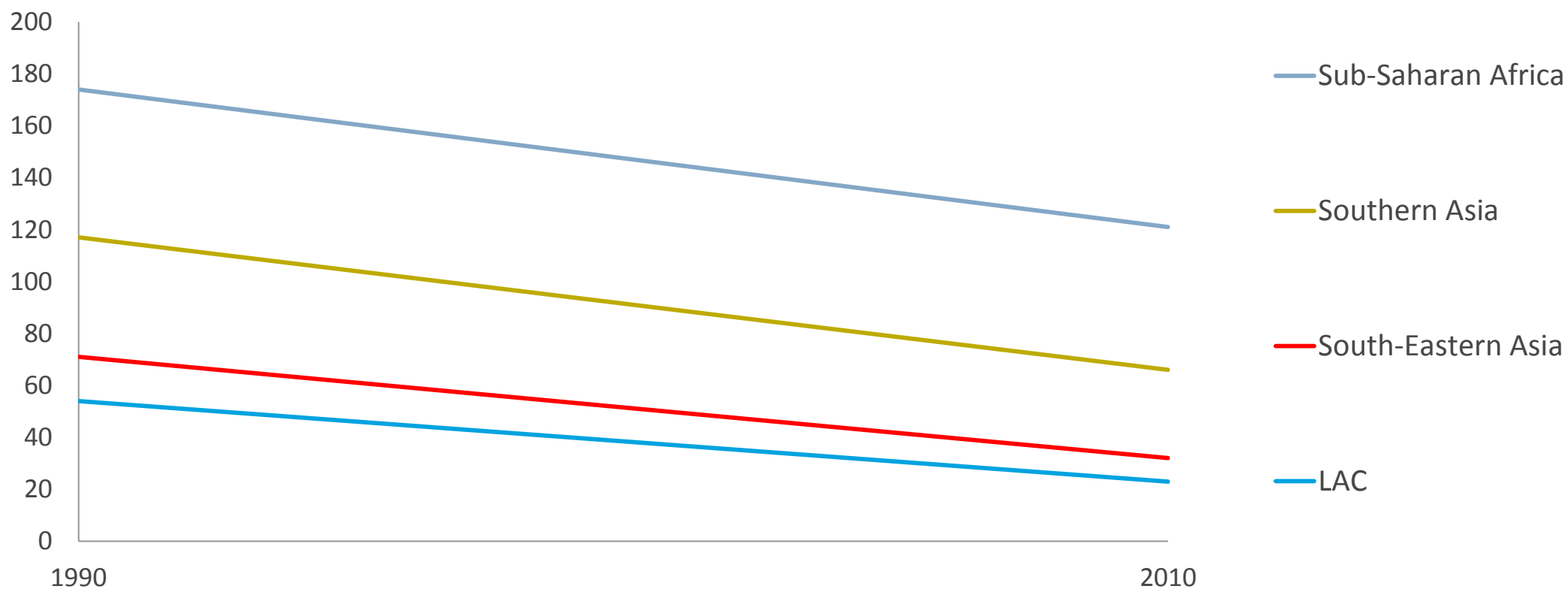
% of people living on less than \$1.25 USD (2005 PPP)



- % of people living on less than \$1.25 a day was halved between 1990 and 2015
- China alone was able to lift 630 million people out of poverty in 25 years
- The proportion of undernourished people has decreased from 23% in the 1990s to 15% in 2010

Falling under-five mortality rates

Deaths of children age <5 per 1,000 live births



Significant increase in primary school enrolments (%)

Region	1990		2010	
	Boys	Girls	Boys	Girls
Developing world	84	75	91	89
Sub-Saharan Africa	57	50	78	74
Latin America	88	84	96	95
Southern Asia	83	66	94	91
Western Asia	87	79	94	89

However, the development job is far from done

- Poverty stubbornly persist
 - Still more than 1 billion people live in extreme poverty
 - Numbers of people going hungry remain disturbingly high — one in eight worldwide and one in six children under five is underweight
- Not only access, but access to good quality social services remain a challenge
 - Functionally illiterate and innumerate children completing primary education

From MDGs to SDGs

On 25 September 2015, all 193 countries adopted a new ambitious global development agenda, “Transforming Our World: The 2030 Agenda for Sustainable Development”. It includes **17 goals and 169 targets** (and about 304 proposed indicators for monitoring progress)

1. End poverty in all its forms everywhere	10. Reduce inequality within and among countries
2. End hunger, achieve food security and improved nutrition and promote sustainable agriculture	11. Make cities and human settlements inclusive, safe, resilient and sustainable
3. Ensure healthy lives and promote well-being for all at all ages	12. Ensure sustainable consumption and production patterns
4. Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	13. Take urgent action to combat climate change and its impacts
5. Achieve gender equality and empower all women and girls	14. Conserve and sustainably use the oceans, seas and marine resources for sustainable development
6. Ensure availability and sustainable management of water and sanitation for all	15. Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss
7. Ensure access to affordable, reliable, sustainable and modern energy for all	16. Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels
8. Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	17. Strengthen the means of implementation and revitalize the global partnership for sustainable development
9. Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation	

Background

- There are some complex challenges ahead, in particular related to the following:
 - How well the selected indicators measure progress on the goals and targets
 - What data sources can be used, and how reliable they are
 - How to disaggregate the indicators by relevant groups or dimensions
- Let me focus on **Goal 1: “End Poverty in all its forms everywhere”**, to discuss these issues in more detail

**Goal 1: End poverty in all
its forms everywhere**

Goal 1: End poverty in all its forms everywhere

Targets by 2030

1.1 Eradicate extreme poverty for all people everywhere, currently measured as people living on less than \$1.25 a day

1.2 Reduce at least by half the proportion of men, women and children of all ages living in poverty in all its dimensions according to national definitions

1.3 Implement nationally appropriate social protection systems and measures for all, including floors, and achieve substantial coverage of the poor and the vulnerable

1.4 Ensure that all men and women, in particular the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership and control over land and other forms of property, inheritance, natural resources, appropriate new technology and financial services, including microfinance

1.5 Build the resilience of the poor and those in vulnerable situations and reduce their exposure and vulnerability to climate-related extreme events and other economic, social and environmental shocks and disasters

1a Ensure significant mobilization of resources from a variety of sources, including through enhanced development cooperation, in order to provide adequate and predictable means for developing countries, in particular least developed countries, to implement programmes and policies to end poverty in all its dimensions

1b Create sound policy frameworks at the national, regional and international levels, based on pro-poor and gender-sensitive development strategies, to support accelerated investment in poverty eradication actions

Target 1.1 Eradicate extreme poverty

- **Proposed indicator**
 - Proportion of population below \$1.25 (PPP) per day disaggregated by sex and age group
- **Issues and challenges**
 - World Bank poverty line susceptible to changes in PPP factors (PL now set at \$1.90 a day)
 - Poverty line too low for middle income and high income countries
 - Nationally representative household survey data are still limited, irregular and of poor quality in many developing countries
 - A well-coordinated ***data revolution*** is needed to improve data collection efforts and harmonize the content, periodicity and units of measurement of surveys and censuses across countries
 - Shall we focus on poverty headcounts or the poverty gap?

Target 1.2 Reduce by half poverty in all its dimensions according to national definitions

- **Proposed indicator**
 - Proportion of population living below national poverty line, disaggregated by sex and age group
- **Issues and challenges**
 - Relevant for domestic objectives, but inadequate for global or regional monitoring
 - Should countries adopt absolute or relative poverty lines?
 - Should countries adopt consumption-based poverty lines or multidimensional approaches?

Target 1.3 Implement nationally appropriate social protection systems for all, and achieve *substantial coverage* of the poor and vulnerable

- **Proposed indicator**
 - Percentage of population covered by social protection systems, including: a) old age pensions; b) child support; c) unemployment support; d) disabilities pensions; e) women receiving maternity benefits at childbirth; f) occupational injury; g) poor and vulnerable people receiving benefits
- **Issues and challenges**
 - Unclear what 'substantial coverage' mean: 50%, 70%, 90%?
 - Should the targeted population be defined in terms of categories or by poverty focus?
 - Unfair target for most LIC countries, as it would be hard for them to adopt social protection systems
 - A transfer package of a basic pension + a child focused transfer + unemployment insurance) would cost for LICs 3-6% of GDP and absorb between 18-40% of government revenues

Largest transfers programs in SSA are in MICs

Programme	Country	Beneficiaries (in millions)	Income Group
Old Age Pension	South Africa	10	Upper middle income
Child Support Grant	South Africa	9.5	Upper middle income
Productive Safety Net Program	Ethiopia	8.2	Low income
Expanded Public Works Programme: Phase 2	South Africa	5	Upper middle income
Improving Livelihood Through Public Works Programme	Malawi	2.7	Low income
Disability grant	South Africa	1.5	Upper middle income
Protracted Relief Programme	Zimbabwe	1.5	Low income
Food Subsidy Programme	Mozambique	0.7	Low income
Old Age Grant	Namibia	0.65	Upper middle income
Old Age Pension	Botswana	0.60	Upper middle income
Sub-total		40.3	
Other 32 pilots		3	
TOTAL sub-Saharan Africa		43	

Source: Barrientos and Niño-Zarazúa (2011)

Target 1.4 Ensure that all people have equal rights to economic resources, access to basic services, ownership and control over land and other forms of property, inheritance, natural resources, appropriate new technology and financial services, including microfinance

- **Proposed indicators**

- Proportion of the population living in households with access to basic services
- Share of women among agricultural land owners by age and location (Urban/Rural)

- **Issues and challenges**

- What does ‘basic services’ actually mean?
- The target covers issues of different nature, so more indicators may be needed to cover all its dimensions, however, because of its diversity, it is unclear how the overall target could be measured
- Lessons from MDGs indicate that it is not only access, but the *quality* of basic services that matters
- Diversity in legal property laws on natural resources across countries (and even states, provinces) would make difficult to harmonize indicators of ownership. Here the issue is not ownership but the way revenues from such resources are distributed.

Target 1.5 Build the resilience of the poor and those in vulnerable situations and reduce their exposure and vulnerability to climate-related extreme events and other economic, social and environmental shocks and disasters

- **Proposed indicator**
 - Number of deaths, missing people, injured, relocated or evacuated due to disasters per 100,000 people
- **Issues and challenges**
 - What does ‘disasters’ actually mean in this context? Is it from natural disasters, conflict and war, crime, economic crises?
 - Indicator focuses on ex-post events but does not build on data on ex-ante measures such as exposure and resilience to risks
 - It would require building and strengthening the capacity of governments to collect administrative data and set measures of accessibility, transparency and independence.

Target 1.a Ensure significant mobilization of resources from a variety of sources, including through enhanced development cooperation, in order to provide adequate and predictable means for developing countries, in particular least developed countries, to implement programmes and policies to end poverty in all its dimensions

- **Proposed indicator**

- Share of total overall government spending (incl. subnational) on programs directed to bottom 40% of population of country

- **Issues and challenges**

- Intricate to identify programs directed to the bottom 40%. For example, spending on education and health care are not targeted at the poor per se, although they are critical for development (and absorb a large share of government expenditure)
- The *relative* nature of this indicator means that its effectiveness will depend on the shape of the income distribution. An absolute indicator could complement the information on this target
- The proposed indicator does not capture any effort or capacity to collect revenues by sources
- Data on government expenditure disaggregated by levels of government remains very limited, particularly in LICs

Target 1.b Create sound policy frameworks at the national, regional and international levels, based on pro-poor and gender sensitive development strategies, to support accelerated investment in poverty eradication actions.

- **Proposed indicator**

- Number of national action plans related to multi-lateral environmental agreements that support accelerated investment in actions that eradicate poverty and sustainably use natural resources

- **Issues and challenges**

- Number of action plans *per se* does not translate into policy reforms (developing countries have plenty of well written plans with no actual reforms)
- The proposed indicator does not capture any progress on pro-poor or gender sensitive policies

Concluding remarks

- Besides the work ahead on the goals and targets, **a data revolution** is needed to
 - Improve the local capacity to collect HH survey data (only 60 countries collect nationally representative HH survey data on a regular basis)
 - Coordinate and harmonise the content, periodicity and units of measurement of survey and census data
- Autonomy of National Statistical Offices would be desirable to ensure quality and reliability of data
- Funding to build administrative, tax registry and government expenditure data collection capacity is needed to formulate policies and monitor goals and targets
(Only about 0.13% of foreign aid goes to National Statistical Offices)

Concluding remarks

- International household survey initiatives (e.g. LSMS, DHS, MICS) have contributed greatly to knowledge generation, but more work is needed to improve efforts towards data harmonization with national NSOs (panel dimension)
- Technological innovations and methods can reduce the costs of data collection efforts but they are still large
- Can these resources be mobilised?



UNITED NATIONS
UNIVERSITY
UNU-WIDER

www.wider.unu.edu

Helsinki, Finland