



The MDGs and Beyond: European Development Co-operation (EDC) in a Changing World

Andy Sumner
Institute of Development Studies
a.sumner@ids.ac.uk



1. What's the 'new normal'?

- **End of a relatively benign period** - aid, public spending, growth, stability, 'poverty consensus', etc?
- **Big 'game changers'** - global governance; demography; climate change; technology; volatile markets as 'norm'.
- **But - opportunities for EDC post-crisis** for global governance; to protect/insure the poor; to shift to a low-carbon future; to develop new economic policy.

2a. A new era for global governance?

- More representative global institutions?
Multilateralism or mini-lateralism; Shift to G20 or the G2?; G20 less MDG/Africa focused?
- Structural reforms to the IMF/WB and the UN
- More financial regulation (but will it be better?)

So far...

- **More financial regulation; greater involvement of systemically significant developing countries, but little real shift in power for poorest countries**



2b. A new opportunity to protect/insure the poor?

- Most of the poor, especially in Africa, still lack systematic and effective social protection
- Much that exists is donor driven
- Much talk of major new resources e.g. VFF, RSRP

So far...

- **Some extra money, but squeezed by fiscal concerns and limited domestic political support for widespread reforms**



2c. A new commitment to a low-carbon future?

- Many calls for fiscal stimulus to be used to create a green(er) economy
- But major disagreements about burden sharing
- And structural disagreement about the type of model to pursue

So far...

- **Focus has been on saving jobs not shifting to a green(er) economy – this is a big missed opportunity**

2d. A new approach to economic policy?

- The Washington consensus is dead (again) but IMF?
- Shift to a 'Beijing model' and policy experimentation;
- Much talk of internally rather than externally driven development and much greater involvement of the state in the economy – 'New Structuralism'

So far...

- **This will likely be a big impact: the hope – greater policy space; the fear – throwing the baby out with the bathwater.**

3. Looking forward

- The world economy is now growing, confidence is up, was it just a stumble on the path? What if a major OECD country has trouble selling its debt? (7% interest rates?);
 - **Different scenarios for recovery** (U, V, W) imply different growth/poverty outcomes
 - **Public expenditure and debt**
 - North indebted but Asia little debt
 - Aid budgets – under pressure
 - Africa – social exps under threat/rising debt burden
 - China – can it set the world back to growth?



4. The MDGs and Beyond: Key issues

- **MDG impacts to date:** global versus national?
- **MDGs in an era of uncertainty:** Risk and cross cutting equity - rights, gender, equity, poorest, climate adaptation;
- **Maintaining the global MDG political momentum:** maintaining coalitions; MDG narratives and institutions;
- **After 2015:** New/expanded narratives, architecture, indicators?; WDR 2000/1 + web 2.0 type process (global consultations + voices of the poor)

5. What does this all mean for EDC?

So, what? Some strategic choices for EDC -

- Harmonization or **niche**?
- Programming or **'up-stream' policy influencing 'norm entrepreneurs'**;
- Country 'partnerships' or **pro-poor coalition building**
- Indicators or **ideas and incentives**



The MDGs and Beyond: European Development Co-operation (EDC) in a Changing World

Andy Sumner
Institute of Development Studies
a.sumner@ids.ac.uk



Type of Low Carbon Development	Focus and approach
<p>Green economy: Growth and Production focus i.e. produce more with fewer emissions</p>	<p>Approach: Technological change, sectoral change</p>
<p>Green lifestyles: Growth and Consumption focus i.e. consume more with fewer emissions</p>	<p>Approach: Behavioural changes, sectoral change, technological change</p>
<p>Equilibrium economy: No-growth and production focus e.g. produce the same with fewer emissions</p>	<p>Approach: Technological change, sectoral change</p>
<p>Coexistence with nature: No-growth and consumption focus e.g. consume the same with fewer emissions</p>	<p>Approach: Behavioural change, sectoral change, technological change</p>