



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

Andy Sumner  
Institute of Development Studies  
[a.sumner@ids.ac.uk](mailto: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**



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