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ARE THE MILLENNIUM DEVELOPMENT GOALS UNFAIR TO AFRICA?

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P R O C E E D I N G S

DR. LINN: Good afternoon, everybody. My name is Johannes Linn, and I'm a Senior Scholar and the Executive Director of the Wolfensohn Center at Brookings.

I should just flag there are spare seats sort of interspersed, for example, over there and now some seats in the front. So if some of you want to come forward, please. It's going to be otherwise a long stand.

So, it's a great pleasure to welcome on behalf of Brookings and the Global Program at Brookings, to welcome Bill Easterly in particular for his presentation today and then the discussion of his latest working paper "How the Millennium Development Goals Are Unfair to Africa". I hope every one of you has picked up a copy outside. If not, I guess there will be copies on the way out.

We're especially grateful in the Global Program for Nancy Birdsall and the Center for Global Development for their co-sponsorship of today's discussion and briefing, and indeed Nancy Birdsall, whom I'm sure you all know, will be moderating the session itself. So, welcome, Nancy. Thank you very much for partnering with us and leading the discussion.

I'm also very, very pleased and indeed honored to have Danny Leipziger from the World Bank. He's Vice President for Poverty Reduction and Economic Management at the World Bank. He will be the discussant after Bill makes his introduction.

I should add all three of my panelists are very close friends and colleagues from former joint collaboration in various guises.

Let me introduce to you, Bill Easterly, whom I'm sure you all know. That's why you're here, because you know who he is. I, personally, know him from quite a long time ago. He just reminded me that I interviewed him for the young professional program at the World Bank probably about 45 years ago, maybe not quite, but quite a long time ago, and I guess I must have recommended him because he then became a young professional at the World Bank, made his way through various incarnations there. He was actually on the team of the World Development Report in 1988 on Fiscal Policy and Development which I had the privilege to lead. He was a wonderful team member.

We then sort of lost touch over the years as he moved one way and I kept moving, I guess, other ways, but we linked up again here at Brookings, and it was my really great and unexpected pleasure to see him, practically my neighbor on the sixth floor here in Brookings, starting last fall when he joined us as a Visiting Fellow in the Global Economy and Development Program. He is focusing his current work on success stories in development, and we really look forward to the results of that work while he's with us here.

For those of you who don't know what he's doing otherwise, let me just mention that his permanent home is at New York University where he's a Professor of Economics jointly with Africa House and he serves as the Co-Director of NYU's Development Research Institute. Of course, he's the author of two very well known books: *The White Man's Burden* and *The Illusive Quest for Growth*.

So, with that as introduction, let me just say we're very happy to have somebody here who is always provocative, always thought-provoking and thought-inducing on particular his views on aid effectiveness. Today, he focuses specifically on the question of whether or not the MDGs actually in the way they're currently formulated and perhaps pursued and implemented, whether they're actually helpful or harmful to the broader cause of African development.

So, I look very much forward, as I'm sure we all do, Bill, to your presentation which then will be followed by Danny's discussion comments and, of course, Nancy will keep us going.

Thank you very much and let's welcome Bill.

(Applause)

DR. EASTERLY: Thank you very much, Johannes, and thanks to all of you for turning out. I'm really glad you're here.

I'm kind of afraid there might have been some kind of false advertising because the title sounds kind of successful, but in order to make the case that's stated in the title, I have to go through one of the most boring papers I've ever written. I'm really going to have to go through some boring stuff to get to the more exciting punchline. So I hope you bear with me.

The thing that kind of motivated the paper is this kind of universal declaration that Africa is unique in that it's going to miss all of the Millennium Development Goals, all seven Millennium Development Goals. To make the case that I'm not attacking a straw man here or anything, I thought I needed kind of abundant documentation. So, here's no less than eight different quotes that all say exactly the same thing: Africa is the only region that is going to miss all of the Millennium Development Goals.

It was said by the U.N. World Summit declaration in 2005, the Blair Commission for Africa in 2005. The World Bank and IMF Global Monitoring Reports say this every year.

The U.N. Millennium Project which was headed by that Columbia University Professor, Jeffrey Sachs, who I have a contractual obligation to make fun of in every talk. He said, "Sub-Saharan Africa is off track to meet every Millennium Development Goal."

Now, moving to 2007, I got some more quotes. The U.N. on Africa and the Millennium Development Goals said, "Sub-Saharan Africa is not on track to achieve any of the goals."

The Blair Commission had an afterlife in that they appointed a panel of very prominent people head by Kofi Annan to something called the Africa Progress Panel, and they issued another statement in 2007 that

Africa is still going to miss all the Millennium Development Goals.

Then the U.N. also put together an Africa steering group including even more prominent individuals including the U.N. Secretary-General, the President of the European Commission, the IMF Managing Director, the World Bank President, and they all agree that Africa as a whole is not on track to meet the Millennium Development Goals.

Then in Davos that was just held recently, the World Economic Forum, we had other well known economists like Queen Rania, Bono and Bill Gates declare a development emergency because Africa is not on track to meet any of the Millennium Development Goals.

So is there anyone in the audience who has left any doubt that there is a very common perception that Africa is going to miss all of the Millennium Development Goals? Have I made that case at least? Okay?

All right, let's move on.

And so, I can show this also visually. This is a very nice graph that is on the World Bank Millennium Development Goals web site, and it shows in each case the divergence. Africa is the blue line, and the path that Africa would have needed to take to meet the goals is the red line. In every case, Africa is off track, although there's one little curious exception that I'm going to come back to later. I'll just kind of give you an advanced hint of it now.

If you look at goal five and goal six, although both of these goals were about changes in maternal mortality and changes in HIV prevalence, they don't actually show any data on trends here. What they show is that Africa has higher maternal mortality and Africa has higher HIV prevalence. I'm going to come back to that point. That's going to be a very curious little feature of this part of the statement that Africa is off track to meet the Millennium Development Goals.

Here's where I have to get into the boring point. So, if people start nodding off next to you, just kind of give them a big elbow to keep them awake here.

The basic point the paper makes is that setting any target, any development target for an exercise like the Millennium Development Goals is not as easy as it sounds. There are a lot of choices that you have to make and that were actually made in choosing which would be the targets for the Millennium Development Goals, and there are three specific choices that I saw being made in the Millennium Development Goals.

One is you could either use the usual indicator such as percent of the population with clean water or you could choose to use, as they actually did choose in the Millennium Development Goals design, to use the reverse indicator, the percent without clean water. That actually makes a difference in how you evaluate Africa's performance. That's one of the things that makes a difference.

Second of all, you could either choose a level target or a changes target. You could either set the target as a level to be reached by 2015 or as a rate of change to be attained over the period of 2000 to 2015, the period of the Millennium Development Goals. Actually, it's the period 1990 to 2015 is the period of the Millennium Development Goals.

Then if you decide to go with changes, and now I'm getting even more boring, you have to decide whether you want percent change versus absolute change in something like, say, the poverty rate. So, what they actually chose universally was the percent change. For example, the goal for the poverty rate is to cut the poverty rate by 50 percent.

But I'm going to argue in the paper that it would make just as much, if not more, sense to use the absolute change in terms of social welfare. You can show, if you want to get really technical, that the percent change is only appropriate if, -- this is the kind of statement I have to make every now and then to establish my street credibility as an economist -- if the marginal disutility of one more person in poverty is strongly diminishing in the level of poverty. If that is true, then the percent change is the right thing.

In other words, let me put it at a more sort of gut level. If you care less about each additional poor person, if you already have a lot of poverty, and that's the case in which percent change is important.

If you don't care how much poverty there is in the society and you only care in isolation whether an individual is lifted out of poverty or not, if that's what you care about, then it should be the absolute change in the poverty rate that is important. That's the thing that you should concentrate on.

It's the absolute change in poverty that matters. It's not the percent change. It's how many people as a proportion of the population were lifted out of poverty. That's the thing that should matter. So it should be the absolute change, not the percent change.

There are two points I want to make here: First, my fallback position is that these choices are arbitrary, and the more aggressive position is that some of these choices were dumb, that they made really dumb choices in making these three decisions. At the very least, they're arbitrary, and I think in several cases there is a strong case that they're kind of dumb, the choices they made.

The second is that the campaign is not consistent across the different goals. It's wildly mixing and matching levels and changes across the different goals. That just shows you how arbitrary the choices are, that they're making different choices. They didn't have any consistent criteria for setting these targets.

Then I'm not going to spend much time on this because I'm running out of time. I don't have much time here, but there are actually lots of other issues that I could take cheap shots at about the Millennium Development Goals exercise.

One is that the benchmark year was set in 1990 for a campaign that began in 2000. So Africa was already penalized because it had a bad decade of growth in the 1990s. It actually started off the whole campaign behind, which seems kind of silly to me. If you're announcing a campaign starting in 2000, why not evaluate progress only going forward from 2000 and not what has already happened at the time you announce the campaign?

Second is going to be data availability and reliability. We forget that all these indicators are very badly measured, and we're going to see a couple of examples that are particularly serious probleDR.

Third, this is something that I just stumbled across when reviewing the goals. There is some redundancy across the goals. There is one glaring example of redundancy which is there's a goal of universal primary enrollment and then a goal of gender equality in enrollment. But, of course, if you attain the one, then you attain the other. If all the boys and girls are all in school and nature usually provides us with equal numbers of boys and girls, then you're going to have gender equality also in enrollment. So if one goal is met, the other goal will be met. If the first goal is met, the second goal will be met, and so no one seemed to take that into account.

These are kind of worrisome signs that this exercise was really not very well thought out, this exercise that was going to be used to kind of dis

Africa’s progress.

So, now I’m going to review the unfairness to Africa, one by one, Millennium Development Goal by Millennium Development Goal. The first one is to cut the poverty rate in half by the year 2015. This is the percentage change goal. The problem is that Africa is the poorest region in the world. You can show that mechanically the poorer a region is, the lower percent change in poverty you should expect for the same rate of economic growth.

That’s just something you can show. It follows mechanically that if Africa has the same rate of economic growth that the rest of the world does, it will still have a lower percent reduction in poverty. Now, to show this, I came up with a graph that I’m not sure if it’s either the best graph of all time or the worst. You be the judge.

This is my graph to demonstrate this point that if you start off poor, you have a lower percent change in poverty. The solid blue line is the income distribution of a rich country, and the solid red line is the income distribution of a poor country. So think of the red line as Africa and the blue line as some region like Latin America.

Then each region has the same rate of growth. So each region has the line shift to the right by the same amount, and that’s the dotted red line and the dotted blue line.

The poverty line is the same for both. It’s an international poverty line. That's the solid black line.

Then I show in the shaded part, the amount by which poverty is reduced. Let's look first at the blue. So the blue shaded part shows the reduction in poverty, and then the space under that is the remaining poverty in the middle income country in, say, Latin America.

Because in Latin America, the poverty was all out in the tail, when you shift the distribution to the right, you drastically reduce poverty. You're shifting in the tail where you just drastically reduce poverty. You can almost wipe out poverty very quickly because poverty was already in the tail.

But Africa, poverty is in the fat part of the distribution. Almost half the population is poor. So, when you shift Africa's distribution over, you're not reducing poverty by as large an amount in percentage terms. You can see that the red shaded part is less than the area underneath the dotted red line to the axis, which is the remaining poverty in Africa after the income shifted to the right. The percentage reduction in Africa is a lot less for the same rate of growth because Africa is moving through the fat part of the distribution and Latin America is moving through the tail.

You can see why I said this is such a boring paper, right?

This is just mechanically how poverty changes. All you need is the assumption that the income distribution in log terms is something like a bell curve, which everybody agrees. That's all you need to get this result.

So Africa gets penalized because it gets less poverty reduction for a given rate of growth.

Here's simulated poverty elasticity. You can see it gets higher and higher, the higher its per capita income. For whatever it's worth, this is confirmed by actual estimates of what is called the poverty elasticity of growth, which is the percent reduction in poverty rate for a given rate of growth.

So what does this mean? Now we went through the boring part for MDG 1. Now we get to the exciting part. Well, this means that even high growth in Africa is labeled a failure because it doesn't reduce poverty enough to meet this arbitrary Millennium Development Goal of reducing poverty by 50 percent. Africa has to have higher growth than other regions to attain the same level of poverty reduction in percentage terms.

So this means that we find a way to take what is success in Africa and call it a failure, and that's going to be kind of theme that is going to come out from all the MDGs. In each case, the design of the MDGs takes a success in Africa and turns it into a failure.

Africa has actually been growing at 5 to 6 percent since the year 2000. Everybody agrees this is one of the best periods in Africa's history, if not the best, of growth. This is great growth. Yet, the Blair panel says this growth is far short of this 7 percent annual growth that needs to be sustained to make substantial inroads into poverty reduction. They were thinking of the percentage change in poverty.

The World Bank and the IMF in the Global Monitoring Report ratchet the required growth in Africa to meet this arbitrary percentage change in poverty target even higher. They demand -- oops, sorry. Somebody is calling me, probably Mr. Sachs, but he can leave a message.

The World Bank and IMF are requiring that Africa grow at 6 percent per capita. The 7 percent was GDP growth, but the World Bank and the IMF are asking for 6 percent per capita growth in Africa. In effect, they're saying anything less than 6 percent per capita is a failure because Africa won't attain the Millennium Development Goal.

Well, 6 percent per capita is remarkable growth. That's growth that has only been attained in 5 percent of all decade-long growth episodes from 1965 to 2005, and so we have this remarkable situation that any growth that falls short of being in the top 5 percent of historical growth episodes is called a failure in Africa. That's a way to turn success into failure, to take a good growth rate in Africa and call it bad.

Okay, so now we'll move to MDG 2, achieve universal primary enrollment by 2015. Now this, for some reason, is a level target. So the level target is to have enrollment of 100 percent, actually the primary completion ratio of 100 percent by the year 2015.

Well, of course, any region that starts farther behind is going to be at a disadvantage. Africa was the region that had the lowest primary enrollment rate at the beginning of this period. So, already, it's at a disadvantage because it starts off behind the others, and they all are trying to reach the same finish line. It's like a race in which Africa's starting position is several hundred yards behind the other runners, and then Africa is blamed for losing the race.

What has actually been happening in primary enrollment in Africa? Well, you could say that actually some very good things are happening. This graph shows Africa is the red line for primary enrollment, and the blue line is non-African development countries. This is a log scale. So this just shows that Africa is actually catching to other developing countries in primary enrollment. This is true in both log terms and in absolute terms, that Africa is catching up.

We could call this good news, and if only they had done this target as a percentage change target like they did the first target, then Africa would have done great on this target. So, again, we find a way to take good news and turn it into bad news. The good news is Africa has been converging.

In fact, there's even stronger good news which has been pointed out by Michael Clemens in a great paper that I really recommend to all of you and which really helped inspire this paper, called "The Long Walk to School." Michael Clemens is back there, standing against the wall in the audience. He’s the guy in the brown jacket right there, and he’s looking embarrassed right now.

But he will talk to you about this in more detail because he knows a lot more than I do. He’s a great economic historian as well as being a great economist. He pointed out that African enrollment increases are far above what rich countries achieved in their evolution of primary enrollment during the history.

Africa is actually doing remarkably well in raising primary enrollment by historical standards, and we’ve already seen they’re doing well compared to other developing countries, but they’re called a failure because it’s still not quite fast enough to meet the goal of universal enrollment by the year 2015. So, again, we take success, and we turn it into failure.

Now MDG 3 was eliminate gender disparity in primary and secondary education by 2015. Well, I already pointed out this is redundant with MDG goal number two, so this is another clever way to rig the game against Africa. Africa gets penalized twice for the same thing. Because they failed to reach primary enrollment, they also failed to have gender equality. It’s redundant, but they’re blamed twice for two different goals, and it’s also a level target rather than a changes target.

Well, what’s going on in changes if we had put things in terms of changes? In general, I think changes are much more sensible than levels because it's the rate of progress that matters and, obviously, you're constrained by initial conditions if you have a level target. So, in changes, again Africa looks good. It's been catching up to other developing countries in the ratio of female to male primary enrollment, and the same is true for female to male secondary enrollment, which I'm not showing for lack of time but also shows Africa catching up to the rest of the world.

So, again, we've got this MDG machine which African good news into African bad news. Africa is catching up, and yet the failure to obtain the level target means that Africa is labeled a failure.

MDG 4 is reduce by two-thirds the mortality rate among children under five. Well, here, there's something a little more subtle at work, and that is that it turns out in the data that if you start off with a very high child mortality rate, that the subsequent percentage reduction in child mortality is less than those countries that start off with a low mortality rate. That is it's a lot easier to cut the mortality rate by two-thirds if you're cutting it from 60 to 20 than if you're cutting it from 180 to 60.

It's a lot easier to cut from 60 to 20 than from 180 to 60. Starting with high mortality, you have a lot more mortality to reduce, and it's just harder to achieve that.

This was also pointed out. I want to acknowledge all the related papers here. There's yet another paper by Todd Moss and Michael Clemens and another author on the Millennium Development Goals that points out this feature of a lot of the development indicators, that they have this kind of S-shaped pattern to them. They don't fall off very much at first, and then they fall off very sharply in percentage terms.

In this table, I'm just showing you this in terms of all episodes of percent reductions in child mortality over a 25-year period. Of all those that are greater than or equal to two-thirds, as you can see looking at the first column, only a small minority of those episodes started at mortality rates that were above the median mortality rate in Africa in 1990. So it's very unusual for someone at that high mortality rate to achieve a two-thirds reduction in child mortality.

I'll show you this another way. Here, I'm just graphing all this data. So I'm graphing on the horizontal axis the initial under-five mortality rate and then on the vertical axis, I'm showing you the subsequent percentage reduction over the next 25 years of child mortality.

And so, the pattern is very striking, that there's this. You do have a good chance of having a round of two-thirds reduction in child mortality if you start off with low under-five morality all the way up to about one hundred or so.

Then it starts falling off very sharply, and the red line is where African mortality actually was in 1990. In that region, it's much more difficult. The average reduction in mortality for all countries, not just Africa, but all countries that started off with that high mortality, at very high mortality rates, it's only about a 40 percent reduction over the next 25 years.

So, if you just look at historically what has happened, you're asking Africa to do something that is almost historically unprecedented, to start off with very high mortality and yet somehow achieve a two-thirds reduction in that very high mortality. That's just now how the data have behaved in all other countries. In effect, you're asking more of Africa than what has happened in all other developing countries or even the historical experience of rich countries.

MDG 4 again, of course, the good news, there's also good news in Africa on child mortality. There has been a large absolute drop. Again, I think it would have been more sensible to talk in terms of absolute changes than percentage changes in child mortality also, and there has been a large absolute drop in child mortality in Africa over the last 50 years or over the last 25 years or whatever period you want. So that's the good news in Africa, but again that's turned somehow into bad news.

Now MDG 5 and MDG 6 are kind of exciting because here, well, MDG 5 is very precise, to reduce by three-quarters the maternal mortality ratio. MDG 6 is halt and begin to reverse the spread of AIDS. So this also seems to be a changes goal that you want to have a drop in HIV prevalence.

In search of data to check out, to do the same empirical stuff on whether the goals are being met or not, I went to this very nicely designed World Bank web site called the Global Data Monitoring Information System, tools for monitoring the MDGs, making it very easy for the casual research like me to know whether the MDGs are being met or not by using this very user-friendly World Bank web site.

So I clicked on the indicators, maternal mortality and HIV prevalence for Sub-Saharan Africa in this MDG tools thing, and here's the first thing I got when I clicked on it. I'm not making this up. This is really what I got when I clicked on the link. That's a cheap shot.

I dug a little bit more, and I did finally find by checking out different paths on the internet and with the aid of three software geniuses, I was actually able to find the data on the World Bank web site, and here it is. Here's the data on maternal mortality rate and on the prevalence of HIV. This is the data that the World Bank has posted on their web site for monitoring MDG 5 and 6, which are both about changes in mortality and changes in prevalence. So I guess it would not be an exaggeration to say it would be somewhat difficult to draw conclusions about changes from this table.

This is one of the dark secrets of the MDGs. This is the worst case, but actually some of the other indicators are pretty shaky also, but this is the worst case. There are no reliable, comparable over time maternal mortality data. So the U.N. has set this very precise goal where there are no data to monitor whether the goal is being met or not. In fact, it's already too late because 1990 was a long time ago, and that was supposed to be the bench year. We don't have any data for 1990. We have some data, but it is not comparable to the data we have now.

In essence, we have targets without data. That's kind of a scandal in itself, that you set a target without data, but then what I think is the bigger scandal is that you still say Africa is failing even when there is no data.

Now what more bias against Africa can you have than that, that Africa is said to be failing a goal on which there is no data to say whether it is failing or it's not? That really seems to be a sign of some kind of inherent disposition to conclude that Africa is failing when there is literally no data to decide the issue at all.

Okay, then we're almost done here in the boring part. The last MDG is MDG 7. Reduce by half the proportion of people without sustainable access to safe drinking water. Now this data is also pretty shaky as it turns out, but there is some data. The strange thing here is this was the one case where, for some reason, they went for the reverse indicator.

I think the one thing that Johannes made very clear in his introduction is that I'm pretty old, so I've had a long career. The data I've always used in my development career has been percent of people with access to clean water, and everyone I know uses percent of people with access to clean water. And so, it seems kind of strange to do the indicator in terms of a new indicator which is the reverse, the percent of people without access to clean water which, of course, is defined as 100 percent minus the percent of people with access to clean water.

Should I go over that again?

Then what's unfortunate about this, and I'm going to target at the end whether I think any of this was accidental or intentional or what the interpretations are, but the unfortunate thing about this is that "without" turns out to make Africa look worse than with would have. It's very elementary. The "without" number is very large in Africa where the "with" number is small because Africa is the region with the lowest percentage of people with access to clean water.

Again, you set a percent changes target, so again that's harder to meet when you start with a high number than it is when you start with a low number. The percent "without" in Africa is a high number, so that's harder to cut by 50 percent than increasing the percent "with" would have been which is a low number. That's why "without" makes Africa look worse on this goal than "with" would have if you set your goal in terms of percentage changes.

Now, here, I have to say which indicator is better to measure percent progress? Well, first of all, I'm not sure it should be percent progress. It should be, again, absolute changes rather than percent changes. But I have to admit this one is totally arbitrary other than the fact that the with indicator is the one that people have always used.

Here, again, we have some good news that if we had used the usual with indicator, Africa again is catching up. This is actually true in almost all the social indicators, that Africa is catching up to the rest of the developing world in social indicators. There's yet another paper I could refer to on that one, but is the author in the audience? Charles Kenney, are you here?

Charles, okay. Charles, the guy in the blue shirt over here, has a nice paper where he shows that there's a lot of convergence in all the social indicators and that Africa very much fits this trend. It's catching up with the rest of the developing world in percent of people with access to clean water.

The summary for all the indicators: Again, I tried to boil things down into one table, and again I'm kind of unsure if it's the most ingenious or the most stupid table of all time, but here it is. What this table show is that for each indicator, because of those three decisions that I talked about at the beginning, there are five different ways you could have set the target.

For any one indicator, there are five different ways you could have set the target. You could have chosen level, which is the one all the way to the right, or you could have chosen changes. If you chose changes, you could have chosen percent change or absolute change and you could have chosen either the usual indicator or the reverse indicator.

So, in this table, I show you how this design affects Africa's chances to meet the Millennium Development Goals, given its initial conditions, given all the patterns that I've talked about today. A minus means Africa's worse initial conditions would mean that it was at a disadvantage to meet the goal defined in this way, and a plus means it would have been easier for Africa to meet the goal defined in this way. You see there's actually more pluses than there are minuses in this table, but of all the choices you could have made a majority of them would have led to Africa actually doing better than the rest of the world or at least the potential to do better than the rest of the world.

Then the yellow highlighted boxes are the choices that were actually made for each indicator. So the yellow highlighted box shows that. Actually, in each case, each of the yellow highlighted boxes has a minus. In each of the choices that were actually made, Africa was at a disadvantage with its initial conditions compared to other countries' historical experience in meeting that Millennium Development Goal target. So, in every case, it's a minus even though the majority of the table are pluses.

Then there are these two fascinating cases which are no data. We have no data on maternal mortality and HIV prevalence to establish percent change or absolute change.

In summary, there's been a lot of African achievements in development that have been downplayed by the design of the Millennium Development Goals exercise. Among these achievements are the last six years of good growth in Africa which has been called insufficient to meet the poverty MDG. Africa is relatively catching up to other developing countries on primary education, gender equality and clean water, but the way those goals were defined Africa was failing to meet the goals. Africa's absolute reduction in child mortality is also very good news.

Now comes the really juicy part of the talk. We have to discuss how did this happen.

How did this happen? I'm going to give you three different choices. It could have been accidental or it could have been intentional. If it was intentional, it could have been bad intentional or it could have been good intentional. I'll start with the bad intentional just to get the fun stuff out of the way first.

Now, there's this whole field called political economy in which economists look at the self-interests of the parties involved in any public policy exercise. I'm not trying to be cynical here. I'm just trying to be a good political economy practitioner in this bad intentional interpretation. The political economy might say, well, aid agencies -- yes, I'm sorry.

I'm almost done, Nancy. This is the second to last slide and then the last slide which will talk a lot about your work.

Bad intentional, you might say that the self-interest of aid agencies is to obtain a lot of funding for themselves and to raise their profile in the global political environment. What would be the best way to do that? Well, it would be to make the problems that they work on look as bad as possible. So maybe there's an incentive in aid agencies to exaggerate the negative, to make things look as negative as possible in order to obtain more funding or obtain more political influence in the worldwide political game. That's the bad intentional.

Now the good intentional could be suggested by a very altruistic model in which people realize that all of these goals set a bigger challenge for Africa than they did for other regions, but they wanted a lot of effort and a lot of aid to Africa. They wanted a lot of effort to be made by the West and by aid agencies on Africa. They wanted a lot of aid to Africa, and so they just chose the exercise in such a way that you would have to try a lot harder in Africa to meet the goals and that would redirect effort and funding towards Africa, away from other regions. So that could be a good intentional reason.

Now I think it's actually more likely that the whole thing was accidental. First of all, the goals were originally formulated at the global level, and it was only later that they became applied to individual regions and even countries. So it could be that the goals might have worked okay at the global level, and then they just turned out to have this unintended consequence of making Africa look bad when you applied them to Africa as a region.

We have to discuss is this good or bad, and there's some ambiguity about why we have the Millennium Development Goals. Are the MDGs performance measures of success or failure which is kind of how I've been interpreting them throughout this talk? They're kind of measures of achievement, and I think that's kind of consistent with the statements that I gave at the beginning that were motivating this talk, that everyone is saying Africa is failing to meet the Millennium Development Goals, implying that Africa is the one on the line being evaluated for its performance and it's failing to meet some performance target. That's one interpretation.

The other interpretation is the Millennium Development Goals should not really be thought of as performance targets at all. They're just kind of inducements to the aid community to raise more money and to increase effort to make good things happen in the poor countries. So, under that interpretation, that would be consistent with the good intentional interpretation, that they are just designed to motivate all of us to do very good things.

Both angles do seem to show up in policy discussions, but neither seems particularly well designed. I've spent most of this talk, talking about why the first angle is terribly designed, but it's a bad motivation tool to set unattainable targets. If this was all meant to be a motivational exercise for Africa, then it seems like a very badly designed goal to have an unattainable goal as your motivation. That is not a good way to motivate aid effort because it sets us all up for disappointment, discouragement, et cetera.

In conclusion, whatever the reason, what does seem very clear is it seems wrong. It just seems wrong to downplay African achievements that have genuinely happened and make them look worse by the design of an arbitrary exercise. This could have adverse consequences for real world things like global investment flows. If the main story in the news about Africa is that Africa is failing to meet the Millennium Development Goals, then this kind of feeds into this Africa always fails kind of stereotype that is very common in the West, and that would discourage private capital flows to Africa. That seems very bad to make that happen.

It also perpetuates the stereotype of dependency, that Africa is this helpless continent that needs to be rescued by the West which I also don't think is a good, constructive way to approach African affairs.

Instead, I think what we should do, and this is the bottom line and conclusion of the paper, let's give proper credit for African achievements whenever and wherever they happen. Thanks very much.

DR. BIRDSALL: Well, thank you very much, Bill. I'm going to introduce you again for fun, because I'm not sure that Johannes has said everything I would say, he needs an introduction. I think you've seen why it was such a pleasure to have Bill Easterly, the first Senior Fellow at the Center for Global Development, which he joined in late 2001, the Center started in November, 2001, I think Bill probably joined us in December, 2001.

DR. EASTERLY: November 9th.

DR. BIRDSALL: Oh, he joined on November 9th, all right. Now, the reason that I want to mention this is that you'll see that he's -- you have seen, if you didn't know him already, that he's fun, and that he does his homework, that he's a good economist, he's smart. You'll have seen that he's controversial. And, indeed, when he joined the Center, it was at the same time that he was leaving the World Bank, and there was a lot of controversy, including at the Center itself about his presence. But the bottom line is that the fact that he does his homework and that he is such a good economist, in the end meant that we benefited from the controversy without facing what might have been the cost that an official institution would face in housing Bill Easterly.

Now, I'd also like to take this opportunity to mention and to thank Bill for his referring to the fine work of several people in the room, particular Michael Clemons, whom Bill said is in the back, who also I think suggested that we hold this event, but also Todd Moss, who's here in the front of the room, and Charles Kenny there, and to warn them that I will probably ask them to say something when we get to the discussion.

As they wrote papers that have titles like, “The Trouble With the MDGs,” and “What's Wrong With the MDGs,” that presage in an interesting way some of the concerns that Bill's raising in his paper, though with a slightly different tone.

Now, let me move from there to introducing Danny Leipziger, who, no doubt, is dying to get the floor. Danny, you have -- I don't know if you have his file, but Danny is the Vice President for Poverty Reduction and Economic Management at the World Bank. That means he's the head of something called the PREM. For those of you who don't know the World Bank, what it really means is that he provides overall direction for all the economic work in the bank, including at the operational level, not just research and policy, but at the operational level.

And also important, he is the economist at the bank who is responsible for interacting with the other official institutions, the other -- the regional development banks, and most interestingly, the United Nations, which, of course, is the home and the sponsor of the Millennium Development Goals.

And Danny has worked for years on successful countries, he's probably -- he's certainly one of the world's leading economists in thinking about Korea and the causes of Korea's success, and he's worked on Chile, and he is now the key player in the preparation of the report of the distinguished commission appointed by the President of the World Bank, with many high level former finance ministers, economists from the developing world, that is chaired by Michael Spence, a Nobel Prize winner in economics. So you are going to be hearing from someone who, well, I'm really interested to hear what Danny has to say about what Bill had to say; Danny.

DR. LEIPZIGER: Thank you very much. Despite that glowing introduction, I know I was not the first choice for this discussant role, it's just that Bono and Angelina Jolie were not available, much to the chagrin of Mr. Easterly, whom I also have known for many years. I also believe in targets that have percentage changes. So since he ran over by, I calculated 100 percent of his time, I hope that you'll afford me the same privilege.

Basically, I think there are some good reasons to question the specifics of the MDGs, and I think Bill points out some legitimate flaws. But I think the main issue is not the imprecision in some of the targets, but rather whether or not they are biased against Africa, I think that's the light motif of Bill's presentation.

So I think to do that, one basically has to look at the MDGs one by one. He apologized for being boring, I make no such apology. Oh, MDG 1 is to reduce the poverty rate in half, and Bill has a number of criticisms of this; one is that it's a bad welfare measure. Basically, if you move from ten percent poverty to five percent poverty, is that really better than moving from 50 to 35, and there's some other issues about the poverty line as a measure. I think in some countries it really matters whether you use the head count or you use what we call a poverty gap, which is the average income it would take to get individuals in poverty back to the poverty line.

In some countries it makes a big difference, in many countries it does not. So the choice of which poverty measure to use may or may not be a problem. The welfare aspect of it, I would sort of agree, which is, I would prefer perhaps the poverty gap measure, but I think it's a technical issue.

These targets were set globally; they were not really designed for regions or for countries. So when you get down to a country, you could customize it. So that's criticism number one. I think it, you know, it's reasonable, and we could talk about it, as we say in New York.

The second is the base year, 1990, was this picked to make Africa look bad, I sort of doubt it. There are a number of countries in Africa that did well in the '90's. Just to give you a few, Ghana's poverty rate went from 52 to 28, Uganda from 56 to 38 over the period of the '90's. So to say that everybody in Africa was doing badly, and therefore, this is a bad year is not probably right. It is, however, true when you look at the region, South

Asia and Africa had similar poverty rates in 1990; South Asia has done well and Africa has not done well, that's the bottom line.

He also talks a bit about the -- of the poverty reduction function, if you want to put it that way, that the elasticities are smaller for high powered countries, and I think that is analytically true, but there are always exceptions, and it's not always true that poverty is reduced at a slower rate at the beginning.

Vietnam, which is probably, apart from China, the most successful poverty reduction story, a country that had 58 percent of the people below the poverty line in 1990, and now it's down to 19. Most of their reduction occurred earlier in the '90's and has continued, so the -- is not the big deal.

So I think on MDG Number 1, the two take-aways I would leave you with is that it's not a bias against Africa anymore than it's a bias against Haiti or Nepal or any other country, the way the MDG is constructed, and that the argument that the percentage goal is biased against low income countries is sort of like saying diets are biased against fat people. Yes, initial conditions matter, but you know, that's where you start your measurement from. MDG number two, universal enrollment, or more precisely, completion of primary education, the criticism here is at the level, it's using a level indicator.

And I think it is true that the percentage may be different than the level; on the other hand, if you don't get to 100 percent primary completion, you are having -- you are witnessing life time changes in these individuals. It's not coming back to the diet analogy, it's not that you get to start over. So the fact that you're at 80 percent rather than 100 percent has consequences for that individual for their entire life.

I think better criticisms of these MDGs would have been helpful. For example, rather than looking at universal completion rates, we could look at the quality measures of education, and I think that would give us a lot more insight, because there are many, many countries who have enrollment rates above 90 percent, but whose basic literacy for sixth grade reading, for example, are, for South Africa, 65 percent, Uganda, 50, Namibia, 48, Malawi, 32. These are countries that have almost achieved the goal, you know, they're above 90 percent, but in terms of actual quality of education, they're far from it. So I think there are stronger measures that we could use for measuring education.

Now, with respect to bias against Africa, there's an important paper you should all read, since Bill likes to refer you to papers. There's a paper by Alesina and Easterly, I believe, which talks about fractionalization in Africa, and makes, I think, a persuasive case that the ethnic linguistic heterogeneity of Africa actually leads to lower learning.

So on MDG 2, I would say let's be a lot more precise and interesting. We can't expect that from the UN, perhaps, but we can look at measures that are probably better.

MDG 3, on gender parody, the criticism is that parody is redundant if you have universal enrollment, that's impeccable logic, but I don't think it really gets to the heart of the gender issue. It's true that you can't get to universal enrollment without parody, but the converse is not true, you can get to parody before you get to universal enrollment. And actually, that may be a very useful goal with respect to gender. And you can see countries as diverse as Sierra Leone with Lesotho, Ecuador with very different enrollment and completion rates, but they've all achieved gender parody, at least in secondary education, so I think it's a worthwhile endeavor.

The bottom line on the gender point is that the male/female disparities are far greater in regions other than Africa. Actually, they're far greater in South Asia and in MENA than they are in Africa. So in terms of African education and gender, I think it's the overall lag and not the parody issue that we should really worry about.

Let me turn to MDG four, which is to reduce child mortality rates for kids under five by this two-thirds. And I agree with Bill that if you are above the median, in one of the graphs that he showed, it's less likely that you will achieve large reductions and vice versa. And I agree that it's better to have specific targets for individual countries.

Now, the most interesting graph actually, if you take the paper away, is figure eight, which shows the child mortality rates, and it basically shows that if you are somewhere between 220 and 280 deaths per 100,000, you're going to have very slow progress, and once you get to sort of 220, between 220 and 120, you get much more rapid progress, and then it's sort of -- it's diminishing deterrent so I wouldn't use the 60/20 example, Bill. But the point was right, which is that it's sort of an S shaped curve. And the question is whether this is biased against Africa, anymore so than Haiti or Nepal or other countries that have had very high infant and child mortality rates; I don't think so.

We looked at the top ten in terms of fastest reductions in child mortality, which countries have had the fastest reductions over the last decade, and it turns out three of them are in Africa, Guinea, Mozambique, and Malawi.

So I don't see it as a biased point, I think it's not that.

It may well be more interesting to look at what lies behind the averages, because we have some data that looks at certain social indicators like the child mortality rate by income quintal, and it turns out that the disparity in some regions is quite dramatic. In Africa, it turns out that the rate is high, but the disparity is not that high, between the first and the fifth quintal. You have 100 deaths and the highest income quintal and 170, more or less, in the lowest.

So there's some subsidiary points under this which I think are worth looking at. And again, the UN measure is not the one that I would look at as a development economist. Let me not spend too much time on the maternal mortality rate. Some of the points are somewhat similar. The only thing I would say there is that we have looked at, coming back to these quintals of income, how much countries spend, because usually there's an assumption that spending leads to better outcomes.

First of all, that is not necessarily the case. If you look at a scatter plot of health expenditures versus health quality, for example, you will not find a good fit. Nevertheless, in health, for example, the top 20 percent of the income distribution in Africa get 30 percent of the expenditures, and the bottom fifth get 12 percent of the expenditures. So it's not only the averages that we want to look at, but also the distribution behind it. And you probably could do that to the U.S., as well, and try and submit -- facts.

DR. BIRDSALL: Danny, we're getting into the unfair to Danny space.

DR. LEIPZIGER: Okay.

DR. BIRDSALL: Bill took off in percentage terms more than you're going to get, so that we can hear from -- I would accelerate through the --

DR. LEIPZIGER: Okay. MDG Number Six has to do with fighting diseases. I'm not a big fan of goals to fight diseases globally, I mean the Avian flu may be an exception. But I think it leads to donors putting a lot of money into the wrong diseases. So in the case of Rwanda, for example, $47 million goes into HIV, $1 million goes into childhood diseases. The only trouble is, good for Rwanda, AIDS prevalence is three percent, almost unheard of in Africa, whereas infant mortality is 150. So it leads to the wrong targets and donors do the wrong things.

I won't spend a lot of time on this, but I think that a better measure for a lot of -- the missing MDG, in my mind, is malnutrition, and I think we're seeing a lot of evidence on stunting and malnutrition, which I can share with those of you that are interested, which would be a much better measure than this somewhat hard to grasp MDG Number Six.

Number Seven, on clean water, I'm a big fan of clean water, it leads to a lot of good things, lower infant mortality rates, et cetera, but we also have some good evidence, in a paper by Chuck Henchal and Sadadro that shows that multiple interventions, water, electricity, sanitation, have much better effects than individual intervention. So why water was picked as the only one is a bit unclear. So to sum up overall, I think, first of all, one should look at the -- what the people who put together these MDGs say, and the coordinator who was in charge of putting them together says that assessing whether progress is on track for meeting the targets by 2015 can only be done at the global level.

It's erroneous, for instance, to lament that Sub-Saharan and Africa will not meet the MDGs. These targets were not set specifically for that region. And it should not be surprising that they don't meet them. If MDGs are not met, they should not be classified as failures, et cetera, et cetera. This is by Yan Vandermortele, who was the coordinator, apparently co-chair of the UN inter-agency group that put the MDGs together. And it's in a nice little note that was put out by the UNDP called MDGs, misunderstood targets.

Finally, and the last point is that, are these biases that are identified, which I don't agree with, demoralizing to African leaders, and are they detrimental to the region? Well, it turns out that FDI at Africa was $2 billion through '90 into '96, it's $8 billion '97 to 2003, and that's not including China. At least ten non-oil producing countries in Africa have grown more than five percent in the last decade. And so I don't think that it is as detrimental as Bill indicates. I think the MDGs, as motivators, have played their role, and politically they've been I think useful. They are very similar in nature to basic human needs, which was a concept in the late '70s, early '80's. I happen to know that because I wrote a very low selling book called, Basic Needs and Development, and if it's still in print, I suggest you get it, but I'm sure it's out of print.

But it just indicates that these targets have been around in one form or another. And the way they should be judged is whether or not they've motivated the international community to pay more attention to development issues, not whether or not an individual indicator, when dissected, seems to have a flaw in it, many of which I would agree with, but overall, I don't think that the MDGs are setting Africa up for failure, even if many countries do not achieve what they set out to achieve. Thank you.

DR. BIRDSALL: Well, thank you very much, Danny, and thank you, Bill, again, too. This is what I'm going to do, because we only have about 20 minutes. I'm going to ask three questions, maybe three or four, of different people in the room, including Bill and Danny, and then they'll hopefully give their answers or comments on those questions, and then we'll open it up as quickly as we can to all of you. So the first question for Bill to think about. I'll do all the questions and then all the answers or comments. So the first question for Bill to think about is the following; what would you propose the international community do next?

Let me give a little context to that. From the beginning, the United Nations Development Program was assigned the task of developing -- working with countries to develop country specific targets or indicators and plans and so on.

And I have been constantly disappointed at how little we hear about that, given the fact that these MDGs were actually designed, you could say with good intentions, mostly by donors, without much ownership, in the developing world. It made sense to say, let's go to the country level, and not necessarily constrained by the global indicators, work with countries on what they want to achieve in a certain amount of time.

So that's one thing that could be done that isn't getting done. But I'd like Bill to answer the question, what should be done, should there be a wholesale revisiting and another top down, thinking about some of your other work, approach to defining a global set of goals, or would it almost surely run into the same problem of a collective arrangement like that leading to less than ideal formulation of indicators, that's your question.

Question for Danny, similarly, you said so many intelligent things, reflecting the vast expertise embodied in the staff, you and your staff at the World Bank, for measurement, for monitoring; why hasn't the World Bank been more assertive about this issue of reformulating at least some of these goals?

Michael Clemens predicted in a paper several years ago that by 2009, I think it was Michael, the world community interested in development would be letting the MDGs sink into sort of invisibility and beginning to reformulate; where's the World Bank on this?

I think -- my sense is that the politics at the international level, between the World Bank and the UN, are very difficult, but that the World Bank has been much too prudent, in a sense, and not stood for excellence, for sensible approaches, for more country ownership, for the millennium learning goal, as you mentioned, and there's a very good paper on our website of Lance Pritchett that provides a lot of excellent background on what a millennium learning goal could be, just to use one example. I have a question for Todd Moss, who's a former CGD Senior Fellow, now Deputy Assistant Secretary for Africa, at the State Department. So I'd like him to say something about the politics of all of this from the U.S. point of view. Is it relevant, should we care that the MDGs might be interpreted as unfair to Africa? Are markets, in fact, are foreign investors going into Africa big time, that's my impression, not discouraged by whatever the United Nations has to say?

Then I would like to give Michael Clemons and Charles Kenny a chance to say anything they want. And then if Colin Bradford is here, but I guess he's not, I would have liked to have heard from Colin, who was present at the creation, at the OECD, when the MDGs started to get into the sort of shape they're in, and who has many interesting positive things to say about the effects of the MDGs in reshaping the way the development and international community think about development itself. But I won't try to say what they are, Colin would have done it better. Okay, Bill.

DR. EASTERLY: Well, I think my comparative advantage is to point out something negative that's going on and then the obvious policy recommendation is, stop doing something negative.

DR. BIRDSALL: But, wait, aren't you writing your book on successes? Isn't that an attempt to go positive?

DR. EASTERLY: Yeah, I will go positive. I think -- I'm not a big fan of the Millennium Development Goals for other reasons, also which we don't have time to talk about. But I think the very least that you could say is, stop applying them at the regional level, stop the conversation of what's going on at the regional or country level.

Now, that's -- as Danny pointed out, they were not designed for that by the original designers, and that I actually quoted in the paper, and the subsequent political economy is, they've been captured by this very vocal group of policy-makers and advocates, like my friend, Professor Sachs, who are applying them at the regional level and making a big deal at them, and that is really grabbing the headlines, that is, you know, the huge headline at Davos “Development Emergency: Africa is not meeting the Millennium Development Goals.”

So just stop; it doesn't make sense, it's unfair to Africa, just stop applying this exercise at the regional level to Africa. You know, when you're in a hole, the first priority is to stop digging, that's the kind of constructive thing I can say based on this paper. And I am very sympathetic to Michael's prediction and hope that it, indeed, happens, that people will realize how badly designed the MDG campaign was, and that it will start fading into obscurity sometime very soon, I hope that happens, because it's not good for cause of development, I don't think.

DR. BIRDSALL: Danny, could the World Bank -- could you ask the World Bank to stop in its publications applying the MDGs at the regional level?

DR. LEIPZIGER: Well --

DR. BIRDSALL: And what could we hope for from the World Bank?

DR. LEIPZIGER: -- well, I think we --

DR. BIRDSALL: In a positive sense on this issue.

DR. LEIPZIGER: Yeah; I mean I think the complication is that the MDGs, for better or for worse, have enabled some donors to really increase their AIDS programs. Now, have they done it in the right way or in the fashion that we would necessarily prefer, perhaps not. And so my example on the disease -- fighting diseases one by one and setting up a whole bunch of vertical funds is not the way I think to be successful. I don't -- I can't --

DR. BIRDSALL: On the other hand, opening more spigots sometimes generates net increases in the flow.

DR. LEIPZIGER: Yeah; they're inefficient, but increases, I agree with that. You know, why the World Bank was too timid or whatever in the past, I mean since I'm not a timid person, I can only say that I wasn't in that job when these things were done.

But to be more serious, I think they're -- I mean they're fashions that, you know, as I tried to point out with the basic human needs analogy. I would be very comfortable to have, you know, one target for countries, which is to deal with poverty, and not have all these subsidiary MDGs, some of which are more relevant in one region or another, and as I've tried to point out, don't capture fully or even adequately in many sectors what you really are trying to get at.

DR. BIRDSALL: Could I ask you, is there a connection between that interesting view and how you see the forthcoming report of the Expense Commission with its emphasis presumably on growth and shared growth?

DR. LEIPZIGER: I see a connection there, because I think the view of the Commission, which as you said, has a lot of experienced people on it, is that individual countries should be designed, their development strategies, not only given their initial condition, but also given their particular situation, but that it's pretty likely that if you can generate seven percent growth, you know, decade upon decade, that you will be successful.

And so they, I think, will argue that you shouldn't worry so much about whether distribution has gotten worse in Vietnam, although it does have political economy in other aspects, you should focus on the fact that poverty, you know, is dramatically reduced, and the only way that that happened was through very high growth.

So I think that if you ask the Commission to pick one goal, I think it would be rapid, but I would say also shared growth, and with that comes poverty reduction. So I think the Commission is not a counter weight to the MDGs, but I think -- we hope it will be an influential document.

DR. BIRDSALL: Okay. I think Todd was next.

DR. MOSS: Okay. So much for sneaking in here quietly and sneaking out early. I did come here just to listen, but since you asked, I think really at the broadest level, I think the MDGs have, in a sense, contributed to the U.S., putting a lot more resources into social services. We've seen a huge increase in U.S. resources going to Africa at the same time. These are increasingly concentrated in the social sectors. Ironically, this is coming at just the time that our friends at DFID tell me they're now moving away from that, toward more of a growth model, we'll see if that happens.

But I think in general, the public is not, you know, the average American is not aware of the MDGs, it doesn't have the same constituency in Europe. I'm not sure it's been as important in -- as a causality for increased foreign assistance. I think in the U.S. it has a lot more to do with the particular constituencies we have for foreign aid in this country.

What I would say about -- in our discussions with the African countries is that the MDGs, with Gleneagles and a lot of the hype I think is really, in a sense, with an unofficial hat on, I'll say it's really re-enforced a sense that the west is here to provide things to African countries, and that even when assistance has been doubled, tripled, or quadrupled in some cases, that it's almost, in a sense, a bottomless demand.

We see this at the national level, and I think we see this at the global level. One of the original rationales, I know Colin certainly made this clear for the MDGs, was to increase aid, and that's why we saw these costing studies that said we needed to double aid. We actually have doubled aid from that period globally, and we're not seeing everyone saying, okay, this is now the right level.

It's kind of perpetuating some of that, which I think the danger there really is just that, there is a perception that you can dump money into certain problems, especially -- including in countries with severe governance issues, where, when we, you know, behind closed doors, we'd say we don't really think throwing money at this particular problem and this particular place is a good thing, but that's what we're frequently asked to do.

DR. BIRDSALL: Are you saying that some governments in Africa are being -- are becoming psychologically, if such a thing can be said about a government, more aid dependent or more welfare dependent?

DR. MOSS: Well, I think the environment right now, where you have large amounts of aid, everyone has made pledges for future increases, has really helped to create an environment where, you know, I haven't been in this business that long, but the laundry lists of projects, I think we see that, we see that in four that are not supposed to be about pledging conferences, where African governments tend to show up and insist that there be a pledging component to a discussion on whatever it is, and so I do see a little bit of that dynamic starting to continue, and it actually, I think, can have a poisonous effect when you're trying to talk about things like business climates, and the discussion is really about, okay, what kind of public resources are we going to put into investment funds rather than tackling maybe some of the issues that might be in the World Bank's development indicator.

DR. BIRDSALL: It's sort of -- to the unfair to Africa view of the world; Michael.

DR. CLEMENS: Thanks very much. Bill, Charles, Todd and I actually went to present a paper called, The Trouble With the MDGs at the UN, and if you thought the reception from -- introducing -- the devil at Davos was cold, it was hugs and kisses compared to what we got at the UN. But they made a point, which was very interesting to me, and in one sense it was something like, you don't understand politics, stop trying to do politics, and it was true. This is the point that Lance Pritchett, Harvard Professor and one of the most brilliant people in this field, makes in a new paper, which is that all you guys, we think you're doing "policy relevant research" lack a positive descriptive model of policy change, and if you don't understand that, you really -- you don't know what the lever is, you don't know where to push.

What that means in this case is that my implicit model of policy change is a lot like yours, in that you have to encourage change, and setting an unobtainable goal is bad. At the same time, a different and equally plausible model that I just don't have the information to reject is that there are a lot of people out there who know absolutely nothing about what's going on, can help in some way, and if the word "Africa", even if it's talking about Madonna's Malawi, is in the papers, is on the web, then that's a good thing, and they said that to us, and I can reject that, I don't really know, and I'm interested in your response, and Danny's, as well.

DR. BIRDSALL: Thank you, Michael. Charles, do you want to introduce yourself?

DR. KENNY: Thanks very much. You've heard -- from Charles, Todd, and --

DR. BIRDSALL: Charles is --

DR. KENNY: -- Charles, Todd, and Michael, but --

DR. BIRDSALL: I think you're still at the World Bank.

DR. KENNY: I will be after this.

DR. LEIPZIGER: We'll see.

DR. KENNY: Okay. Just to try and make sure, I want to say something nice about the MDGs and something nice about dumping money. I think one good thing about that MDGs is that, even though the targets may have been bad, the idea of having goals in a lot of different areas is actually quite a nice one.

And the human development report sort of trended in that direction by talking about more than just money, more than just economic growth. This is sort of the next development along. And one of the reasons I think it's important is because of Bill's point about the good news in Africa, that if you look over the last 30 or 40 years, you really see huge improvements in areas like child health.

And that brings me to the dumping money point, because the huge improvement in child health in Africa have begun to trail off because of the impact of the Aids crisis. One way -- one big driver behind those huge improvements prior to that was the work of WHO and countries working together to roll out vaccines. Now, here is one case where you could really dump money and not even have to worry terribly much about government capacity in Africa. It's putting money into an advanced market, a commitment to AIDS vaccines, it's the kind of thing that CGD has been suggesting for a while in a number of papers. I think this could help keep that progress going in Africa and might avoid some of the challenges we face with --

DR. BIRDSALL: Thank you very much, Charles. That is very much along the lines of what Colin Broderick would say, your first point, that what the MDGs did on the positive side is that they conveyed to the world that development is not just about per capita income increases, it's about people, and their health, and their children's health, and so on.

Let us go now to collect some comments, questions from the audience. We're almost at 1:30, and then I'll give Bill and Danny the last word, but they'll have to be awfully quick and be selective. I think it's more interesting to hear your questions than necessarily know what their answers are. Yes, in the back, please.

DR. LEIPZIGER: Thanks.

DR. BIRDSALL: Well, in terms of marginal value added at this point.

DR. LEIPZIGER: I'm just kidding.

DR. BIRDSALL: Speaking like an economist. Yes, go ahead.

SPEAKER: Thanks very much, great panel. I appreciate Danny's suggestion about malnutrition.

DR. BIRDSALL: Could you introduce yourself, please?

MR. CLINO: Oh, of course. My name is Ecko Clino, I'm working for the Analysis Information Management and Communications Activity, USA funded. Your suggestion about malnutrition as a Millennium Development Goal I think is great.

I would suggest there's another one missing, and it has to do with fertility, and fertility is also one reason I think that makes some of these Millennium Development Goal indicators so unfair for Africa, because Africa has a lot of catching up to do. Because of the high growth rate, a lot more people need services, and despite adding millions of people -- to safe water, percentage-wise, the change is rather small, but progress is there. So can you comment on that, please? Thank you.

DR. BIRDSALL: We've got a hand over here.

MS. PAULICK: Hi, everybody. My name is Abra Paulick, I'm a reporter for Interpress Service. And I was hearing a little bit today about whether or not the MDGs were bias in the way that they were set up towards Africa, and I think many of us sort of agree that the way that Africa has been portrayed is bias, and so I guess my question is, instead of just the intention, how can we overcome the bias in the way that Africa is represented?

And I think one comment that really struck me was when somebody said, you know, this MDG about child mortality is just as fair for Africa as it is for Nepal or Haiti, and my question is, why aren't we hearing about why Haiti and Nepal and failing, why are we just hearing about why Africa is failing?

DR. BIRDSALL: Okay. Any others? Yes.

MR. SICKLES: Hi, my name is Jeff Sickles and I'm researching a story for National Geographic. I'm just curious, what are the consequences for countries that meet the MDGs versus those that don't in terms of aid?

DR. BIRDSALL: One more, please.

DR. GUBSTER: Yeah, I have a question that's -- my name is Mike Gubster and I'm a Professor at James Madison University. In a lot of the comments that have been made up here and in the discussion, I've heard various remarks and suggestions as sort of return to development as a growth model, I'm thinking DFID sort of returning to growth, focused on poverty, The Spence Commission, Paul Colier's book. And I'm just wondering, I'm a historian, and I'm curious to what degree this is sort of a return to the 1950's, even to Ross Dow or to Rosenstein-Rodan and to what degree this is really something new and different growth as, you know, being thought of as a different -- in a different sense than back in the '50's and '60's.

DR. BIRDSALL: Great, okay. Well, that's hard to answer in one minute each, but let's go, Danny first, and then Bill gets truly the last word.

DR. LEIPZIGER: Okay. Well, on the coverage of Africa, I mean you're the reporter, so we generate data, we generate information, we have as many success stories as we have failures, but it seems the failures get a lot more attention, so I don't have the answer to that question.

I think on the return to the growth models, I don't think -- I mean development sort of does go in fashions, and the trouble with fashions is, they tend to go to extreme points. So coming back to the U.S. government investing only in social sectors and then not doing enough in infrastructure, I mean obviously there's a balance. So I think the balance have swung away from growth too far. And the whole idea that you will make progress on social sectors, particularly if it's Aid financed, you know, Tanzania's budget is 50 percent donor financed, is not sustainable unless you generate some growth. So I think it's a balancing question.

On the policy formulation, I guess that's a larger debate, on how policy gets formed. I worked in the U.S. government around the time when the basic human needs indicators came out and I can tell you, there was no take up. I mean the fact that my book was so low selling was not only due to the quality of the book probably, but also to the fact that basic human needs just didn't have any take up.

MDGs have much more take up. And if you actually took them apart, they're not that different. We're talking about the same types of economic and social indicators that we've been talking about for a long time.

So one shouldn't discard the policy aspect. On the other hand, policy can also go awry, and so I think a lot of support in Europe for development assistance is well intentioned, but perhaps not optimally channeled. So those are the ones I --

DR. BIRDSALL: Thank you, Danny. Do you want to take up Michael's question, should good -- economists get out of policy; Bill?

DR. EASTERLY: Well, let me take up this question, is it a good thing that there's more attention to Africa, and you know, that we have Madonna in Africa. Well, you know, I -- and this -- I also want to address your question about the media bias and media stereotypes of Africa.

You know, I think if the effect of the involvement of people like Madonna and Bono and Angelina is -- I think it tends to reinforce this bias that you're talking about, it portrays Africa as this continent that's so helpless that it needs the aid of Hollywood celebrities to come, you know, adopt babies at random across the continent, and you know, lend their celebrity status to some gigantic international rescue campaign, and I think that's the wrong image of Africa, you know.

I think Africa has, as Charles said, has made a lot of progress in a lot of dimensions and should be celebrated for those achievements. And it's not the media stereotype of, you know, child soldiers pillaging the country side chasing famine victims, it's, you know, of course, some of that is going on, but that's effecting a very small percentage of the African population, that's not the life of the typical African. And so, you know, I think that plays into the main theme of this paper, that it's not good to present an image of Africa that's unfairly negatively stereotyped, and I think in all the discussion that we've had today, Danny and others made a lot of great points, but I didn't really hear anything that overturned the main point of this paper, that the MDGs, the way they are designed, makes Africa look worse than a more objective, unbiased look at Africa's performance would give you, and that cannot be good to make someone look worse than they deserve. I think it's much better to celebrate genuine achievements when they happen and that's what we should be doing in Africa.

DR. BIRDSALL: Well, thank you to all of you for joining us and for your good discussion, and especially to Danny and Bill for bringing us not only a lot of intelligent thinking, but some good jokes.

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