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Assessing the performance of the least developed countries in terms of the Millennium Development Goals

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ABSTRACT

This article presents a proposal for assessing the progress of least developed countries towards the achievement of the Millennium Development Goals over the period 2000–2015. Composite indices are built to perform spatial and temporal benchmarking relying on the P2 Distance method. The results are contrasted with other indices developed under a multi-criterion approach with a double reference point. The main findings are that all the countries have improved their situation and country disparities have been reduced. Cambodia and Ethiopia have registered the best trends and South Sudan and Timor-Leste show the worse performance. Considering the position in the 2015 ranking, Rwanda and Bhutan performed the best, while Somalia and Chad rank in the last position. Having now reached the end of the Millennium Development Goals period, the gap with respect to the world average indicates that much work remains to be done in the 2030 Agenda for Sustainable Development.

1. Introduction

Since the 1970s, poverty has been recognised as the most serious socioeconomic problem facing the world. Although thousands of solutions have been proposed, inequality and poverty persist. Many of the so-called solutions do not deal with the root cause (Banerjee & Duflo, 2015). Billions of human beings and many countries in the world are still condemned to lifelong severe poverty, with low life expectancy, lack of food and water, social exclusion, poor health, illiteracy and dependency. The situation is worse in the group of the least developed countries (LDCs) (UNCTAD, 2016b).

The Millennium Development Goals (MDGs) were set out by the United Nations (UN) for the period 2000–2015 to promote development and eradicate poverty worldwide. The MDGs have successfully focused world attention on a broad-based development framework and, together with the Sustainable Development Goals (which replaced the MDGs in 2015), are likely one of the most important global development initiatives (Briant Carant, 2017). The MDGs were an initiative developed under the increasingly accepted conception of measuring social performance on the basis of a large list of indicators rather than relying solely on economic growth. Specifically, the MDGs set eight goals in different dimensions of development which are intrinsically interlinked, feed each other and are monitored through quantifiable indicators to measure the progress made. In this regard, the MDGs constituted an international initiative for the promotion of development and the eradication of poverty which, in its conception, took into account the multidimensional nature of these two concepts (Sessa, 2016; Vandemoortele, 2011).

Having reached the end of the MDG period, it is time to assess its achievements, especially in the poorest countries, which deserve special attention from the scientific community. To this end, we use composite indices to analyse, in an integrated manner, the performance of the LDCs in terms of the eight goals of the MDG initiative from 2000 to 2015. The evaluation of what has been achieved may be relevant not only for monitoring progress, but also for informing policy design of the 2030 Agenda for Sustainable Development. Unlike other studies in this same line (see, for instance, Cuenca, Rodríguez, & Navarro, 2010; Luque, Pérez-Moreno, Robles, & Rodríguez, 2017), our study covers the entire period of validity of the MDGs and presents an overview of their evolution for the period 2000–2015, makes a comparison with the global average, and takes into account the mutually reinforcing eight Millennium goals. Another key aspect of our work is the geographical area under study, namely the LDCs. Despite being the countries in the world that could potentially benefit the most from the poverty reduction strategy of the MDGs, their study as a group with different economic and social characteristics is rare, largely due to the scarcity of relevant data.

The composite indices built in this work allow us to empirically

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assess achievements in many dimensions, analyse the progress of territories over time and perform spatial comparisons. Our results show that all the LDCs have improved their situation in terms of the MDGs over the period 2000–2015 and the gap between the first and the last country has also narrowed substantially. However, given the initial level, only Tuvalu is above the world average in achieving the MDGs in 2000; thus, much work remains to be done with a view to the 2030 Agenda.

The paper is structured as follows. In Section 2 we study the MDGs focusing on the LDCs. For this purpose, we review which countries are considered LDCs, what the MDGs consist of and their underlying theoretical framework. In Sections 3 and 4 we present the empirical strategy and the statistical information used to construct the composite indices for assessing the performance of the LDCs in terms of the MDGs from 2000 to 2015. In Section 5 we report the empirical results and main conclusions. Finally, in Section 6 we discuss the principal policy implications, particularly international cooperation in terms of aid and trade.

2. The least developed countries and the millennium development goals

Since our study focuses on the LDCs, talking about the MDGs means talking about human development and poverty reduction. Briefly, we analyse how, over time, the global community has been moving towards conceiving development as the organised pursuit of human well-being. This has involved broadening the notion of development and poverty from a narrow economic conception to encompassing human development and wider ideals such as participation and freedom. In such a context, the purpose of development policies should be to work to establish the conditions where all people are able to achieve well-being (Gough, Mcgregor, & Camfield, 2007). With these ideas in mind, we review the development and poverty reduction strategy of the MDGs. Before proceeding, it is necessary to define more explicitly the concept of LDCs, our object of study.

2.1. What are the least developed countries?

The concept of LDCs originated in the late 1960s. Since 1971, the UN has recognised as LDCs those states deemed most highly disadvantaged in the development process, and as facing the greatest risk of failing to overcome poverty (LDC IV Monitor, 2014). In 1971, the UN Conference on Trade and Development (UNCTAD)[1] designated 24 countries as LDCs. The list is reviewed and updated every three years by the Committee for Development Policy (CDP), which may recommend countries for inclusion in or graduation from the list of LDCs.

Currently, the CDP follows three different criteria for categorising a country as a LDC: gross national income (GNI) per capita[2], the Human Assets Index[3] and the Economic Vulnerability Index[4], with an additional requirement in place since 1991 that countries with populations exceeding 75 million should not be taken into account. That is, the LDCs exhibit the lowest indicators of socioeconomic development in the world. In the review of March 2015, 48 countries were designated by the UN as LDCs belonging to four regions (see Appendix A), which represented 13% of the world population in that same year. There are 33 LDCs in Sub-Saharan Africa, eight in East Asia and the Pacific, four countries in South Asia, two located in the Middle East and North Africa, and Haiti, which is the only LDC country located in the western hemisphere (Latin America and Caribbean UN region) (UNCTAD, 2016b). A country will normally qualify for graduation from LDC status if it has met graduation thresholds under at least two of the three criteria in at least two consecutive triennial reviews.

2.2. The multidimensional perspective of development and poverty

The dominant conception of well-being in the second post-war development period has been an economic one. The conditions determining the development of countries were defined on the basis of production in the highest possible monetary terms and the modification of productive activities when they were harmful for citizens. Welfare economies comprise the material resources people control, can utilise and dispose of, measured by income and at aggregate levels by national income per head (Gough et al., 2007). Under this conceptual framework, the solutions for reducing poverty in developing countries and worldwide have been economically based, mainly to foster the growth in GDP per capita and in agriculture and service sectors (Akobeng, 2016). For years, there has been a certain dissatisfaction with this macroeconomic approach to the eradication of poverty and, above all, with the inability of many existing models to explain the situation in which the LDCs find themselves (Leftwich, 1995).

In the last decades of the twentieth century, there have been diverse contributions to debates across the social science disciplines over development (Gough et al., 2007). Specifically, from the seventies, the Social Indicators Movement (Andrews & Withey, 1976) argued in favour of measuring social performance on the basis of a large list of indicators, rather than relying on a single one – income or GDP per capita. This approach is applied to both development and access to resources, as well as poverty due to a lack of both. However, its main limitation lay in the absence of a theoretical foundation, which was provided by the capability approach (Sessa, 2016).

In 1980, Sen (1980) introduced the capability approach as a general approach to evaluating the human condition. This approach broke with traditional welfare economics (Gough et al., 2007; Robeyns, 2005). The capability approach is a broad normative framework for the evaluation and assessment of individual well-being or the average well-being of the members of a group and the design of policies (Robeyns, 2005, p. 94). The capabilities approach focuses on the plural or multidimensional aspects of development and claims that income and resources do not provide a sufficient or satisfactory indicator of well-being as they measure means instead of ends. It is necessary to take into consideration what individuals are able to do not only with the instruments they have, but also, most importantly, with the capabilities they have (Sen, 1980 1992). The capability approach has also provided the theoretical foundations of the human development paradigm (Fukuda-Parr & Shiva Kumar, 2003). Since 1990, the United Nations Development Programme calculates the Human Development Index (HDI) on an annual basis. The HDI is used universally as a synthetic measurement of human development for showing the average achievements of a country.

Recent decades have witnessed a growing demand for new methods to measure citizens' well-being, given that GDP on its own appears to be unsatisfactory to describe and compare the well-being and progress of societies. A single economic measure does not account for the social cost of economic development, such as the cost of urbanisation or pollution, among others; and nor does it take into account income distribution or significant assets, such as educational opportunities, employment opportunities, personal safety, and political freedoms (Neumayer, 2003; Nussbaum, 2011; OECD, 2013; Stiglitz, Sen, &

[1] UN Resolution 2768 (XXVI) of 18 November 1971.

[2] Based on a three-year average estimate there is a threshold of $1,035 for possible cases of inclusion in the list and a threshold of $1,242 for cases of graduation from LDC status.

[3] The Human Assets Index is a composite index of human capital based on five indicators of health and education that takes values from 0 to 100. Low levels of human assets indicate major structural impediments to sustainable development. The inclusion threshold has been set at 60 and the graduation threshold at 66.

[4] The Economic Vulnerability Index (EVI) is a measure of structural vulnerability to economic and environmental shocks based on eight indicators. A higher EVI represents higher economic vulnerability. The inclusion threshold has been set at 36 and the graduation threshold at 32.