

## **MDG 8:**

# **Develop a global partnership for development**

The primary responsibility for achieving the other 7 MDGs rests with the developing States. The Millennium Declaration, however, is more than this: it also represents a global partnership for development. For poor countries to reach all Goals, it is imperative that the developed countries contribute as well with more cooperation in general, either through Official Development Assistance (ODA) or international agreements, besides debt relief and fair trade rules.

MDG 8 was not structured integrating a population perspective. The only indicator dealing with a demographic factor – Indicator 45, Unemployment rate of young people aged 15-24 years, each sex and total – has been transferred to MDG 1, within the new Target of decent work for all. Besides that, only one of the indicators deals indirectly with SRH – Indicator 46, Proportion of population with access to affordable essential drugs on a sustainable basis. It is to be expected that a subject as fitting for multilateral policy intervention as international migration (with issues such as diasporas, brain drain and brain gain, and so on) should have found its way into MDG 8, but regrettably it has not.

ODA is an important means of international cooperation in order to achieve development. However, besides the fact that only five countries meet the 0.7% GDP standard established at the Monterrey Conference, ODA does not meet its demands. Without sufficient resources from ODA or cheaper access to affordable essential drugs, it is also difficult for developing countries to ensure essential RH drugs and supplies necessary for preventing pregnancies and childbirths. Although a full treatment of the various international cooperation issues that come under MDG 8 is beyond the scope of the present document, the following will briefly discuss some specific population-related aspects of the following themes:

- 8.1. Official development assistance (ODA) and population issues
- 8.2. Essential RH drugs and supplies - Target 17
- 8.3. International agreements on migration
- 8.4. International agreements on remittances

### **8.1. Official development assistance (ODA) and population issues**

Since the foundation of the United Nations, ODA is an instrument of the utmost importance to international cooperation and development.

*“At the 2002 International Conference on Financing for Development in Monterrey, the international community agreed that ODA must complement private investment flows to finance the public investments needed to achieve the MDGs and other internationally agreed development goals. The principle of international co-financing*

*for national development strategies was operationalized at the 2005 World Summit, where countries resolved to 'implement comprehensive national development strategies to achieve the internationally agreed development goals and objectives, including the Millennium Development Goals.'* (UN Millennium Project, 2006: 97)

As was noted under MDG 1, almost half of the extremely poor and more than half of the poor of the LAC region live in Brazil, Colombia, and Mexico (based on data from the 2005 *Human Development Report*). This distribution, however, is quite different from the distribution of ODA in the region. According to the IADB (2005: Figure 10), Brazil and Mexico together account for 49.24% of the region's poor, but receive only 7% of the development assistance. Machinea and Uthoff (2005) note that while only 4% of the population of the LAC region lives in countries covered by the HIPC initiative, an additional 42% of the region lives under very similar conditions, but in countries not covered by the programme.

One issue that received ODA attention is population and SRH – more specifically after the ICPD, the first international conference to estimate the resources needed to achieve the agreed action plan. The work done by Bernstein and Juul Hansen (UN Millennium Project, 2006) provides a detailed analysis of the role of national SRH strategies, in order to achieve MDG 8. As they explain, the ICPD included four components: family planning, RH, STIs and HIV/AIDS, and basic research.

*"The estimated total costs for all components were US\$ 17.0 billion (in 1993 US\$) by 2000 (UN 1994, Para. 13.15). Two thirds of the costs were expected to be met by the developing countries themselves, while the other third was to be provided from such external sources as donor countries."* (UN Millennium Project, 2006: 97)

However, with the exception of family planning, all components were underestimated and the resources projected by the ICPD were not sufficient to meet the ends they intended. The estimated costs for the HIV/AIDS component were low because they only covered selected elements of prevention and did not include treatment and support. The estimated costs for RH were also low, as only safe maternity services were taken into account. Resources for data and policy needs were conservative as well.

*"It is possible only to get a rough idea of the resources available and needed for this including for reproductive health. In 2003, 4.5% of total ODA was attributed to population assistance, up from 3.7% in 2002 (UNFPA 2005 b). Funding from donors was US\$ 3.2 billion in 2002, US\$ 4.7 billion in 2003, US\$ 4.5 billion in 2004 and projected to reach US\$ 6.4 billion in 2005 (UNFPA 2005 b)."* (UN Millennium Project, 2006: 98)

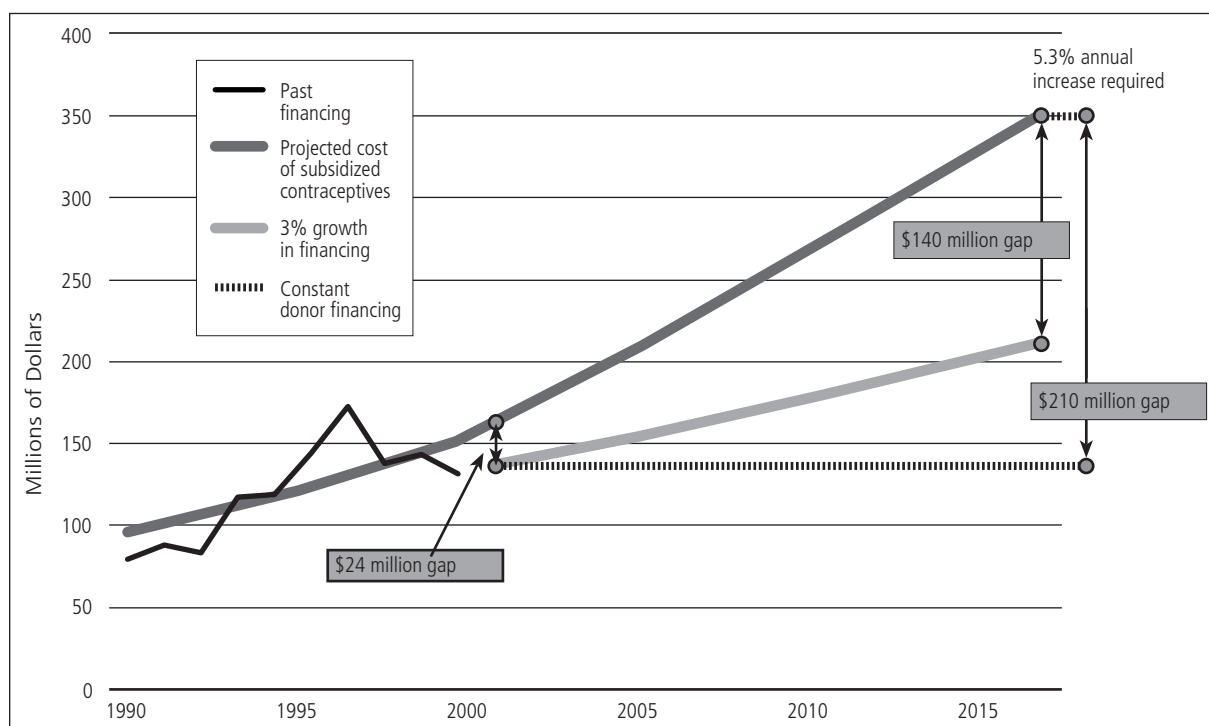
It is true that ODA has seen an increase in population activities, but it is largely due to a higher resource flow towards HIV/AIDS initiatives. At the same time, funding for SRH services has decreased between 1999 and 2003 (from 30% to 28%), whereas family planning as a share of total population assistance dropped from 55% in 1995 to 11% in 2003. Only five donor countries gave more than 4% of ODA to population activities agreed at the ICPD (Finland, Luxemburg, the Netherlands, Norway, and the US).

Similarly, it has been pointed out that, if expenditures on the combat of AIDS are subtracted from overall health outlays, donor support for health has actually been declining in recent years, and that there is no clear linkage between donor assistance to particular health areas and their relative weight in the overall burden of disease (MacKellar, 2005).

*“Population and reproductive health programmes have lagged in the least-developed countries, with their high levels of mortality and unwanted fertility. They will benefit most from higher international assistance and debt forgiveness, and domestic resources for health and education - and their effective use. They need affordable prices for essential drugs for treating HIV/AIDS, malaria and tuberculosis, and a secure supply of contraceptives.” (UNFPA, 2002 a: Ch. 1)*

Nowadays, international remittances rank second in foreign financial flows into developing countries, surpassing ODA and lagging behind only foreign direct investment (FDI). As mentioned in Chapter I, the worldwide preliminary figure for remittances in 2005 is 232.3 billion (IOM, 2006). In the LAC region, they reached US\$ 56.4 billion in 2005, thereby surpassing both official development assistance and direct investments from abroad.<sup>1</sup>

Figure 8.1: Donor financing for commodities compared with projected need



Source: Population Action International, 2001: Figure 9

In conclusion, the ICPD provisions are not being met, and neither is the Monterrey Conference parameter of 0.7% of the GDP destined to ODA, which at present only five countries comply with (Denmark, Luxemburg, the Netherlands, Norway, and Sweden).

<sup>1</sup> See <http://www.iadb.org/mif/remittances/index.cfm> (last seen May 2007).

It is true that ODA has reached a gross volume never reached before; nevertheless, it is still low as a proportion of the GDP of donor countries; in 1990 it was around 0.32%, falling to approximately 0.22% in 1997, and reaching 0.25% in 2003 (United Nations, 2005). The increase is due mainly to debt relief and emergency assistance (United Nations, 2005), none of which are of major importance to the LAC region.

Table 8.1: Net ODA as percentage of OECD/DAC donors GNI

Country	1994	2004
Australia	0.34%	0.25%
Austria	0.17%	0.23%
Belgium	0.32%	0.41%
Canada	0.43%	0.27%
Denmark	1.03%	0.85%
Finland	0.31%	0.35%
France	0.62%	0.41%
Germany	0.33%	0.28%
Greece	---	0.23%
Ireland	0.25%	0.39%
Italy	0.27%	0.15%
Japan	0.29%	0.19%
Luxembourg	0.40%	0.83%
Netherlands	0.76%	0.73%
New Zealand	0.24%	0.23%
Norway	1.05%	0.87%
Portugal	0.34%	0.63%
Spain	0.28%	0.24%
Sweden	0.96%	0.78%
Switzerland	0.36%	0.41%
UK	0.31%	0.36%
US	0.14%	0.17%

Source: <http://mdgs.un.org>

## 8.2. Essential RH drugs and supplies – Target 17

In order to achieve MDGs, it is paramount to provide access to affordable essential drugs in LAC countries. With the proper drugs and medical supplies, pregnancy and childbirth could be much safer. With the contraceptives they prefer, women might become pregnant only when they want to, improving the odds for themselves and their offspring. With adequate supplies of condoms, they might be better protected from HIV and other STIs. Contraceptives, including condoms, and drugs and related medical supplies, are critical for RH.

*“Providing access to reproductive health drugs and supplies is crucial to the achievement of the MDGs and to the improvement of health in developing countries. Access to reproductive health commodities needs to be maintained, and provided if lacking. Without these commodities there will, for example, be no contraceptives to prevent unwanted pregnancy and transmission of STIs, including HIV/AIDS; no equipment to provide a clean and safe delivery for both mother and child; and no medicine to treat STIs and maternal conditions.” (UN Millennium Project, 2006: 101)*

It is important to assure strengthened, cost-efficient delivery systems, well-trained providers of information and services, awareness creation and information, education and communication (IEC) activities, and effective programme strategies and approaches with the important component of Reproductive Health Commodity Security (RHCS):

*“Reproductive health commodity security is about ensuring a secure supply and choice of commodities such as contraceptives (including condoms), maternal health supplies and those needed for HIV/AIDS and other STI treatment and prevention. These commodities need to be provided to rural and urban populations, rich and poor, young and old, and both women and men. It is crucial that national capacity is developed in order to secure sustainable forecasting, logistics, financing procurement, warehousing, stock monitoring, distribution of commodities and training and management of human resources.” (UN Millennium Project, 2006: 14)*

Nonetheless, it is very difficult for developing countries to afford such drugs and medical supplies. On the one hand, as their demand grows – through sensitisation and empowerment activities in SRH – RHCS must be guaranteed. But as the success of promotional activities translates into higher demand, the cost of providing the essential drugs and medical supplies needed also rises. The cost of commodities (for five-year periods) for the LAC region was estimated to be around US\$ 1,440 million between 2001-2005, moving to US\$ 1,712 million for the 2006-2010 period and finally to US\$ 1,990 million by 2011-2015. Disaggregating these numbers, the estimate for the 2006-2010 period would be US\$ 573 million spent on contraceptives, US\$ 156 million on condoms and US\$ 711 million on drugs and medical supplies. For the 2011-2015 period, the desegregation would result in US\$ 677 million spent on contraceptives, US\$ 504 million on condoms, and US\$ 809 million on drugs and medical supplies (UNFPA, 2005 f: 25).

### **8.3. International agreements on migration**

An important issue regarding the linkages between population and development, especially international migration, is the matter of how States can cooperate and also institutionalise this behaviour by the use of international agreements. In order to maintain the development of industrialised countries as well as to promote a better quality of life for the developing world, the possibility must be considered that developed European countries – with fertility rates below replacement – can profit from the immigration of people from poorer countries with higher fertility rates.

*“The current demographic trends in both developed and developing countries are pointing toward significant potential economic gains from migration. The labour forces in many developed countries are expected to peak around 2010 and decline by around 5 percent in the following two decades, accompanied by a rapid increase in dependency ratios.” (Özden & Schiff, 2006: 2)*

*“The potential for growth in the scale of migration from poorer to richer countries is reinforced by demographic differentials. Many of the world’s more prosperous states*

*now have fertility levels that are below the replacement rate of 2.12 per woman. Their populations are becoming both smaller and older, a situation which threatens their ability to sustain current levels of economic growth and to maintain their existing pensions and social security systems. In contrast, virtually all of the world's population growth is taking place in developing countries. According to the United Nations Population Division, estimated fertility rates for the period 2000 to 2005 range from just 1.4 in Europe and 2.5 in Latin America and the Caribbean, to 3.8 in the Arab states and 5.4 in Sub-Saharan Africa.” (GCIM, 2005: 13)*

The same migrants received by the developing countries can contribute, in various ways, to the development of their home countries, through remittances and other effects of the diaspora movement (see section 4 under MDG 1). Indeed, developed countries can seize the opportunity of this migration to their benefit and, up to a point, they depend on it.

*“While many of the industrialized states are cautious in acknowledging it, their continued prosperity will depend in part on international migration. Many of the world's most affluent societies have low and declining birth rates, and as a result their populations are becoming progressively smaller and older. As a result, they may find it difficult to maintain existing levels of economic productivity, to sustain their pensions and social security systems, and to find the caregivers to meet the needs of an ageing population.” (GCIM, 2005: 6)*

One of the possible mechanisms that has been suggested in this context is the notion of “replacement migration”, to offset the graying of population in the industrialised countries. The UN Population Division carried out a study about eight relatively large countries and two regions with below-replacement fertility. They calculated the amount of replacement migration that would be necessary for each of the countries and regions to offset the expected declines in the size of the total population and working-age population, as well as to offset ageing of the population.

It is commonly believed that migration makes the host country significantly younger and that generous immigration policies can increase the number in the working-age population and help reduce markedly the dependency costs of the elderly. However, recent studies do not support these conclusions. Migration studies after World War II (Coleman, 1995 on the UK and Le Bras, 1991 on Australia, Belgium, Canada, France, Germany, Italy, and Sweden) concluded that the “rejuvenating effect” of migration on the host populations had been fairly modest. Although replacement migration could contribute to rejuvenating the host population, the number of migrants needed to achieve this is too overwhelming and, as migrants soon adopt the fertility rate of the host country and do not have many children, the rejuvenating effect, considering the population as a whole, would be only a marginal decrease of the proportion aged 65 years or older.

The overall ageing trend in Europe can be attenuated through immigration, but it cannot be prevented, conclude Lesthaeghe et al. (1988). In the case of the US, research indicates that immigration is not a realistic solution to demographic ageing (Coale, 1986;

Espenshade, 1994; Day, 1996). Espenshade (1994) confirmed that immigration has relatively little effect on overall age composition of the population of the US, because immigrants from previous periods (especially if they have few children) also age along with the rest of the population.

*“(...) the levels of migration that would be needed to prevent the countries from ageing are of substantially larger magnitudes. By 2050, these larger migration flows would result in populations where the proportion of post-1995 migrants and their descendants would range between 59% and 99%. Such high levels of migration have not been observed in the past for any of these countries or regions. Moreover, it seems extremely unlikely that such inflows could happen in these countries in the foreseeable future. Therefore, it appears inevitable that the populations of the low-fertility countries will age rapidly in the 21<sup>st</sup> century.” (UN Population Division, 2000: 94)*

The insufficiency of migration to serve as a counter for population ageing, and in most cases for population decline, has been further consolidated by questions regarding the feasibility of formulating and adopting suitable migration policies (Wattelar & Roumans, 1991; Espenshade, 1994; Mc Donald & Kippen, 1999). In many countries, additional large volumes of immigrants are likely to face serious social and political objections, even as a means of slowing population decline and population ageing. Therefore, regulating the level and composition of replacement migration streams to reach a desired population size or population age structure poses enormous challenges for governments that may wish to do so.

#### **8.4. International agreements on remittances**

In the LAC region, population issues, such as migration, remittances, and brain drain or gain are also opportunities for the countries to achieve development. As mentioned before, LAC context is the first one of the world on the proportion of people living in countries other than those of their origin. This means that international agreements concerning those issues may assist in the development process. It also requires that the governments of both sending and receiving countries develop explicit criteria and regulations to guide the process, rather than handling it on an ad hoc basis (Böhning, 2004).

First, there could be an agreement between countries aiming at reducing the transfer costs for remittances.

*“Transfer costs for migrants’ remittances currently amount up to 20% of the transferred money. The establishment of effective legal channels for the transfer of these financial flows at reduced cost needs to be considered urgently within the development of a non-discriminatory and predictable financing system (Target 12)” (Usher, 2005 a: 26).*

### **World Leaders for Action Against Hunger and Poverty**

A diplomatic group set up by the governments of Brazil, Chile, France, and Spain (recently joined by Algeria) – the Meeting of World Leaders for Action against Hunger and Poverty – have handed in political proposals to finance the reduction of poverty and hunger in the world. Beyond levying taxes on arms trade, facilitating donations through credit card companies and taxing air tickets, the group encourages that international remittances are optimised. To the interests of this study, the conclusions of the Report of the Technical Group on Innovative Financing Mechanisms (2004) recommend the reducing of the costs of transfers, the democratisation of access to financial services and the encouragement to investing remittances in productive activities - remarks also found in the Mexico (2004) and El Salvador (2004) MDGRs. Not only access to financial services could make the collection of remittances easier for family members, but also the scale of remittances could invigorate access to financial systems for the poorest, especially in rural areas.

*“One strategy to spread out the benefits of remittances is to promote the investment in micro-enterprises and other job-generating initiatives; the flows to the families of emigrants could serve to improve the access of those families to additional financing, at reasonable terms, from the domestic financial systems.” (Action Against Hunger and Poverty, 2004: 56)*

The Mexican MDGR (2004) points out that the government has been facilitating the collection of remittances by immigrants and their access to banking services through consular identification. Alternatively, for emigrants, the Mexican authorities have been stimulating financial institutions to cut the costs of transactions. It is estimated that the transaction rates from Los Angeles to Mexico City dropped from 10% to 3.9% between 1999 to 2004. The *Red de la Gente Programme* has been assisting customers to diversify the recipients of their money transfers. Mexico is particular in that it plays the double role of a migrant sending and receiving country, with about 15% of the country's working age population in the US.

This movement also engenders other phenomena such as diasporas and, in this context, it raises the issue of “digital diasporas”, as a form of cooperation on new technologies:

*“Target 18 mentions the significance of close cooperation with the private sector to make available the benefits of new technologies. Diasporas have always played a major role in terms of knowledge and technology transfer between countries of origin and destination, and their networks can be ‘the basis of business partnerships, trade, and flows of investment.’ This transfer can be effectuated through actual returns or through a virtual approach, for example through web-based portals that allow for knowledge sharing between professional diasporas and their counterparts at home. ‘Digital diasporas’ have recently emerged as a topic of discussion among academics and policy*

*makers, and some diasporas have played a pivotal role in promoting the presence and use of Information and Communication Technologies (ICTs) in their home countries, thereby helping to bridge the 'digital divide'.*

*Often, members of diasporas have acquired the necessary knowledge to establish and manage their own enterprises and are conversant with the culture and business of both their country of origin and destination. Consequently, they can contribute to private sector development in their home countries by either establishing their own business or, through investments, the provision of training or the transfer of knowledge to countries of origin. Due to their contacts to potential business partners in destination countries, they can establish a link between companies and facilitate trade.” (Usher, 2005 a: 26)*

In conclusion, diasporas, a result of the migration movement, can be subject to international agreements, between countries of origin and destination, in order to improve the development outcomes of those in the countries of origin.

*“The potential for development through global diaspora networks and transnational initiatives is only beginning to be understood. Close cooperation between the private sector and both countries of origin and destination can contribute to the establishment of a global partnership to work successfully towards achieving the MDGs.” (Usher, 2005 a: 27)*

## **MAIN IDEAS ON MDG 8:**

### **General conclusions**

- One of the most important means of international cooperation, ODA should be assured at least at the 0.7% of GDP as proposed at Monterrey. ODA must be better targeted, since only 4% of the LAC population is covered by the HIPC initiative, while other 42% lives under very similar conditions but are not covered.

### **1. Official development assistance (ODA) and population issues**

- One issue deserving attention in ODA is population and SRH. Nonetheless, the four components included in ICPD were underestimated and the resources were insufficient to meet the intended ends.
- Although ODA in population activities has increased, this is largely due to a higher resource flow towards HIV/AIDS initiatives. Only five donor countries gave more than 4% of ODA to population activities, as agreed at Cairo: Finland, Luxemburg, the Netherlands, Norway, and the US. Without ODA towards AIDS, donor support for health has actually been declining in recent years.
- ODA neither meets its demands, nor meets ICPD provisions or reaches the 0.7% parameter of the Monterrey Conference. International remittances, on the other hand, reached US\$ 56.4 billion in 2005, surpassing ODA and FDI. Even if ODA

has reached the highest gross volume ever, it is still low as a proportion of GDP, lagging behind the proportion of ODAs that were common during the 1990s.

### **1. Essential RH drugs and supplies - Target 17**

- Providing access to RH drugs and supplies is crucial for the achievement of the MDGs. Cost-efficient delivery systems must be in place, provided with well trained providers of information and services, awareness creation and information, education and communication activities, and effective programme strategies with a RH commodity security component.
- It is very difficult for developing countries to afford such drugs and medical supplies. The expenses with commodities are increasing, due to growing demand and the rising costs of offering them. The cost of commodities (for 5-year periods) for the LAC region were estimated to be around US\$ 1,440 million between 2001-2005, moving to US\$ 1,712 million for the 2006-2010 period and finally to US\$ 1,990 million 2011-2015.

### **1. International agreements on migration as instruments to achieve MDG 8**

- Both the European countries – with below replacement fertility rates – and developing high fertility countries can benefit from the immigration of people from the latter. This can contribute to maintaining the development of industrialised countries and also to the promotion of a better quality of life for the developing world (through remittances and diaspora effects).
- A mechanism mentioned to offset ageing in developed countries, the replacement migration, seems unrealistic due to its modest impact. The number of migrants needed to achieve this would be too overwhelming and it would result in a marginal decrease of the proportion of the aged 65 or older, because migrants tend to adopt the fertility rate of the host country.
- Migration may not be the only answer to counter population ageing in developed countries but, it can assist and also facilitate development in developing countries. Governments should attempt to regulate the level and composition of replacement migration to reach a desired population size or age structure, also bearing in mind the necessities of the migration sending countries.

### **1. International agreements on remittances and cooperation on new technologies**

- Migration can lead to remittances and the LAC region – the first in the world on the proportion of people living in countries other than its origin – can benefit from it. However, it would be important for both sending and receiving countries to elaborate agreements in order to reduce the transfer costs of remittances.
- The diplomatic group, World Leaders for Action Against Hunger and Poverty put forward a series of proposals to finance the reduction of poverty and hunger in the world, among which, optimising international remittances through: reducing its

costs, democratising access to financial services and encouraging the investment of remittances in productive activities. This could facilitate collection of remittances for family members, enhance its scale and invigorate access to financial systems for the poorest.

- The Mexican government has been facilitating the collection of remittances by immigrants and their access to banking services through consular identification. Mexican authorities have also stimulated financial institutions to cut transactions costs.
- Migration also engenders other phenomena such as the digital diasporas that can be useful in cooperating on new technologies, e.g. through the promotion of presence and use of ICTs in their home countries. This can also be of importance to the private sector, through the establishment of their own business, investments or training, and transfer of knowledge to the countries of origin. Close cooperation between the private sector and both countries of origin and destination can contribute to the establishment of a global partnership to work successfully towards achieving the MDGs.

