


The EU in the Global Economy

Online learning

Document identifier				
Lesson	Title	How to proceed?	Time need	
#4	Millennium Development Goals, Sustainable Development Goals	1) Video (MDGs, SDGs) 2) <u>Reading material</u> 3) Online test	cc. 15 mins.	





1 INTRODUCTION

The European Union deeply participates in solving global issues. The European Union represents itself at different global conferences and in several international organizations. This is reasonable because the EU itself is one of the largest economy in the world and it may have significant resources to solve the problems. There are numerous global issues which the international community faces nowadays, but in this part we only detail poverty. Poverty is the first among the Sustainable Development Goals.



*To better understand:
repeat Lesson#3*



This lesson aims to describe global initiatives, namely the Millennium and Sustainable Development Goals, and to give an overview how to the EU participates in implementing these initiatives.

2 POVERTY

One of the largest global issues is poverty. It is a huge problem because several other problems are closely connected to this (see Lesson #3). If a country is very poor, children cannot go to school, thus the quality of the human capital remains at a low level. If a country is poor, epidemics and diseases will often appear – it will be more severe because of the lack access to medicines. **Extreme poverty** is often used to



SEVERE EPIDEMICS

In the last few decades, not only HIV/AIDS and TBC challenge developing countries but there were severe epidemics, too: Ebola, SARS, or nowadays the coronavirus. These mainly influenced Africa, but SARS and coronavirus caused challenges in the Asian region, too.



EXTREME POVERTY

The World Bank defines the threshold of extreme poverty as follows: 1) in low-income countries it is 1.90\$ a day, 2) in lower-middle-income countries it is 3.20\$ a day, 3) in upper-middle-income countries it is 5.50\$ a day, and 4) in high-income countries it is much higher: 21.70\$ a day. The SDG1 concentrates on the 1.90\$ threshold.

measure the extent of poverty: it calculates the number of people who live less than **1.90 USD** a day. It is the so-called **international poverty line**.



Look at the following data regarding this topic:



Nearly a billion people entered the 21st century unable to read a book or sign their names



At least 80% of humanity lives on less than \$10 a day



The richest 20 percent accounts for three-quarters of world income



Number of children who live in poverty: 1 billion (every second child)

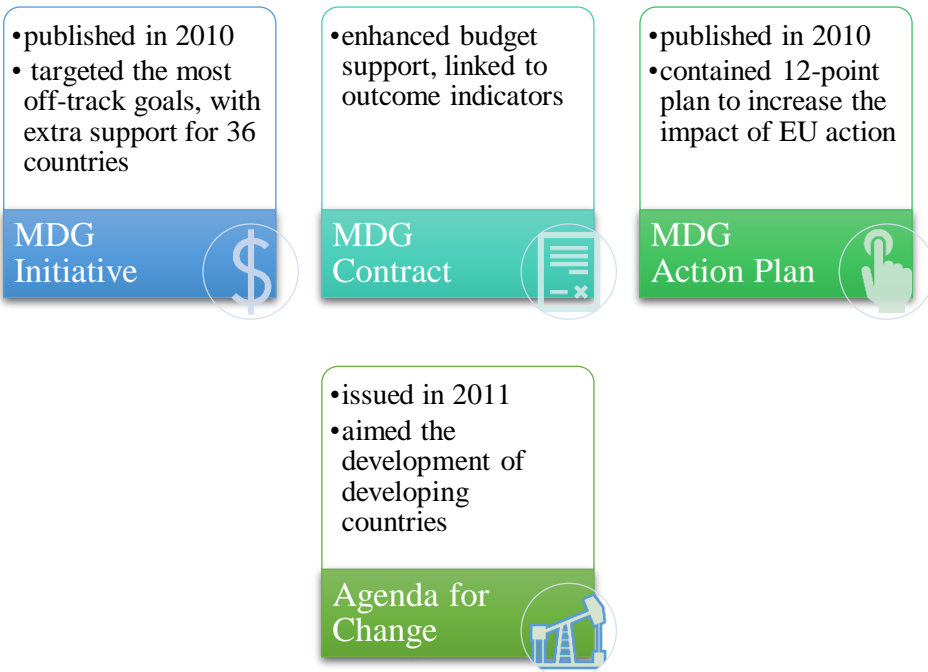
The international community – namely the United Nations and its member states – tries to solve this problem. The first largest international initiative was the so-called **Millennium Development Goals (MDGs)**. The MDGs were accepted in 2000 and all members of the United Nations committed themselves to this program. The MDGs covered eight goals which should have been achieved by 2015. To sum up: the MDGs defined eight goals (and more than 60 smaller objectives) with a deadline of 15 years. The EU was closely engaged in the debate on what should come after 2015, when the MDG deadlines expired. One contribution to this is the Commission's February 2013 communication "A decent Life for All: Ending poverty and giving the world a sustainable future". As a result of the serious negotiations, by the end of 2015 the so-called **Sustainable Development Goals (SDGs)** were accepted.



*Details on
MDGs and SDGs:
Watch the related video*

3 THE EU AND THE MDGs

According to the official webpage of the EU-MDGs initiative, the EU took a number of measures to contribute to the achievement of the MDGs. These steps include the followings:



To sum up, **the European Union incorporated the aims of the Millennium Development Goals into its development (cooperation) policy** and this initiative

*Further details on the EU's development policy:
See Lesson #8 and #9*



determined how to shape the EU's development policy. So, the EU participated not only in the negotiations of the MDGs but also in its implementation.

Since the deadline of the **MDGs** is over, we can **evaluate** them. The overall picture seems to be very nice and the different official MDGs report claimed that we were in progress and **there are some spectacular results**. For example, the poverty could be reduced but this reduction is uneven among the countries and there are regions (namely, countries in Sub-Saharan Africa) where the number of people living in extreme poverty increased over these years. Some results of the MDGs:

- Reduction of poverty
 - By 2006, globally 69% of the aim was fulfilled, but it was not equal among regions. China had very positive results, but Sub-Saharan African countries faced huge problems.



- In 2002, it was claimed that addition 40-70 billion USD as aid is needed to achieve this goal.

The following issues were often mentioned as criticism of the MDGs:

Aid effectiveness

- MDG 8 detailed that more financial resources (aid) should have been sent to developing countries to help them overcome their economic and social problems.
- But aid effectiveness is on the agenda of donor countries and donor institutions.
- Why should we provide more aid to developing countries if the huge amount of aid provided to developing countries so far, could not achieve any spectacular results?

Costs of implementation and sustainability

- The MDGs did not pay attention to these issues.
- MDG 2 raise the attention to universal primary education. However, the MDG aims to build schools train teachers but the MDGs do not answer what will happen after the closure of the MDGs.
- Who will take the operation costs of schools and salaries of teachers after 2015?

Inequality in achieving the aims

- In the middle of the 15-years period, more countries were lagging behind the objectives.
- In Sub-Saharan Africa, 42 countries could not meet at least half of the goals and 12 countries could not meet any of the goals.
- Thus, the achievement of the MDGs in Sub-Saharan Africa remained far from the expectations.

4 THE EU AND THE SDGs

The logic of the SDGs is similar to that of the MDGs:

- the United Nations and its member states accepted the SDGs;
- the goals cover a wider range of issues to help developing countries;
- the goals are general goals and they contain smaller objectives, as well;
- the period during which the goals should have been achieved cover 15 years.

The European Union tries to actively participate in the implementation period of the SDGs, and a financial document was issued which includes what the EU tries to do in the interest of the SDGs (Figure 1). The figure shows that the EU offers more money to developing countries and try to help sectors which are core branches for developing countries.



Figure 1 Brochure on the EU's role in the SDGs

FINANCING GLOBAL SUSTAINABLE DEVELOPMENT AFTER 2015:
Illustrations of Key EU Contributions

A HOLISTIC APPROACH TO SUSTAINABLE DEVELOPMENT FINANCE

- 1 The EU will help developing countries to mobilise more **domestic resources**, including by investing € 42 million in a new flagship programme.
- 2 The EU will leverage more development funding through **blending**, by investing up to € 8 billion to help mobilise over € 100 billion by 2020.
- 3 The EU and its Member States continue to be the world's largest provider of **Official Development Assistance (ODA)** with € 58.2 billion in 2014.

AN INTEGRATED APPROACH TO KEY SECTORS

- 4 **Environment and Climate** – EU leads the efforts for a sustainable world
- 5 **Trade** – EU to remain the world's most open market, importing € 860 billion annually from developing countries
- 6 **Science, technology and innovation** – EU's € 77 billion research and innovation programme also open for participation from developing countries
- 7 **Remittances** – EU will contribute to reducing remittance costs to free up more funds for development
- 8 **Sustainable agriculture and nutrition** – EU helps to lift 500 million people in developing countries out of hunger and malnutrition by 2030
- 9 **Energy** – EU helps to lift 500 million people out of energy poverty by 2030
- 10 **Human development** – EU champions health, education and harnessing the potential of well-managed migration
- 11 **Gender** – EU places women at the centre of development cooperation
- 12 **Peaceful societies** – EU provides support to improve governance and to enable people to live safe, secure lives

LEAST DEVELOPED COUNTRIES – EU PUTTING THE FOCUS ON THOSE MOST IN NEED



Source: https://ec.europa.eu/europeaid/sites/devco/files/post-2015-development-infograph-final_en.pdf

As the EU is committed to the SDGs, it annually issues a progress report what the EU did in relation with the implementation of the SDGs. This report emphasizes not only

EU SDG report 2019:
<https://bit.ly/2UNZckS>



the world outside the EU but analyzes what achievements the EU has within the integration itself. All indicators are controlled in EU-context.

Since this course is about the analysis of the EU in global context, we emphasize what the EU did for developing countries, i.e. **we summarize SDG17 (Partnerships for the Goals) and the EU**. According to the EU's SDG report published in 2019, the EU supported developing countries in several ways:

Targets and indicators of SDG 17:
<https://sustainabledevelopment.un.org/sdg17>





- The EU provides aid, FDI and grants to developing countries (both public and private sources).
- The official development assistance (aid) is the most important financial source from the EU to developing countries (see Lesson #9), though only four EU members meet the international target of spending 0.7% of GNI on aid.
- Least-developed countries are supported to a larger extent than before.
- As for trade, the EU provides preferences in the scheme of GSP (see Lesson #8-9), and the EU is committed to the Aid for Trade initiative.



Please remember that this lesson only gave a short introduction to the SDGs. Since it is a global initiative, it covers areas (e.g. aid, trade, preferences) that will be detailed in the following lessons. All parts of this lesson will be clear when you go through the course.



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