Development in transition

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Understanding and supporting the development trajectories of countries have long been the driving force behind all of our careers. If we, as a global community, are serious now about ensuring prosperity for all through the universal and comprehensive 2030 Agenda and its Sustainable Development Goals (SDGs), then we must close all remaining gaps. And this means changing the way we think about development policy.

We can all agree we should continue to focus primarily on those left the furthest behind. However pockets of fragility also remain in those economies that have succeeded in climbing the economic ladder. While income inequality between countries may have reduced, inequality within countries has in fact risen. More than 75% of people in developing countries are living in societies where inequalities are higher today than they were 25 years ago. In Namibia, for example, which is considered an upper middle-income country, just over a quarter of its poorest inhabitants are covered by social protections, whereas Malawi, considered a low-income country, covers over 40%.

Findings like these point to a complex reality: a country’s growth does not necessarily go hand in hand with increased wellbeing for its citizens. Indeed, unless policies to counteract such trends are put in place, significant development vulnerabilities often remain and inequality can in fact grow, even as countries become more prosperous. This is particularly relevant for countries with limited economic diversification, or those more exposed to the adverse impacts of climate change, and thus more fragile. For countries experiencing what we call "development in transition" — moving from one income group to another — the opportunities as well as the challenges are enormous, including the prospect of reduced or no development financing and technical assistance. What should we do about countries that reach higher levels of national income or growth, yet still face stark vulnerabilities such as poverty, fragile middle classes, economic instability, regional disparities, insecurity, and unequal access to education and health services?

Development, after all, is complicated. It is not linear. It is not binary. It is a moving target. And there is no one size fits all approach. It is not simply about economic growth. Is it not also about progress in wellbeing and other social dimensions? Paradigms are shifting and we need to continually rethink our approaches to development. How should we change our approaches, and what are the questions we really need to answer?

**We should measure development differently.** Are we using the right metrics to measure sustainable development? Are gross domestic product and other income-focused indicators all that matter? If development is multidimensional, what other measures could we use to capture that? What measures could help us to design better policies and programmes that respond to specific contexts and needs on the ground based on the right evidence?

**We need to better understand the issues in order to act more robustly.** A commitment to dialogue, knowledge-sharing, the exchange of best practice, and technical assistance are all imperative. We need to work together to build evidence- and dialogue-based policies. This is why we want to engage with a wide range of countries at various stages of development as equal peers, embracing different skills and experience to help address the gaps and vulnerabilities that countries face.
We should find new partners, including at the local level. Governments and international organisations alone do not have all the answers. Insights from foundations, civil society, the private sector, multilateral development banks and others are essential. Transforming top-down, donor-recipient ties into more inclusive partnerships built from the ground-up is increasingly part of ensuring local ownership of local solutions to global development challenges.

We should take stock of the toolbox. Financial and non-financial tools are already available to help countries make the transition and we are not starting from scratch. Official Development Assistance (ODA) will continue to play a role, including to leverage other financing, such as domestic resources. Financial tools managed by new donors and co-operation between countries at all levels of development should also be included. We need to revise existing development tools to reflect the current landscape, re-engineer global tools that could be useful in a development context, and create new tools where they are needed and missing.

New partnerships, more dialogue, better measurements and more innovative tools will all be necessary for a sustained transition. They are at the heart of ensuring the right policies and approaches needed to implement the 2030 Sustainable Development Agenda and to ensure lasting development results. Our priority now is to translate "development in transition" into "development in action," which expands opportunities for all countries and people.

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