

# 14. Progress Towards Achieving the Millennium Development Goals in the Small States of the Commonwealth

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## 1. Introduction

In September 2000, member states of the United Nations adopted the Millennium Declaration at a meeting of the General Assembly. This Declaration consisted of a set of development goals that reflect the need to eradicate poverty and promote human development throughout the world. These goals, which have been branded as the Millennium Development Goals (MDGs), focus on the following eight areas of human development:

1. the eradication of extreme poverty and hunger;
2. the achievement of universal primary education;
3. the promotion of gender equality and the empowerment of women;
4. the reduction of child mortality;
5. the improvement of maternal health;
6. the control of HIV/AIDS, malaria and other diseases;
7. the promotion of environmental sustainability; and
8. the development of a global partnership for development.

These goals are associated with 18 targets and 48 social, economic, political and environmental indicators. It is expected that the goals would be achieved over the 1990-2015 period. The adoption of these goals heralds the return of strategic long-term development planning which was largely abandoned in the 1970s when several developing countries were concerned with short-run macroeconomic management and stabilisation policies required to deal with economic shocks such as increases in oil

prices and interest rates. The MDGs have prompted countries to adopt an integrated development planning framework incorporating the social, economic and environmental dimensions of development. The goals are broadly specified so that individual countries can prioritise their own goals and pursue associated strategies and policies for achieving them. The goals have both qualitative and quantitative features which enable progress towards their achievement to be monitored and evaluated.

This chapter examines the progress which the small states within the Commonwealth have made towards the achievement of the MDGs since their adoption in the year 2000. Some of these small states have attained a relatively high level of human development which can make the MDGs achievable within the planning period. However, several of these states face serious resource and capacity constraints which can curtail progress towards the achievement of the MDGs. The chapter first examines the basic features of the small states in the Commonwealth which provide the context within which planning and policymaking for the MDGs will take place. The chapter then discusses the progress with the eight MDGs in the 32 small states of the Commonwealth. The quantification of goal achievement is presented where information is available. An overall assessment of progress towards the achievement of the goals is presented in terms of the main challenges that will be encountered over the next decade, the nature of the supporting environment needed, the data needs to monitor progress, and the priorities for development assistance. The chapter concludes with suggestions on the way forward for these small states and on the role of the Commonwealth in helping these small states to meet their development needs and goals.

## **2. Features of Commonwealth small states**

The Commonwealth consists of 50 independent developing countries, four developed countries and 24 associated states and dependencies, which are nearly all developing countries. Using an upper limit of 5 million people to denote a 'small' country, approximately 60 per cent of the Commonwealth can be regarded as being 'small'. Furthermore, nearly all of the associated states and dependencies are 'small' or 'micro' states. In effect, the Commonwealth consists largely of 'small developing countries' (SDCs).

The characteristics of SDCs have been well documented (see, for example, Demas, 1965 and Commonwealth Secretariat/World Bank, 2000). Some of these features are critical to the achievement of the MDGs over the planning period. Small states are highly dependent on external economic relations for their survival. Dependence can be examined from two perspectives: structural and functional (see McIntyre, 1971, pp.165–83). Structural dependence derives from the smallness of the domestic markets and resource bases of these economies. Small countries will inevitably be opened to international trade and capital flows. Functional dependence relates to the ability of the small country to formulate and implement autonomous economic policies.

The historical legacy of small states has left them both structurally and functionally dependent. Several, if not all, of these countries have very concentrated production

structures involving one or two main areas of economic activity – sugar, bananas, bauxite, tourism, and fishing. Although there have been attempts to engage in production diversification, these have been constrained by both resource availability and international trading constraints. Some small states in the African, Caribbean and Pacific regions have been dependent on remittances from migrant labour in order to help maintain decent living standards. In other cases, they have depended on overseas development assistance to supplement domestic financial resources.

The effects of external economic events on small countries represent one dimension of their vulnerability. Small undiversified countries pay higher costs after an external shock than large diversified countries. Several factors contribute to the economic vulnerability of small states: a high degree of openness to trade and financial flows; export concentration and reliance on foreign development and technical assistance, along with underdeveloped financial markets and undiversified production structures. Such vulnerability has been a major argument for special consideration (special and differential treatment) for small countries in international trade negotiations (see Downes, 2004, pp.416–421). The high volatility and instability in export prices, external markets and capital flows have adversely affected the performance of small economies.

The geographical location of several small countries makes them vulnerable to natural disasters such as hurricanes/cyclones, volcanic eruptions, floods brought about by sea level rise and landslides. These natural phenomena can severely disrupt the functioning of the economy and cause a significant amount of damage to the physical environment as evidenced by the recent tsunami in the Indian Ocean. The need to eke out a living in a small physical environment also puts pressure on the ecological environment of small countries. In some cases, the activities of a major producer in a small country can have adverse effects on the physical and ecological environments of small countries. Such effects are particularly pronounced where chemical and waste products are involved or where significant quantities of vegetation have been removed from the land to accommodate ‘luxury’ housing, hotels and similar physical structures. In addition to being economically and environmentally vulnerable, small states are also affected by social and political events. Several small states have been targets of criminal activities (invasion, drug trade, money laundering and piracy) which have not only changed the social fabric of these countries but have also re-oriented the nature of economic production. Where people see substantial potential net gains from criminal activities, they are tempted to participate – especially when traditional areas of economic activity are not prosperous. Furthermore, small states, singularly, have little or no power to influence the course of major political events which may have a significant impact on the lives of their inhabitants. The international mass media and promotion of tourism have had a profound influence on the cultural lives of the people of small states. In several cases, skilled people have emigrated from these countries to the more developed countries of North America, Europe and Australasia in search of work and a different cultural experience. Although remittances from such migration have been beneficial to small countries, the cultural fabric of these countries has been changed significantly. In addition, the loss of skilled human resources adversely affects

the provision of high quality services in some of these small countries (for example, health and education).

The limited financial and human resources associated with small states constrain their ability to manage the development process in an efficient and effective manner. Small states usually have the same range of public services as several large states, but a much lower capacity to manage the administrative systems. For example, the inability to police their maritime shores has made some small states havens for drug traders. The complexity of some contracts with large companies can be a challenge for small states. In addition, the limited human resources in small states restricts the degree to which they can meaningfully engage in international trade negotiations and undertake specialised tasks (for example, medical procedures, legal representations, engineering feats). Although regional collaboration has helped to overcome some of these problems, there are still major shortcomings in such arrangements. The inability to develop good surveillance and enforcement systems has prevented several small states from fully benefiting from the sale of services associated with intellectual property and cultural industries.

In the case of the Pacific area, issues of remoteness and isolation raise questions about the viability and survival of several very small (micro) states. Remoteness not only raises the cost of doing business but keeps these states in a perpetual state of dependence (see Winters and Martins, 2004, pp.347–83). While developments in transportation and information and communications technologies (ICTs) have eased the problems of remoteness and distance, the limited capacity of small states restricts their ability to take full advantage of the opportunity to develop new areas of economic activity, for example, electronic commerce and remote data processing.

In summary, the small states of the Commonwealth are characterised by a high degree of openness; structural and functional dependence; remoteness and isolation; limited production diversification and small domestic markets; vulnerability to natural and man-made disasters and external economic shocks; export concentration; limited power in the economic and political arenas; high cost of development administration and 'doing business'; limited financial and human resources; vulnerability to criminal activities; and cultural penetration and volatility of export income and prices. These features limit the ability of small states to achieve all of the MDGs within the specified time frame (1990 to 2005). While the achievement of these goals can be perceived as an international priority, the economic management authorities of small states have to prioritise their own goals in keeping with the resources available to them.

### **3. The MDGs in small states**

One of the challenges in monitoring the progress towards achieving the MDGs in the small states of the Commonwealth is the lack of data on several of the indicators. While data on several economic variables are available for several countries, social and environmental data are difficult to obtain. It can be argued that given the universality of the goals and indicators and the recent adoption of the MDGs, it would be difficult

to collect and assess data on the MDGs especially where there have been no well-developed data collection systems in small states. Furthermore, the MDGs were adopted in the year 2000 but require data on some indicators as far back as the year 1990, which may not be available. The problem is compounded by the lack of human and financial resources to collect data on a range of economic, social and environmental indicators. It is well known that statistical departments in several small developing countries are severely understaffed and there is no consistent process of collecting key development statistics. Central banks and some government departments (especially financial-related ones) are the main producers of data in several small countries. International agencies such as the International Monetary Fund, World Bank and the United Nations system have been seeking to develop the databases of developing states in a systematic manner but several small states are excluded from these databases. The Commonwealth Secretariat has, however, made a deliberate effort to collect data on these small states.

Notwithstanding the data challenges facing small states, several of them have produced progress reports on the MDGs. Within the Commonwealth, assessments have been made of the following countries: a joint report on Barbados and the Organisation of Eastern Caribbean States (OECS), consisting of Antigua and Barbuda, Dominica, Grenada, St Kitts and Nevis, St Lucia and St Vincent and the Grenadines. Single reports exist for Guyana, Jamaica, Mauritius, Fiji, Papua New Guinea (PNG), Swaziland and the Gambia (see for example, UNDP, 2004a and 2004b). This list suggests that the Caribbean and the Pacific countries have been the target of MDGs monitoring since 2000, with regional reviews being produced (see UNDP, 2004c and 2004d; ADB, 2003). These reports use national statistical sources which may lead to problems of comparability for some variables. The World Bank's *World Development Indicators* database is the most comprehensive source of information on the MDGs. This has been the main source of data for determining the progress towards achieving the MDGs in Commonwealth small states.

**Goal 1** relates to the eradication of extreme poverty and hunger and aims to halve the proportion of people whose income is less than US\$1 per day compared to 1990 by the end of the planning period. Data on poverty are very scarce in small states. While data are available on poverty in the Caribbean for the late 1990s, little is known about the proportion of the population below \$1 (at 1993 purchasing power parity) per day. The percentage of the population living below national poverty lines in the Caribbean varied between 13.9 per cent (Barbados in 1997) and 39 per cent (Dominica in 2003). With the exception of Belize, Guyana, Jamaica and Trinidad and Tobago, poverty estimates are available from one-off studies. In countries with more than one estimate of poverty, there has not been any major change in the degree of poverty. Jamaica has witnessed a significant decline in poverty levels, however, from 44.6 per cent in 1991 to 19.7 per cent in 2001. The percentage of the population living in extreme poverty in the Caribbean varies between 0.5 per cent (BVI in 2003) and 29 per cent (Guyana in 1993). In general, the percentage of people living in extreme poverty in the Caribbean has declined over the years. The percentage of people on less than \$1 a day tends to be

low in the Caribbean region. Naidu (2002) has, however, reported high levels of poverty in some Pacific Island countries. For example, 25 per cent of all households in Fiji existed below the poverty level in 1997, with a further 15 per cent being vulnerable to poverty. In Papua New Guinea (PNG), the Solomon Islands, the Maldives and Vanuatu, it is estimated that as much as 80 per cent of the population lives in poverty. Estimates of poverty for the African countries of Botswana, Lesotho, Namibia and the Gambia ranged from 23.5 per cent of the population to 59.3 per cent during the mid- to late-1990s. Although the lack of data prevents a full assessment of progress towards the eradication of poverty in the small states of the Commonwealth, it is clear that the prevailing high rates of poverty, especially in the African and Pacific states, will make the achievement of this goal particularly difficult without a consistent and determined effort by all parties in small states.

**Goal 2** focuses on the achievement of universal primary level education which provides the basic foundation for poverty eradication in small states. This goal is assessed by net primary school enrolment rates and youth literacy rates. Several small states have emphasised the development of their human resources by investing in education and nutrition over the past decades.

Small states in the Commonwealth have performed fairly well with respect to universal primary education as measured by enrolment rates, completion rates and youth literacy rates (that is, of people between 15 and 24 years of age). Net enrolment rates increased over the decade of the 1990s, with rates in the 90s for several small states. The small African countries of Namibia, Lesotho and the Gambia, along with Papua New Guinea (PNG) still have relatively low rates of primary school enrolment. Primary-level completion rates are also relatively high for most small states. These rates are relatively low in the African small states, however.

The achievement of universal primary-level education is therefore highly likely for almost all the Commonwealth small states. There are concerns, however, relating to the quality of the facilities and the education received at the primary level. In many cases literacy surveys have not been undertaken to assess the true level of literacy in these small states. The shortage of well-trained teachers, who usually migrate to more developed countries, has adversely affected the delivery of quality education at the primary level. Along with nurses, teachers are the most significant migrant group from several developing countries in recent years.

While a good quality foundation at the primary school level is critical to the development of the human resource base of a country, the development of universal secondary level education is seen as vital to meeting labour market needs. Small states have a long way to go in this area as few countries have achieved universal secondary level education. Such a development would make universal primary level education very meaningful.

**Goal 3** seeks to promote gender equality and empower women by focusing on enrolment in the educational system and membership of national parliaments. The data indicate that there is near parity between boys and girls in terms of enrolment in

primary and secondary level education over the period 1990/91 to 2001/2. The ratio of girls to boys enrolled at the primary level tends to be slightly lower than the ratio at the secondary level, especially in the Caribbean. This result suggests that there is some drop out of boys at the secondary level. The small countries in the Pacific, however, exhibit relatively lower rates of female enrolment at the secondary level. At the tertiary level, female enrolment is almost twice that of male enrolment in the Caribbean, with the ratio of female to male enrolment varying between 1.50 (Antigua and Barbuda in 2004) and 3.36 (St Lucia in 2004). Among small states, the Gambia and Papua New Guinea exhibited the lowest ratios of female to male enrolment in the school system.

The relatively high female enrolment rates in the educational system are reflected in the high level of literacy among females relative to males. Indeed, there has been an increase in the human capital of women across the small states accompanied by a rise in their level of participation in the labour force.

Women constitute a significant proportion of the labour force employed in the agricultural sector of small states. Although several states have been engaged in production diversification, especially towards services, the share of women in non-agricultural activities varies between 25 and 50 per cent. Some of the women who work in manufacturing and the services sectors receive relatively low wages, however. Some countries have actively promoted the establishment of export processing zones which specialise in basic repetitive jobs for relatively low pay (e.g., data processing, electronics assembly). Although there has been a relative increase in female employment in non-agricultural work, this does not necessarily reflect an improvement in their socio-economic status.

Women are relatively absent from the political decision-making process, with very low proportions of seats held by them in national parliaments. In the Caribbean, the percentage varies from 0 per cent (Anguilla in 2004) to 31 per cent (Guyana in 2004). The ranges are even narrower for the small Pacific and African states.

In terms of goal achievement, gender equality has been achieved for most small states in the area of education, but there is still slow progress in the labour market and the political arena.

**Goal 4** relates to the reduction in child mortality. There has been a general decline in child (under five) mortality rates in the Caribbean and, to some extent, the small Pacific states. Child mortality rates for the Caribbean reached a level of approximately 20 per 1,000 in 2004, with the exception of Guyana and Belize which had rates of 69 and 39 per 1,000 respectively, in 2004. The Caribbean has also had very active immunisation and child health programmes which have resulted in relatively high rates of immunisation against measles (ranging from 78 in Jamaica to 100 per cent in Antigua in 2004). Infant mortality rates per 1,000 live births (under a year) were also under 20 for the Caribbean region. Significant progress has therefore been made in reducing child mortality and improving child health in the Caribbean.

Child mortality rates are generally higher in the small Pacific states than those in the Caribbean. Child mortality and poor health have been particularly problematic in PNG, Tonga, Maldives and Vanuatu, where child mortality rates have been high, though they are declining. In 2002, for example, the under-five mortality rate was reported at 94 per 1,000 in PNG, and 105 in Tonga. Immunisation rates against measles have declined somewhat in the Pacific islands.

The small states of Africa – Botswana, the Gambia, Lesotho and Swaziland – have been experiencing major challenges with respect to a reduction in child mortality and improved child health. Child (under five years) mortality rates ranged from 110 to 149 per 1,000 in 2002, with significant increases being experienced in Swaziland and Botswana. These increases have been partly due to the high incidence of HIV/AIDS in these small states. The rates of immunisation against measles have, however, been fairly high in these countries (generally over 70 per cent).

Achieving the child mortality goal will therefore be difficult for the small African states, while it is highly probable for the Caribbean and, to some extent, the Pacific states. A concerted effort will be needed to improve health care, nutrition, and health education in the Commonwealth small states in order to ensure the achievement of the goal of reducing child mortality by two-thirds by 2015.

**Goal 5** focuses on improving maternal health, with a reduction in the maternal mortality rate by three-quarters by 2015. Data on maternal mortality rates per 100,000 live births are sketchy for small states across the Commonwealth. The available data indicate that for the Caribbean small states, the ratios are relatively low (fewer than 100 per 100,000 live births) although there were some increases in Barbados and Trinidad and Tobago between 1995 and 2004. Rates are particularly high in Africa and, to some extent, in the Pacific where access to health care (that is, medical personnel and health facilities) is a long outstanding problem. The challenges posed by diseases such as AIDS and malaria and the emigration of medical personnel have further compromised goal achievement in Commonwealth small states. In 2000, for example, the Gambia had a maternal mortality ratio of 540 per 100,000 with 55 per cent of births being attended by skilled health personnel, while in PNG, the figures were 300 per 100,000 and 53 per cent, respectively.

Achieving the maternal health goal will therefore be a challenge, given the current state of healthcare facilities and personnel in the small states of Africa and the Pacific.

**Goal 6** relates to combating HIV/AIDS, malaria and other diseases by halting and beginning to reverse their spread by 2015. The main indicators used to track goal achievement are HIV prevalence rate among 15–49 year-olds, children orphaned by HIV/AIDS, the incidence of tuberculosis (TB), tuberculosis cases detected under directly observed treatment short course (DOTS), and contraceptive prevalence rate among women 15–49 years of age. The prevalence of HIV/AIDS is particularly high in the small African states of the Commonwealth such as Botswana, Swaziland, Lesotho and Namibia. The prevalence of HIV/AIDS among females aged 15–24 in these countries was recorded at between 25 to 38 per cent in 2001. Although the prevalence of HIV/

AIDS is relatively high in the Caribbean and some Pacific small states, it is not as high as in the African states. Data on HIV/AIDS are sketchy, however, primarily because of the social stigma attached to the disease. There is a significant degree of under-reporting of HIV/AIDS cases, such that the World Health Organisation (WHO) estimates that for every HIV positive case there are 10 other unreported cases. Some countries have been engaged in educational programmes to reduce the prevalence of the disease. Some success has been achieved in the Caribbean, Botswana and some Pacific countries. Barbados, for example, has established a national campaign and commission to tackle the problem in the workplace and in communities around the country. This effort has involved the social partners – government, labour unions and business associations. One of the fall-outs of the high incidence of HIV/AIDS is the high level of orphaned children (for example, in Botswana, Lesotho and Swaziland). In addition, the human resource base has been severely impaired by the prevalence of HIV/AIDS in these small states that are already challenged by the lack of skilled human resources.

Reported contraceptive prevalence among young females tends to be low and hence compromises efforts to combat the epidemic. Data on condom use by men would also be needed to fully assess the efforts to reverse the spread of HIV/AIDS in small states. Associated with the HIV/AIDS epidemic is the relative high incidence of TB in some small states. There is a positive correlation between the incidence of TB and HIV/AIDS.

Malaria is still a major problem in the small African states and, to a lesser extent, in the Pacific countries (PNG, Vanuatu and the Solomon Islands). There is a very low incidence in Guyana. Except for intermittent outbreaks of dengue fever, the Caribbean regional health authorities have kept a close watch on infectious and vector-borne diseases in the region.

The achievement of Goal 6 will be a major challenge for small states, especially those affected by a relatively high incidence of HIV/AIDS. Lifestyles and attitudes towards sexual behaviour must change in order to halt and begin to reverse the spread of HIV/AIDS in all the small states. There are models among the small states which can be emulated. Improved health and sanitation facilities, better trained health personnel, and public health education programmes can all help control major diseases. Such improvements will, however, stretch the already limited financial and human resources of these small states.

**Goal 7** seeks to integrate sustainable development principles into social and economic policies (that is, an integrated development planning and policymaking framework) and to reverse the loss of environmental resources. In the Caribbean, access to improved sanitation facilities is very high. In 2000, over 90 per cent of the population had access to improved sanitation (with the exception of Dominica, 83 per cent, Guyana, 87 per cent, and Belize, 50 per cent). African and Pacific small states still face challenges in providing sanitation facilities for their populations, however. Access rates are relatively low in these states. For example, in 2000, the rates were Fiji (43 per cent), Solomon Islands (34 per cent), Lesotho (49 per cent) and Gambia (37 per cent). PNG,

Samoa and Vanuatu have reported relatively high access rates (that is, over 80 per cent in 2000).

Access to an improved water source rose over the period 1990 to 2000 in most of the small states, with Caribbean countries having population access rates of over 90 per cent during the decade. Some Pacific Islands, however, had low population access rates of less than 50 per cent in 2000. African small states have reported relatively high and improved population access rates for water sources. Several small states have developed systems to manage water resources which are usually scarce in these states.

Forest areas as a percentage of total land area vary across the small states with the geographically larger states having higher rates (Guyana, the Bahamas, Belize, Trinidad and Tobago, PNG, the Seychelles and Fiji). The rates of forestation in these countries have been over 40 per cent, although there is evidence of deforestation over the past decade. With the exception of the African small states of Botswana and Namibia, the degree of nationally protected areas is relatively very small (generally under 1 per cent of total land area) in all the small states.

Probably, the most critical environmental issue facing small states, especially low-lying ones in the Pacific, is climate change and sea-level rise. Although data on GDP unit of energy used is largely unavailable, the degree of carbon dioxide emissions per capita has increased in almost all of the small states of the Commonwealth. Deforestation, coupled with an increase in human economic activities (industrial production, high use of automobiles, etc.) has resulted in a rise in the level of carbon dioxide emissions in small states. Although carbon dioxide emission per capita in terms of metric tonnes was under 10 during the 1990s, small states have contributed in some small measure to climate change. Increases in carbon dioxide emission have been partly related to the type of economic activities and social practices undertaken in these small states. Brunei and Trinidad and Tobago, for example, exhibit relatively high levels of carbon dioxide associated with their petroleum industries.

While there has been some improvement in access to improved sanitation facilities and drinking water, which has had a positive impact on the health of the population of these small states, the degree of deforestation and carbon dioxide emissions can retard the extent to which the environmental goal can be achieved. Furthermore, these problems can result in additional problems for small states (floods, hurricanes, and other natural phenomena) associated with climate change and sea-level rise. The environmental vulnerability of small states, especially islands, would be increased if attention is not paid to the incorporation of sustainable development principles in the development plans and policies of small states.

**Goal 8** seeks to develop a global partnership for world development and to identify the financial resources needed to meet the other MDGs. It is a multi-dimensional goal which tries to deal comprehensively with the debt problems facing small states and to make available the benefits of new technologies to these states. In addition, targets are set with respect to:

- an open, rule-based, predictable and non-discriminatory financial and trading system;
- good governance and poverty reduction;
- measures to develop and implement decent and productive work for growth; and
- special needs of least-developed countries, land-locked states and small island developing states (SIDS).

The available data for the Caribbean indicate that there has been a general reduction in overseas development assistance (ODA) as a percentage of gross national income over the past decade (1995–2004), to generally less than 10 per cent. Data are sketchy for African and Pacific states, but it is likely that the pattern is the same as in the Caribbean. Recent efforts have been made by developed countries to assist developing countries to ease their debt problem through the writing off and rescheduling of accumulated debts.

There has been a gradual influx of modern technological devices in small states. The data show a significant increase in telephone lines, cellular subscribers and personal computers as a proportion of the population during the past decade. The cellular phone and wireless technology have made developments in information and communications technologies (ICTs) available to people in remote areas (e.g., African and Pacific small states). Such developments open up opportunities for new or sunrise industries in these states to replace sunset industries which have been subject to intense competition, removal of preferences, and obsolescence in technology. Some countries, however, have not been able to take advantage of these developments as yet – Swaziland, the Gambia, Lesotho, Namibia, Kiribati, PNG and other Pacific countries, for example – due to their low level of penetration by ICTs.

Youth unemployment has been a major socio-economic problem for small states. Although the information is very sketchy, the youth unemployment rate in small states tends to be over 30 per cent (usually twice the national unemployment rate). Several programmes have been developed to resolve this problem over the years but they have not succeeded to the degree that is needed.

While new technologies, usually developed in larger and more developed countries, have been slowly reaching small states, primarily for personal consumption purposes (and limited use for production purposes), the goal of developing a partnership for development still needs to be actively pursued. Small states face major problems and constraints which require the allocation of more technical and financial resources from the developed world.

This review of progress against the MDGs indicates that the small Caribbean states of the Caribbean have made much more progress than those states in the Pacific and Africa. These small states face major challenges to achieve the goals by 2015. The health area will be particularly difficult as HIV/AIDS will affect both human capital formation and domestic production if it is not checked.

## 4. Overall assessment

The assessment of progress towards achieving the MDGs in the small states of the Commonwealth points to a diverse picture of performance and capability. The Caribbean and some of the Pacific countries have made significant progress. The small African states, however, face major challenges in meeting the goals as progress has been slow for most of them.

In general, small states will face several challenges over the next decade. These include adjusting to the loss of trade preferences; developing new industries and sectors; gaining access to the markets of developed countries for new goods and services; handling the new demands of the international environment with limited financial and human resources (for example, membership in the World Trade Organisation); establishing new forms of governance involving social partners (government, civil society and the private sector); preventing social decay associated with the drug trade and money laundering; financing the adjustment and development process; reallocating resources from consumption to investment; and creating productive and sustainable employment to reduce poverty in these small states.

As indicated earlier, one of the main problems in undertaking an assessment of the MDGs is the lack of data on several of the indicators. The lack of a data-gathering capacity in these small states (and other developing countries) truncates a full assessment of MDGs progress. Some of the goals require data from the year 1990, for example Goals 1, 4 and 5. The assessment of progress against these goals depends on the initial conditions in 1990 and for several of the countries data are simply unavailable or unreliable. In a few cases, the initial values are so high that the final targets may still be unacceptable by international standards. The critical role of data collection in the monitoring and evaluation of the MDGs has been recognised by several international agencies. For example, the World Bank's Data Group has established a Statistical Capacity Building Program (STATCAP) to help upgrade the statistical activities of developing and emerging countries. The programme involves the collaboration of other international agencies and national institutions. The Commonwealth can play a critical role in this project by helping to develop the statistical departments of small states. Such assistance would involve the provision of equipment and the training of staff in several departments of the government since poor physical infrastructure and poor human resource capabilities are viewed as handicaps in the small states of the Commonwealth.

Several small states have not incorporated the MDGs into national planning and budgeting systems. While these states have signed on to the Millennium Declaration and its associated goals, they have not established the machinery to achieve them. It has been suggested that countries should develop poverty strategy papers linked to the MDGs (that is, MDGs Strategy Papers). These papers would incorporate national priorities and concerns and involve consultations among the government, civil society and the private sector. The success of the exercise depends critically on the active participation of all stakeholders. It is expected that the adoption of these papers would

strengthen the governance systems in small states. Barbados, for example, recently published its Strategic Plan 2005–25 which is supposed to be *MDGs plus*.

It is clear that the achievement of the MDGs by the end of the planning period would require substantial financial resources. The financial resources of small states are severely restricted and can therefore compromise the achievement of the MDGs. Although Goal 8 focuses on the need for an increase in development assistance, this has not been forthcoming. In 1970, the Pearson Commission recommended that developed countries should increase their overseas development assistance to 0.7 per cent of their gross national product (GNP). The record shows that none of the developed countries within the Commonwealth reached the target by the end of 2004, although the UK recently announced a timetable to achieve it (Commission for Africa, 2005). In 2002, the USA announced that it will increase its core development assistance by 50 per cent over the period 2002–05. These additional funds (US\$5 billion) were placed in a Millennium Challenge Account (MCA) which would finance the initiatives associated with the MDGs in developing countries. The funds from the MCA would be distributed to countries that demonstrate a strong commitment to good governance, improved health and education of the population, and sound economic policies that foster private enterprise and entrepreneurship (that is, economic freedom). Several small states in the Commonwealth are eligible for funds from the MCA during the first three years on the basis of per capita GDP: Gambia, Guyana, Kiribati, Lesotho, PNG, Solomon Islands, Vanuatu, Swaziland, Belize, Fiji, Jamaica, Maldives, Namibia, Samoa, St Vincent and the Grenadines and Tonga (Palley, 2003). The Commonwealth group should therefore be more active in pursuing this goal in the context of the MDGs. A needs assessment of the small states would be a first step in this pursuit. The United Nations' Millennium Project has developed a methodology to undertake MDGs needs assessments in these small states (see [www.unmillenniumproject.org](http://www.unmillenniumproject.org)).

The sequencing of the policies and programmes is critical to the overall achievement of the MDGs. The goals are interrelated and the correct sequencing/timing of the policies and programmes must be specified in order to maximise the benefits of investment expenditure. The administrative machinery of the governments of several small states is weak or overstretched and therefore some degree of institutional and administrative strengthening would be needed. Project management skills would need to be strengthened as a priority in several small states. Some of the educational and training institutions in several states have been developing project management programmes to help in the process, but these programmes need to be deepened and widened. In some cases, regional initiatives would be useful, as we have seen in the Caribbean and the Pacific regions.

It must be recognised that progress towards the achievement of the MDGs is neither a linear nor a smooth process. The dynamics of change and causal effects may mean that in some countries where the foundations are weak, a period of capacity building would be warranted before more rapid progress can be achieved. In other cases, rapid progress may be followed by a slow period. These non-linearities can make the assessment of progress towards the achievement of the goals an uncertain affair unless they are

recognised. Monitoring and evaluation will be an on-going exercise in small states, given the vulnerabilities that they face. For example, a major shock such as a hurricane or economic slump can derail progress in the short term. It is important to examine long-term trends bearing in mind the dynamics of the short-term relationships among the MDGs.

An important issue facing the small states of the Commonwealth is the sustainability of the goals beyond the planning period. Although the MDGs represent minimum levels for the developing world, small states need to look beyond the MDGs and 2015. As indicated before, half the 1990 value may still be unacceptable and more work would be needed beyond 2015. The achievement of the targets must not be seen as an end in itself, but a means whereby small states can enhance their capacity to achieve higher and sustainable levels of human development.

A distinction should be made between lag indicators (outcome measures) and lead indicators (performance drivers) amongst the 48 indicators of the MDGs. The indicators for the MDGs are largely lag indicators and focus on the outcomes of policies and programmes. The long-term sustainability of human development depends on the identification of lead indicators or performance drivers that are unique to the country's development strategy. These lead indicators show how the outcomes have been achieved and whether the strategy is being implemented successfully. In effect, a **balanced scorecard** approach to the MDGs is needed as this would make explicit 'the sequence of hypotheses about the cause-and-effect relationships between outcome measures and performance drivers of those outcomes' (Kaplan and Norton, 1996, p.31).

The MDGs focus largely on social, human and environmental development. It is important to recognise that economic expansion is needed to achieve the MDGs. For the small states of the Commonwealth, trade expansion and investment (physical and human) are critical to the goals of economic expansion (see Armstrong and Read, 2003, pp.99–124). There are two basic strategies that have been suggested for achieving the MDGs and hence overall poverty reduction. The UN approach calls for a high level of public investment directed at human development and social infrastructural expansion as a means of attaining economic growth and poverty reduction. The World Bank approach focuses on measures to promote economic growth via institutional reforms and improvements in the investment climate. Economic growth would reduce poverty in the long run. For small states, elements of both approaches are needed, given their basic characteristics. An MDGs-based strategy for small developing states would include improvements in human capital formation and social infrastructure; enhancement of systems to mitigate against natural disasters (for example, early warning systems, better physical planning and siting of human settlements); improved trading conditions with market access to the markets of developed countries; institutional strengthening and capacity building; an improved investment climate to provide opportunities and incentives for business to invest, expand and employ persons; measures to boost productivity and competitiveness; and policies and programmes to minimise intra-country inequalities in the gains from the development process. The members of the Commonwealth would therefore have to collaborate to bring about meaningful

and sustainable human and economic development in their small developing member states.

## 5. Conclusion

The assessment of progress towards the achievement of the MDGs in the small states of the Commonwealth indicates that while several countries are making good progress with many of the goals, some states, especially in Africa and the Pacific, have been confronted by serious challenges. The database for assessing the progress of these small states is not strong and hence monitoring is a difficult and somewhat subjective exercise. Notwithstanding the data problems, the health indicators suggest that the achievement of health-related goals will be problematic. In addition, some areas of gender equality have been progressing very slowly. In the area of international development co-operation, a lot more effort is needed to provide the economic resources to reduce poverty and hunger, which is the primary goal of the MDGs.

The small states of the Commonwealth can be helped to achieve the MDGs through the following forms of assistance from the Commonwealth group of nations: the fulfilment of the ODA target of 0.7 per cent of GNP, which would finance sustainable and critical development projects; the enhancement of human resources development and project management training programmes through the provision of technical assistance; assistance with building statistical capacity in governmental agencies; the establishment of systems to reduce physical vulnerabilities; the fostering of regional integration schemes among geographically configured countries; technical assistance with the design, implementation and evaluation of MDGs-based strategies and plans; the establishment of governance structures involving all the stakeholders in the development process; and the advocacy for better trading arrangements for the small developing states of the Commonwealth in international forums such as the World Trade Organization (WTO) (see, Downes, 2001). The more developed members of the Commonwealth can also use their influence in such financial agencies as the World Bank and the European Development Bank to channel resources to regional agencies such as the Caribbean Development Bank, the Asian Bank, and the African Development Bank to finance MDGs-related programmes and projects. The Commonwealth group of nations can also help with fostering greater economic co-operation and integration among small states. For example, the Caribbean Single Market and Economy (CSME) and the African Union's New Partnership for Africa's Development (NEPAD) provide vehicles for enhancing human and economic development among groups of small states in the Caribbean and Africa. At a wider level, the Commonwealth can provide technical assistance to small states as part of the negotiations between the European Union and the African, Caribbean and Pacific countries. In addition, schemes should be developed whereby people who have migrated from these small states can help their original homelands in the areas of health, education and management. These measures would provide a basis on which small states can introduce internal reforms to achieve long-term human and economic development beyond the attainment of the MDGs.

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# Annex I

## Status at a glance

Country	Goal 1	Goal 2	Goal 3	Goal 4	Goal 5	Goal 6	Goal 7	Goal 8
Antigua/Barbuda	3	3	3	2	3	3	2	3
Barbados	3	4	2	2	2	2	2	2
Belize	0	3	2	2	3	2	2	2
Botswana	0	2	3	1	2	1	3	2
Brunei Darussalam	0	2	3	3	3	0	0	0
Cyprus	0	3	3	3	3	0	3	3
Dominica	3	3	3	3	3	2	3	3
Fiji	0	3	2	3	3	0	3	2
Grenada	3	2	3	3	3	2	2	3
Guyana	3	2	2	1	1	1	3	2
Jamaica	2	3	2	3	1	2	2	3
Kiribati	0	0	2	3	2	0	1	3
Lesotho	0	0	2	1	1	0	2	2
Maldives	0	0	2	3	2	0	2	2
Malta	0	3	3	3	3	0	3	3
Mauritius	0	3	3	3	2	0	3	3
Namibia	1	2	3	3	1	2	1	0
Nauru	0	0	0	0	0	0	0	0
Papua New Guinea	0	0	0	0	2	0	1	1
Samoa	2	3	2	3	0	2	0	0
Seychelles	0	0	2	3	0	2	0	0
Solomon Islands	0	0	2	1	2	2	1	1
St Kitts/Nevis	3	3	3	2	3	2	2	3
St Lucia	3	3	3	2	3	2	2	3
Saint Vincent	3	3	3	3	3	2	2	3
Swaziland	0	0	3	1	1	1	0	0
The Bahamas	3	3	3	3	3	2	3	3
The Gambia	0	0	1	1	1	1	2	2
Tonga	0	0	0	0	0	0	0	0
Trinidad /Tobago	3	3	3	3	3	0	2	3
Tuvalu	0	0	0	0	0	0	0	0
Vanuatu	0	0	3	2	0	2	2	2

**Key:**

0 - no data/insufficient data 1 - not likely 2 - Potentially (having underlying capability)  
 3 - Probably (almost certainly)