

Commitment to Development Index: Comments

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Background and Contribution of CDI

- Millennium Development Goals (MDGs) as an agreed set of targets for global poverty reduction
 - MDGs are based on the Millennium Declaration of the United Nations signed by 189 countries, including 147 heads of State, on September 8, 2000.
 - MDGs are the international community's unprecedented agreement on the development goals by 2015 with the explicit numerical targets for reducing poverty in the world.
- *CDI can be interpreted as an evaluation effort of the progress in the goal 8, i.e., to “develop a global partnership for development.”*
- Four comments

Millennium Development Goals

| | Goals | Targets |
|---------------|--|--|
| Goal 1 | Eradicate extreme poverty and Hunger | <ol style="list-style-type: none"> 1. Halve, between 1990 and 2015, the proportion of people whose income is less than one dollar a day 2. Halve, between 1990 and 2015, the proportion of people who suffer from hunger |
| Goal 2 | Achieve universal primary education | <ol style="list-style-type: none"> 3. Ensure that, by 2015, children everywhere, boys and girls alike, will be able to complete a full course of primary schooling. |
| Goal 3 | Promote gender equality and empower women | <ol style="list-style-type: none"> 4. Eliminate gender disparity in primary and secondary education preferably by 2005 and to all levels of education no later than 2015 |
| Goal 4 | Reduce child mortality | <ol style="list-style-type: none"> 5. Reduce by two-thirds, between 1990 and 2015, the under-five mortality ratio |
| Goal 5 | Improve maternal health | <ol style="list-style-type: none"> 6. Reduce by three-quarters, between 1990 and 2015, the maternal mortality ratio |
| Goal 6 | Combat HIV/AIDS, malaria and other diseases | <ol style="list-style-type: none"> 7. Have halted by 2015 and begun to reverse the spread of HIV/AIDS 8. Have halted by 2015 and begun to reverse the incidence of malaria and other major diseases |
| Goal 7 | Ensure environmental sustainability | <ol style="list-style-type: none"> 9. Integrate the principles of sustainable development into country policies and programmes and reverse the loss of environmental resources 10. Halve, by 2015, the proportion of people without sustainable access to safe drinking water 11. By 2020, to have achieved a significant improvement in the lives of at least 100 million slum dwellers. |
| Goal 8 | Develop a global partnership for development | Targets 12~18: abbreviated |

Comment #1: Commitments or contributions to outcomes?

- CDI is a *commitment* (input)-based index, not an outcome-based index.
 - The aid and growth relationship has been fragile
 - Migration can be harmful through brain-drain
- Can't we construct an outcome-based ranking?
 - We may utilize estimated coefficients from growth regressions
 - Can use these coeffs as weights to compute the category indicators

Comment # 2: Aggregate commitments or standardized commitments?

- Japan has been ranked lowest (21st) in *Aid* category!
- If we use absolute values of *Aid*, rather than *Aid/GNI*, Japan will be ranked 5th!
 - Admittedly, per GNI commitments of Japan is not satisfactory, but aggregate amount of its aid commitment is also significant.
- Isn't it more informative to show both *Aid/GNI* and *Aid* rankings?

Comment #3: New categories?

- Contributions for better livelihood of people in LDCs.
- Donor's contributions to social sector development (health and education)
 - Can use DAC data on each donor's aid for social sector (divided by GNI).
- Commitments to preserve heritage
 - Contribution of developed countries to the United Nations Educational, Scientific and Cultural Organization (UNESCO)

| (1) 2003 original CDI after Correction | | | (2) w/ Two additional categories | |
|---|----------------|------|---|----------------|
| Rank | Country | | Rank | Country |
| 1 | Netherlands | 5.88 | 1 | Netherlands |
| 2 | Denmark | 5.66 | 2 | Denmark |
| 3 | Switzerland | 5.43 | 2 | Sweden |
| 4 | New Zealand | 5.14 | 4 | Spain |
| 5 | Portugal | 5.00 | 5 | Germany |
| 6 | Germany | 4.72 | 6 | Norway |
| 7 | Spain | 4.68 | 7 | Switzerland |
| 8 | Sweden | 4.64 | 8 | Portugal |
| 9 | Austria | 4.61 | 8 | France |
| 10 | Norway | 4.53 | 10 | Italy |
| 11 | United Kingdom | 4.26 | 11 | United Kingdom |
| 12 | Belgium | 4.10 | 11 | Austria |
| 13 | Greece | 3.88 | 13 | Japan |
| 14 | France | 3.74 | 13 | Finland |
| 15 | Ireland | 3.61 | 15 | Belgium |
| 16 | Italy | 3.59 | 16 | Australia |
| 17 | Canada | 3.53 | 17 | Canada |
| 18 | Finland | 3.50 | 17 | Ireland |
| 19 | Australia | 3.08 | 19 | New Zealand |
| 20 | United States | 2.57 | 19 | Greece |
| 21 | Japan | 2.48 | 21 | United States |

Comments #4:

Any policy implications of CDI?

- Typical responses to the CDI ranking in Japan.
 1. Let's ignore it!
 2. Something wrong with CDI! (Sawada et al., 2004; Kawai, 2005; MOFA, 2006)
<<http://www.mofa.go.jp/policy/oda/other/index0609.html>>
“ By using its own method to measure aid effectiveness of each donor and publishing its results, it may be true that a think tank may be able to raise public interests on foreign aid. However, as discussed below, the "Commitment to Development Index (CDI)" used in this ranking has various problems and has not evaluated fairly developed countries' policies for international development.”
 3. Let's use it as a device for future improvements!
- Risk of political abuse to decrease aid budget.
- Practically, how can we use the results for improvements?