Introduction

BJORN LOMBORG

We often think of efficiency gains in terms of an increase of a few percent here or there. Finessing at the edges. That is not the topic of this book. Rather, it is about making phenomenal strides to make the world better. This book shows us where we can spend money to do the most good, whether we are looking at aid money, philanthropic donations, or funds from developing country budgets.

What this book reveals is that the best polices are hundreds of percent better than an average policy, and the difference between the best and the poorest is thousands of percent.

As will be shown in the Conclusion, it is possible for us to do four times more good with every dollar, euro, or peso spent on development. This is not just about abstract efficiency: it means we can save four people from dying instead of one. It means we can help four children out of poverty instead of one, clean the air for four families instead of one, or teach four girls instead of one.

Being efficient isn't just an arcane concept. It is the difference between leaving the world better and making it four times better.

The UN Global Goals

In 2015, the United Nations negotiated one of the world's most powerful policy documents. Over 15 years, it will influence more than $2.5 trillion of development aid along with trillions from national budgets. It is aimed at helping pull hundreds of millions of people out of poverty, reduce hunger and disease, improve the environment, target the causes of violence, and improve education. Much depends on this being done well.

Tremendous progress has already been made in the fight against humanity's biggest challenges. In 1820 – nearly 200 years ago – around 94 percent of the planet was impoverished.[1] Even in 1990, poverty sat around 52 percent.[2] Recently, the World Bank has found that for the first time ever, in 2015, less than 10 percent of the globe is living in absolute poverty.[3]

Since the 1980s, a global middle class has emerged and more than doubled,[4] growing from around one billion people in 1985 to 2.3 billion today. Around 100 million people moved out of extreme poverty just from 2012 to 2013.[5]

Although there is definitely cause for concern about increasing income inequality in some developed nations like the United States and the UK, this is one of the reasons that *global* inequality has not increased and has likely decreased over the past three decades, with a significant decline over the past 15 years.[6]

Humans are living much longer, healthier lives:[7] in 1900, we lived to 30 on average; even in 2000, life expectancy was five years lower than the 71 years of today.[8] Inequality in life span today is likely lower than it has been for two centuries.[9]

[1] This finding is based on the paper by Bourguignon and Morrison (2002) in which the authors reconstructed measures of poverty; they used the measure of $1 per day that was then current.
[2] Bourguignon and Morrison (2002). To see the data graphed, see: https://ourworldindata.org/world-poverty/.
[3] Bourguignon and Morrison (2002). See also World Bank (2015). In 2013, the year for which the most comprehensive data on global poverty is available, 10.7 percent of the population was estimated to be living below the international poverty line of $1.90 per person per day.
[4] Brookings Institute (2012). [5] World Bank (2016).
[6] Globalinequality (2015) and Paolo Liberati (2013).
[7] American Economic Association (2005).
[8] World Health Organization (2015).
[9] Bourguignon and Morrisson (2002).

In 1870, more than three-quarters of the world was illiterate.[10] In 1990, this had dropped to 32 percent, and today it is down to 15 percent.[11]

There is indeed much to celebrate. But there is also still a lot to do, to ensure that everyone on the planet has access to education, protected human rights, nutritious diets, security, and economic opportunities.

The challenge is acute when it comes to the world's poorest countries. More than 10 percent of the world's population lives in the nations designated as the least developed countries (LDCs).[12] Just over half of the population in these nations survive on less than $1.25 per day, and it is estimated that 24 percent – 210 million people – live with hunger. The vast majority (45 of 48) of LDCs have had the label for more than 20 years – 22 of them since the category was formally endorsed by the United Nations (UN) in 1971.[13]

Helping the world's poorest to close these massive gaps is one of the ambitions behind the UN's Global Goals, also known as the Sustainable Development Goals.

In general, there are many unfinished agendas. In education, for example, although almost all children are now in school,[14] there is still a huge problem with the quality of education. Research shows that more than one-third of all school-age children – a quarter-billion in all – currently fail to learn even the fundamentals of reading and mathematics.[15] Despite the huge progress against poverty noted earlier, the 10 percent remaining poor still translates into nearly 800 million people living on less than $1.90 a day.[16] Some 795 million people in the world go hungry, not receiving the minimum level of calories each day.[17] Around 1.1 billion people still live without access to electricity, and another 2.8 billion rely on wood or other biomass for cooking and heating, resulting in indoor air pollution that causes 4.3 million deaths each year.[18]

And the question is – which of these many issues should get our attention first?

The Millennium Development Goals

Over the years, UN has set many, many targets. The international community has pledged to achieve universal education in at least 12 UN-sponsored declarations since 1950.[19] For example, UNESCO promised in 1961 that, by 1980, primary education in Africa would be "universal, compulsory, and free."[20] Yet, when the time came, about half of primary-school-age children in Africa were still not attending school.[21]

Even today, the UN has a lot of well-meaning targets, goals, and declarations that have been overlooked or that receive little attention. Many readers probably didn't know that 2016 was the International Year of Pulses,[22] or that 2015 was the International Year of Soils as well as the Year of Light and Light-Based Technologies.[23] All these gestures and actions are well meaning, but not all are equally important or efficient.

In the long story of glittering promises and waylaid targets, one thing has stood out: the Millennium Development Goals (MDGs).

In September 2000 at the Millennium Summit, then the largest gathering of world leaders in history, heads of state agreed they held "a collective responsibility to uphold the principles of human dignity, equality and equity at the global level."[24]

As is customary, the politicians made lots of promises ranging from the aspirational "just and lasting peace all over the world" to specifics like

[10] Our World in Data. Literacy. https://ourworldindata.org/literacy/.
[11] Our World in Data. Literacy. https://ourworldindata.org/literacy/.
[12] UNFPA Fact Sheet, accessed at: www.unfpa.org/publications/fact-sheet-ldcs.
[13] The Guardian (2016).
[14] UNICEF. Rapid acceleration of progress is needed to achieve universal primary education. http://data.unicef.org/topic/education/primary-education/.
[15] UNESCO (2012). [16] World Bank (2016).
[17] Food and Agriculture Organization of the United Nations (2015).
[18] World Bank (2017).
[19] Birdsall, Levine, and Ibrahim (2005),
[20] United Nations Economic Commission for Africa and United Nations Educational, Scientific and Cultural Organization (1961).
[21] UNESCO (2016).
[22] Global Pulse Confederation (2016).
[23] United Nations. International Years. www.un.org/en/sections/observances/international-years/.
[24] United Nations (2000).

urging the passing of the Kyoto Protocol and arguing for better safety for UN personnel.

But they also made a number of very specific promises, which later transformed into the Millennium Development Goals.

These covered the eight key areas of poverty, education, gender equality, child mortality, maternal health, disease, the environment, and global partnership.

Eight high-level goals (i.e., "Goal 3: Promote gender equality and empower women") were underpinned by 18 more specific targets (i.e., "Target 3A: Eliminate gender disparity in primary and secondary education preferably by 2005, and at all levels by 2015") and 60 indicators. UN member states agreed to achieve these objectives by the year 2015.[25] Often very broad and aspirational, the MDGs specified a destination but did not chart the journey.

Crucially, the specific targets are what resonated and are what we remember – not the goals or the indicators. We think of and reference the target, "halve the proportion of hungry," not the much more radical goal of "Eradicate hunger," which was never considered feasible by 2015. Nor do we remember the MDGs by their much more specific, technical indicators like "Proportion of population below minimum level of dietary energy consumption."

As a UN panel comprising senior experts from more than 50 UN entities and international organizations declared 12 years later, "The MDGs are simple, catchy and acceptable, and, in part they focus on ends with which no one would disagree."[26]

These were concise, specific, and obvious development targets that everyone could relate to – and they had a clear deadline of 2015. In short, world leaders had staked out real and verifiable promises.

Moreover, most of the MDG conversation boiled down to discussion of the seven most important promises: lift people out of poverty, out of hunger, ensure all children are in school, reduce child mortality, reduce maternal mortality, and provide water and sanitation to more people. In reality, it was a very short list.

This winnowing process was entirely sensible. A promise like "halve the proportion of people in poverty from 1990 to 2015" seems worthy of a global goal. This is perhaps less true of target 8C, which states, "Address the special needs of landlocked developing countries and small island developing states (through the Program of Action for the Sustainable Development of Small Island Developing States and the outcome of the twenty-second special session of the General Assembly)."

The progress on these seven targets has been remarkable. On hunger, almost 24 percent of all people in the developing world were starving in 1990. The latest figures show "only" 10.9 percent of people on the planet are undernourished.[27]

Indeed, as the period of the MDGs came to a close on January 1, 2016, on this and other measures the targets were broadly seen as a success:[28]

- The number of people living on less than USD $1.25 a day was reduced from 1.9 billion in 1990 to 836 million in 2015.
- Primary school enrollment figures showed an impressive rise, but the goal of achieving universal primary education was missed, with the net enrollment rate increasing from 83 percent in 2000 to 91 percent in 2015.
- About two-thirds of developing countries achieved gender parity in primary education.
- The child mortality rate was reduced by more than half but failed to meet the MDG target of a drop by two-thirds.

[25] Initially there were 18 targets. At the World Summit in 2006, three targets were added, and one was revised. A target to achieve universal access to reproductive health was added under Goal 5 for maternal mortality. A target to achieve universal access to HIV/AIDS treatment by 2010 was added under Goal 6 for infectious diseases. A target to reduce the rate of biodiversity loss by 2010 was added under Goal 7 for the environment. The original target relating to employment was tweaked to include the World Summit agreement to "achieve full and productive employment and decent work for all, including women and young people" and was relocated from Goal 8 on global partnership to Goal 1 for ending extreme poverty. The number of indicators increased from 48 to 60.

[26] Nayyar (2012).

[27] Food and Agricultural Organization of the United Nations (2015).

[28] World Vision International (2015).

Table I.1 Millennium development goals: The seven key targets

Goal	Promise by 2015	Improvement?	Faster progress?	On Track?
Poverty	Halve the proportion of poor	Y	Y	Y
Hunger	Halve the proportion hungry	Y	N	N
Education	Full course of primary schooling	Y	Y	N
Gender	Gender equality in school	Y	N	Y
Child mortality	Reduce under-5 mortality by two-thirds	Y	Y	N
Maternal mortality	Reduce maternal death by three-quarters	Y	Y	N
Environment	Halve the proportion without clean drinking water	Y	N	Y

- The global maternal mortality ratio fell by nearly half – short of the two-thirds reduction the MDGs aimed for.
- The target of halting and beginning to reverse the spread of HIV/AIDS by 2015 was not met, although the number of new HIV infections fell by around 40 percent between 2000 and 2013.
- Around 2.6 billion people gained access to improved drinking water between 1990 and 2015, so the target of halving the proportion of people without access to improved sources of water was achieved in 2010 – five years ahead of schedule.

Of course, some of the improvement would likely have happened anyway. Access to clean drinking water has been slowly and steadily increasing, with no apparent break around the time of the Millennium Summit.[29] On this account, the MDGs probably deserve no extra credit.

China and India's furious economic growth played a large role in poverty reduction–although, a quarter of a billion people were lifted out of poverty outside China and India, with 125 million in Africa.

Analysis shows that progress in education, child and maternal health sped up after 2000 and credit is at least partly due to the focus and energy inspired by the UN goals.

Also, the enthusiasm stemming from the MGDs helped recover OECD development aid from a slump in the 1990s and saw a two-thirds increase from $82 billion in 2000 to $135 billion in 2013 (both in 2012 dollars).

In short, the MDGs fired up the global imagination: With just seven simple targets, world leaders promised to help the poorest, and although not all objectives were met, they helped push us to a much, much better place.

Prioritizing

Yet, for all of this, were the MDGs the right targets? Because we didn't have money for all the targets – some were missed – how should we have traded them off? Should we have spent less on water and sanitation, and more on malaria and HIV? The MDGs gave us no sense of how to prioritize.

Providing such a framework for major global spending decisions was the reason that I set up the think tank the Copenhagen Consensus Center. The Copenhagen Consensus approach has always been to look at important issues and to ask: how can economic analysis help us do the most good here?

Most nations spend the vast bulk of their resources on themselves. In a well-functioning political system, this internal spending is prioritized through a democratic process and shaped by a solid framework of interest representation, as well as by social and ethical discussions in the national conversation.

However, the portion of spending that predominantly goes outside a nation's borders has traditionally been prioritized less because there is no obvious interest representation and little or no feedback from a development conversation.

[29] UNICEF (2015).

This is the spending that Copenhagen Consensus projects have generally focused on.

This covers official development assistance (ODA), spending on peacekeeping forces, research into vaccines and agricultural research for foreign food staples, efforts to reduce regional and global environmental issues, like global warming, and attempts to create more efficient trading systems, tackling terrorism, tax avoidance, and corruption on a global scale.

Each day, decisions are made about these global priorities. Governments, philanthropists, and international bodies choose to support some worthy causes while others are disregarded. Unfortunately, these decisions do not always fully take into account a comprehensive view of the effects, benefits, and costs of solving one problem instead of another.

Some global concerns receive a lot more media coverage than others. We focus on some issues because they get a lot of attention; they make the press because they offer good narratives, with clear and photogenic victims that we rally to help. This process is assisted by lobby groups and advocates who fight to ensure that certain causes are never far from the public eye. In contrast, some very good causes receive relatively little attention – and hence a lot less money.

Within the national context, society is typically presented with a menu of choices, debated by informed interest groups at least implicitly recognizing the trade-offs (if one gets funded more, others can't). In essence, the national conversation is over a menu of choices with some sense of price and size. But this is much less true for global spending. We get little sense of the trade-offs, of the costs, and of benefits from individual choices. Hence, we often rely on the media process – which can favor cute animals, photogenic victims, and clear-cut narratives – to inform us.

The Copenhagen Consensus process aims to put prices and sizes on the menu. The idea behind the Copenhagen Consensus is to render this process less arbitrary and to provide evidence on which informed decisions can be made by politicians and others, making choices better informed.

In 2004, 2008, and 2012, the Copenhagen Consensus Center gathered research on global challenges – from malnutrition and sanitation to terrorism - and commissioned panels of eminent economists, including in total seven recipients of the Nobel Memorial Prize in Economic Science, to rank different investments.

The research from these projects is available in the Cambridge University Press books *Global Crises, Global Solutions* (Lomborg, 2005); *Global Crises, Global Solutions* (2nd ed.; Lomborg, 2009), and *Global Problems, Smart Solutions* (Lomborg, 2013).

Copenhagen Consensus projects have brought the focus of benefit-cost analysis to diverse geographic regions and topics. In 2006, the Copenhagen Consensus United Nations brought together 24 UN ambassadors, including those from China, India, and the United States, and set them the task of prioritizing limited resources to mitigate the negative consequences of global challenges.

We have also looked at regional priorities: Consulta de San Jose in 2007 (the Copenhagen Consensus for Latin America and the Caribbean) was a collaboration with the Inter-American Development Bank (IADB). This project gathered highly esteemed economists to identify the projects that would best improve welfare in Latin America and the Caribbean. The research is available as *Latin American Development Priorities* (Lomborg, 2009).

And the approach has been used for individual policy areas: In 2009, the approach was applied to climate change. The Copenhagen Consensus on Climate assembled an Eminent Panel of five world-class economists, including three Nobel Prize recipients, to evaluate research on different responses to global warming and to deliberate on which solutions would be most effective; this project was published in *Smart Solutions to Climate Change* (Lomborg, 2010).

In 2011, RethinkHIV saw the Copenhagen Consensus Center gather teams of economists and medical scientists to perform the first comprehensive cost-benefit analysis of HIV/AIDS investment opportunities in sub-Saharan Africa. This research was published by Cambridge University Press as *RethinkHIV* (Lomborg, 2012).

These projects generated considerable attention and discussion – and measurably improved

spending on some major challenges. Denmark's government spent millions more on HIV/AIDS projects, which topped the economists' "to-do" list in 2004. Micronutrient delivery programs in Africa and elsewhere received significant attention and greater resources after they topped the list in 2008. Copenhagen Consensus research was "one of the main drivers" that led to the International Zinc Association and UNICEF launching the Zinc Saves Kids initiative, with the Association investing $3 million to help save children dying from zinc deficiency–related issues. The World Bank quoted Copenhagen Consensus in 2006 when it created its new strategy on combatting malnutrition. Copenhagen Consensus findings on the benefits of investing in nutrition were cited by Prime Minister David Cameron when $4,150 million was pledged by governments at G8 meetings for Global Nutrition for Growth. In addition, the NGO alliance InterAction referred to Copenhagen Consensus analysis when it pledged $750 million on nutrition.

These Copenhagen Consensus projects showed that an informed ranking of solutions to the world's big problems is possible, and that cost-benefit analysis – much maligned by some – can lead to a clear focus on the most effective ways to respond to the real problems of the world's most afflicted people.

Therefore, in 2013, as the United Nations embarked on its process to replace the MDGs with what would become the Global Goals, the Copenhagen Consensus Center decided to apply its approach to help improve the outcome and to commission sorely needed economic evidence.

Best Targets for 2016–2030?

Many argued that the best approach was to continue to focus on the simple, sharp goals – an "MDG II." After all, there are still far too many poor and hungry and still many easily preventable deaths. The solutions to major challenges are often cheap and simple. We know how to tackle malaria deaths (ensure access to mosquito nets and Artemisinin treatment)[30] and undernutrition (more fertilizer, promotion of better-yielding varieties,[31] and less food diverted to biofuels[32]).

But others argued that there were obvious gaps in the MDGs. They had no recognition of the world's biggest environmental challenge: indoor air pollution, which causes 4.3 million deaths annually.[33] These deaths happen because almost 3 billion people cook and keep warm by burning solid fuels such as charcoal, twigs, and dung. The solution is to increase access to electricity to power a stove and a heater. More electricity will also boost productivity in agriculture and industry and pull millions out of poverty, as we have seen in China.

Likewise, the MDGs skirted the question of free trade, although this is possibly the most important factor in pulling hundreds of millions out of poverty. World Bank models have indicated that even a moderately successful Doha round (which still has not been successfully concluded) could do amazing good. As we will see in Chapter 9, by 2020, such an agreement could add about $5 trillion to global GDP, with $3 trillion going to the developing world.

Toward the end of the century, such a free trade agreement would likely lead to an increase in annual GDP of more than $100 trillion annually. Most would go to the developing world, adding about 20 percent to their annual GDP. In comparison, the total costs, mostly to wean developed-world farmers from subsidies, are more than 10,000 times smaller, at approximately $50 billion per year for a decade or two.

However, there was another consideration that turned out to be even more important. The MDGs were perceived as having been drafted with no consultation – that a "small group wrote up the MDGs in the basement of the UN office in

[30] GiveWell. Against Malaria Foundation. 2017. www.givewell.org/charities/against-malaria-foundation.

[31] G. S. Khush, S. Lee, J. Cho, et al., "Biofortification of crops for reducing malnutrition," *Plant Biotechnology Reports* (2012) 6: 195–202. doi:10.1007/s11816-012-0216-5

[32] D. J. Tenenbaum, "Food vs. fuel: Diversion of crops could cause more hunger, *Environmental Health Perspectives* (2008); 116(6): A254-A257.

[33] World Health Organization. Household air pollution and health. 2016. www.who.int/mediacentre/factsheets/fs292/en/.

New York."[34] Although this led to a sharp set of goals, it was also seen as unacceptably undemocratic. Hence, the UN decided to focus on inclusion. In September 2013, at a UN session in New York, Secretary General Ban Ki-Moon announced that the goals to replace the MDGs would be finalized at a UN meeting in September 2015, based on a period of gathering a broad range of inputs, and intergovernmental discussions.

But inclusion clearly led to a rapidly multiplying list of targets. Everyone wanted to make sure their favored issues were included on the list. A High Level Panel suggested 12 goals and 54 targets. A tracker compiled by the North-South Institute revealed that in September 2013, almost 1,400 targets had been suggested by 120 organizations.[35] The Open Working Group, which drove the SDGs, had in its penultimate draft 212 targets.[36] In the final draft that became the official SDGs, this was reduced to 169 targets, but almost entirely through concatenating targets, rather than eliminating them.

Although international engagement and inclusion is to be applauded, too many goals and targets sharply increase the risk of losing focus. Having 169 priorities means having no priorities. People often tell me that their favorite topic matter is now officially in the SDGs, and I have to disappoint them by sharing that so too is almost everything else.

How Can We Focus When There Are 169 Targets?

We can't do it all. The cost of meeting all of the Sustainable Development Goals would be between USD$3.3 and $4.5 trillion annually according to the OECD,[37] while an intergovernmental committee reported to the UN that eradicating poverty alone would require annual investments "in infrastructure – water, agriculture, telecoms, power, transport, buildings, industrial and forestry sectors – [that] amount to $5 trillion to $7 trillion globally."[38]

To put these figures into context, only $132bn was spent globally on overseas development in 2015.[39] If we can't do everything, where should we start? This is the question that this book aims to help answer.

The research here explores how much social benefit each of the targets would achieve. It is clear that focusing on some targets would achieve a huge deal, and others very little. Spreading money and energy thinly among them reduces the overall good that we do.

As with the MDGs and with so many of the spending areas examined in the past by Copenhagen Consensus, the Global Goals consist of options without any identified costs or benefits. As it has done elsewhere, the Copenhagen Consensus process puts prices and sizes on this global menu.

When faced with too many choices, decision makers could be well served by first focusing on those targets that will do the most good. This, however, will require an information base.

Indeed, as the Conclusion, written by an Eminent Panel including Nobel laureate economists, reveals, the UN could achieve four times more good if it sharpened the 169 targets to a list of just 19 "phenomenal" investments. Achieving four times as much with every dollar of aid spending or government spending in developing countries will make a world of difference. There is a compelling moral case for donors to focus first on the areas where the most good can be achieved.

[34] The Guardian. Mark Malloch-Brown: developing the MDGs was a bit like nuclear fusion. www.theguardian.com/global-development/2012/nov/16/mark-malloch-brown-mdgs-nuclear.

[35] Canadian International Development Platform. Tracking Post-2015. http://cidpnsi.ca/tracking-post-2015/.

[36] International Institute for Sustainable Development. Summary of the Thirteenth Session of the UN General Assembly Open Working Group on Sustainable Development Goals. 2014. www.iisd.ca/vol32/enb3213e.html.

[37] The Organisation for Economic Co-operation and Development. Development Co-operation Report 2017. www.oecd.org/dac/development-co-operation-report-20747721.htm?utm_source=Adestra&utm_medium=email&utm_content=&utm_campaign=Copy of DACews July 2016&utm_term=demov.

[38] United Nations General Assembly. Report of the Intergovernmental Committee of Experts on Sustainable Development Financing. 2014. www.un.org/ga/search/view_doc.asp?symbol=A/69/315&Lang=E.

[39] The Organisation for Economic Co-operation and Development (2016).

Prioritization is also needed to ensure that monitoring and evaluation is possible. As Morten Jerven notes in research in Chapter 5, properly monitoring all the targets of the Millennium Development Goals would have cost around $27bn. (This is based on survey costs: it is the estimate of what it *would have cost* for proper monitoring and evaluation). That is a significant sum, but given that the world spent about $1.9tn on development aid over the same period, it is perhaps not unreasonable to suggest that 1.4 percent of this spending should have gone toward evaluation.

For the 169 Global Goal targets, Jerven estimates that even minimum data collection would cost at least $254bn, or almost twice the entire global annual development budget.

Also of note is the problematic fact that many targets aim for absolute goals – e.g., *eradication* of extreme poverty, *universal* access to education, and *the end* to hunger.

These are noble aspirations, but unfortunately, the evidence suggests these will be very hard to reach in just 15 years, by 2030. For example, reports by the Brookings Institute,[40] the Center for Global Development,[41] and the World Bank[42] agree that reducing extreme poverty to zero by 2030 is unlikely. Similarly, the Food and Agriculture Organization of the United Nations (FAO) predicts there will be 540 million hungry by 2030.[43]

Similarly, the target to achieve "full and productive employment and decent work for all women and men"[44] appears admirable – but making zero unemployment a global policy is foolish. Every economy needs some unemployment to allow workers to change jobs. All governments are already focused on getting more people into work. Moreover, studies show that such language is often used by interest groups to create comfortable jobs for a subset of workers, while leaving the rest out in the cold, often pushing vulnerable workers back into the informal economy and increasing poverty.[45] The costs of this target will likely outweigh the benefits.[46]

Standard economic theory tells us to be wary of zero and 100 percent targets. Saving the very last person from poverty or hunger is much more expensive than saving each of the first 30, 50, or 80 percent. So, continuing further toward zero or 100 percent is likely to lead to resources being spent that could have been used much better elsewhere. We need to know where the right cutoff is, even if that makes us feel uncomfortable.

In general, it pays to be wary of unrealistic, absolute aspirations and instead focus on achievable goals. Although such an approach might feel less rousing, it is *more* moral because it focuses on actually accomplishing the most good – and acknowledging what is and is not possible.

That's why researchers in this book were asked, for such targets, to attempt to identify the *nonabsolute* value that would provide the best benefit-cost ratio over the next 15 years. In the case of the extreme poverty target discussed earlier (Target 1.1, which reads, "by 2030, eradicate extreme poverty for all people everywhere, currently measured as people living on less than $1.25 a day"), it is unachievable and unrealistic. But as John Gibson advocates in Chapter 24**,** if amended to an achievable, realistic stretch target then it could be a good target.

He provides evidence to suggest that the alleviation of extreme poverty will not proceed as successfully as it did from 1990 to present. Previous policies have tended to lift those at the margin of extreme poverty. It will become more challenging to lift the remaining extreme poor. Residual poverty is often found in geographic pockets or along ethnic lines, making poverty alleviation not only an economic question, but a complex socioeconomic and political issue. As Gibson recommends, better wording for this target would be: "by 2030, reduce the proportion of people living on less than $1.25 a day (PPP) to 3 percent." This would be difficult but potentially achievable.

It is also important to be careful of language that is near impossible to parse. Consider this target:

[40] Chandy, Ledlie, and Penciakova (2013).
[41] Center for Global Development (2012).
[42] World Bank (2014).
[43] Food and Agriculture Organization of the United Nations (2012).
[44] United Nations (2012).
[45] Copenhagen Consensus Center (2015a).
[46] Copenhagen Consensus Center (2015b).

> By 2030 ensure all learners acquire knowledge and skills needed to promote sustainable development, including among others through education for sustainable development and sustainable lifestyles, human rights, gender equality, promotion of a culture of peace and nonviolence, global citizenship, and appreciation of cultural diversity and of culture's contribution to sustainable development.

It is very difficult to know what exactly is promised, how governments should interpret it, let alone how it will be monitored or evaluated.

Prioritization on economic grounds will make some people uncomfortable, which is understandable. Of course, in principle we ought to deal with all of the world's woes. We should win the war against hunger, end conflicts, stop communicable diseases, provide clean drinking water to all, reach everyone with education, and halt climate change. But we will not and cannot achieve all of this at once. We live in a world with limited resources and even more limited attention for the biggest problems. This means there is a need to ask the crucial question: If we don't do it all, what should we do first?

Relying on costs and benefits, as the research in this book does, is a transparent and practical way to help establish whether or not spending is worthwhile – and to establish the areas that we should focus on first. It allows us to avoid the fear and media hype that often dictate the way that we see the world. Carefully examining where an investment would have the biggest rewards provides a principled basis on which important decisions can be made. Assigning a monetary value is the best way we have of introducing a common frame for comparison.

Some will argue that it is impossible or distasteful to put a value on a human life. But refusing to do so likely ends up costing more lives. In practice, prioritization occurs every day in areas as disparate as health policy and infrastructure. When we decide on a national speed limit, we are implicitly putting a price on human life, weighing the benefits of fewer lives lost with a slower speed limit against the dispersed costs of higher transport times. Making such trade-offs explicit allows us to better evaluate our choices.

In this book, researchers use tools including the "disability adjusted life year" (DALY). This allows economists and policy makers to add up the years of life that are lost, establish the impact of disability, and weigh these factors with other benefits and costs of different policies. Specifically, we have set low and high values of a DALY at $1,000 and $5,000, respectively, to ensure comparability across areas. Which DALY the reader chooses is a moral choice. But of course, it is necessary to set it equally across all areas.

Another economic tool that informs this project is discounting, which makes it possible to balance our own needs against those of future generations and to ensure a consistent approach across all the challenges presented in the book.

Commercial projects typically discount at the rate of current or expected market interest rates, often at 7 percent or even 12 percent in developing countries.[47] In this project, we have used 3 percent and 5 percent.

The former means that the future is more important, while 5 percent is closer to what most countries often do. Which one the reader chooses is again a moral choice – but again it is necessary to be consistent across all areas.

Figure I.1 is the result of taking the median of the four estimates from the two DALY values and the two discount rates.

Using these economic tools, we can gauge how the relative benefits and costs change as we alter discount rates, the value of DALYs, or change our assumptions about the relative likelihood of outcomes.

How to Use This Book

The Global Goals were signed into force in 2016. The research in this book is now more relevant than ever.

First, this is because it highlights the areas where more research and focus is needed to establish how to achieve laudable development objectives.

[47] Board of Governors of the Federal Reserve System (2014).

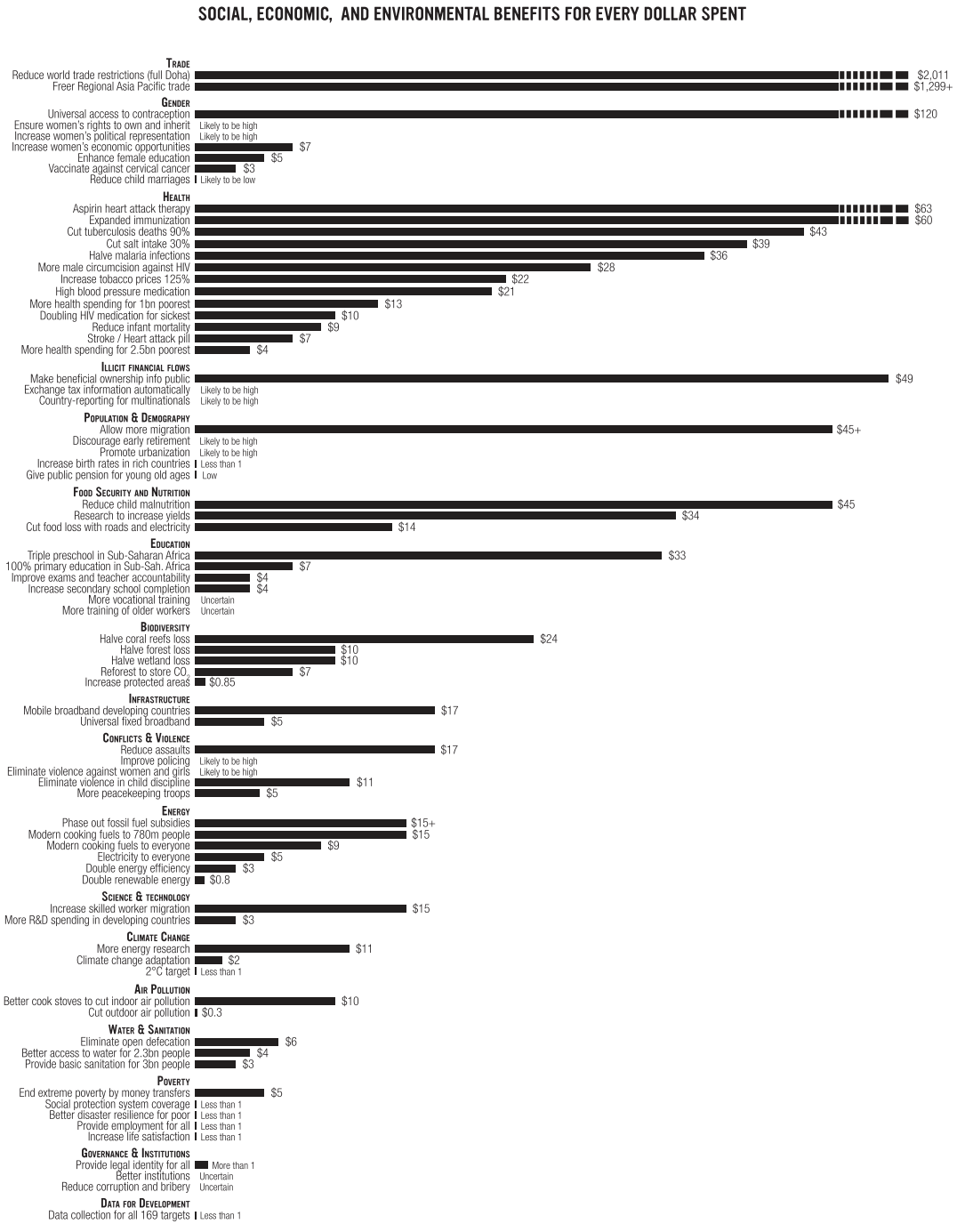

Figure I.1 *Social, economic, and environmental benefits for every dollar spent*