The influence of the Open Method of Coordination

on European development aid levels

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Abstract

Most research on the Open Method of Coordination has focused on the effectiveness and legitimacy of learning processes between EU Member States. It has fallen short in explaining the political stakes involved in such coordination. This paper argues that multi-level advocacy coalitions of state and non-state actors can instigate policy change by using the OMC toolset of setting time specific targets, benchmarking performance, and monitoring results. It will scrutinize how EU coordination has influenced the development aid levels of France, Germany, Italy, the Netherlands, Poland, Sweden, and the United Kingdom. On that account it will closely analyze the policy processes of EU coordination on aid levels and probe a number of confounding variables.

Keywords: *Open Method of Coordination, horizontal coordination, advocacy coalitions, EU development policy, official development assistance*

List of acronyms

ACP	African, Caribbean, and Pacific States
AIDCO	EuropeAid Co-operation office
CONCORD	European NGO Confederation for Relief and Development
DAC	Development Assistance Committee
DEVGEN	Council Configuration for General Development Co-operation
DG	Directorate General
DG DEV	EC Directorate General for Development
EC	European Commission
ECHO	European Commission Humanitarian Aid and Civil Protection
EDF	European Development Fund
EMU	European Monetary Union
EP	European Parliament
EU	European Union
GAERC	General Affairs and External Relations Council
GCAP	Global Call for Action against Poverty
GNI	Gross National Income
GNP	Gross National Product
INGO	International Non-Governmental Organization
LDC	Least Developed Countries
NMG	New Mode of Governance
ODA	Official Development Assistance
OECD	Organization for Economic Cooperation and Development
OMC	Open Method of Coordination
RELEX	EC Directorate General for External Relations
UN	United Nations
UNCTAD	United Nations Conference on Trade and Development
WSSD	World Summit on Sustainable Development

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1. Introduction

Following a long slump in the 1990s, aid levels of EU governments have since the inception of the new millennium experienced a steady incline, both in absolute and relative terms. Whereas in 2000 the EU-15 Member States disbursed a total of 26,6 Billion USD Official Development Assistance (ODA) the number more than doubled to 68,4 Billion USD by 2009 (OECD 2010). At the same time, the EU-15 average climbed from a low of 0,32% ODA/GNI in 2000 to more than 0,44% ODA/GNI in 2009.[1] How can such a drastic and seemingly concerted increase in European development aid levels be explained? My thesis will look at the influence that the EU's Open Method of Coordination played in facilitating the rise in the EU Member States' ODA levels. This relatively young EU governance approach has drawn considerable interest from scholars in recent years, whereas the research debate has questioned whether the OMC's processes can in fact bring about policy change.

This thesis is trying to bring new empirical insights on the effectiveness and legitimacy of the Open Method of Coordination. In addition to the functioning of the European Commission and the Member States represented in the Council, the analysis specifically includes the role and influence of organized civil society interests in Brussels and at Member State level. It will provide the interested reader with insights on decision-making processes and interest representation in EU development policy, on which, to my knowledge, no research has been published to date. The practical implication of grasping this European model of coordination is, at the very least, the chance to better understand the actors involved and the long-term effectiveness of their work.

The guiding research question this paper is pursuing will hence be: *What influence has the Open Method of Coordination on the ODA/GNI levels of EU Member States?*

I will analyze the processes of OMC decision-making in the Council and at the Member State level based on primary sources, such as Commission reports, Council and European Council conclusions, newspaper articles, Member State budgets and budget plans, secondary sources from research literature and statistics, as well as 18 expert interviews conducted in July and August 2010 with key individuals involved in ODA-policy at the EU and Member State level. Since European coordination on aid-levels is taking place in complex national policy environments and under the roof of international relations, a number of factors possibly have influence on the ODA/GNI-levels of EU Member States and thus must be controlled for. First, the role of public opinion in the Member States, the political orientation of Member State governments, and the influence of fiscal leeway or budgetary constraints. Secondly, the role of international commitments in the framework of the United Nations, the G8, and the OECD Development Assistance Committee and the impact of demands coming from developing countries and their groupings on the international stage. I thus hypothesize that any of these control factors could have been a sufficient condition for increasing ODA/GNI-levels in EU member states and analyze their influence accordingly.

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1 The OECD-DAC defines ODA as "flows of official financing administered with the promotion of the economic development and welfare of developing countries as the main objective, and which are concessional in character with a grant element of at least 25 percent (using a fixed 10 percent rate of discount). By convention, ODA flows comprise contributions of donor government agencies, at all levels, to developing countries ("bilateral ODA") and to multilateral institutions. ODA receipts comprise disbursements by bilateral donors and multilateral institutions." (OECD 2009)

2. Theoretical Framework

The current research debate on the Open Method of Coordination has taken place within the framework of multi-level governance and network approaches that explain governance in the EU as an interdependence of a multitude of state and non-state actors on EU, Member State, and regional level.

> "Network governance is distinct from other forms of governance, such as corporatism, pluralism and statism. In a system of network governance the "state" is vertically and horizontally segmented and its role has changed from authoritative allocation "from above" to the role of an "activator". Governing the EU involves bringing together the relevant state and societal actors and building issue-specific constituencies." (Kohler-Koch and Rittberger 2006: 34)

The network and multi-level governance character of the EU has been analyzed in the context of a multitude of European governance modes, such as the community method that produces legally binding results for Member States (Scharpf 2003) or the comitology committees that bring together a wide variety of state and non-state policy experts to detail the implementation of legislation (Joerges and Vos 1999). The Open Method of Coordination has only been added to this list in recent years. It is a so-called New Mode of Governance (NMG) that should allow for introduction of problem-solving capacity in areas where binding legislation would produce political gridlock (Kohler-Koch and Rittberger 2006: 36). The research debate focusing on the Open Method of Coordination has so far mostly been concerned with questions of effectiveness and legitimacy. At the core of the debate are questions about whether the OMC facilitates mutual learning processes between different policy actors (*see* Kröger 2009).

Some scholars, however, do not regard it as a novel concept but rather as an evolution from the horizontal soft-law coordination between Member States within the EMU framework (Hix 2005: 37). Nevertheless, it was for the first time explicitly mentioned in the Lisbon European Council conclusions for the policy areas of employment, economic reform and social cohesion. Namely, it provides for (1) guidelines with specific timetables, (2) the establishment of indicators, (3) the transformation of European guidelines into national and regional policies by setting specific targets, and (4) periodic monitoring, evaluation and peer review (European Council 2000, §37).

This institutionalized method was part of the Lisbon agenda for increased competitiveness in Europe and particularly intended to facilitate integration in the area of social policy, where the community method was too rigid to accommodate for the heterogenous arrangements of welfare regimes in the EU (Kröger 2009: 3). Even though not mentioned directly by name in Council conclusions, the OMC has similarly found its way into sectors as diverse as education policy (Lange and Alexiadou 2007), research policy (Kaiser and Prange 2005), environmental policy (von Homeyer 2007), and taxation (Radaelli 2003). The bulk of of the existing literature and discussion on OMC, however, have analyzed the EU coordination processes in the field of social policy as set out in the Lisbon agenda. Yet this does not mean that the two main theoretical tenets of the OMC research agenda, effectiveness and legitimacy, cannot be generalized to other policy fields such as international development. Even though the political economies and different interests in the policy fields can be substantially divergent, the four principles of timetabling, benchmarking, target setting, and monitoring as laid out in the Lisbon European Council Conclusions are by and large equal for all policy areas.

Kröger (2009: 3) identifies three different streams in the ongoing debate. First, those who regard the OMC as a *procedure* that can facilitate learning among the political actors involved to bring about policy change and conceive this process as inherently positive (for example Heidenreich and Zeitlin 2009). Second, scholars such as Offe (2003) and Raveaud (2007) who consider the OMC a *policy,* and thus according to Kröger think about the OMC as an unwinding of instituted welfare capitalism. Third, those like Moravcsik (2005) or Hix (2005) who consider the soft-law and non-binding nature of the OMC as no more than "cheap talks" with no measurable impact on Member States' policy.

The debate on the effectiveness of the OMC has mainly been discussed along the lines of lessons-drawing, policy transfer, diffusion, naming and shaming, or benchmarking whereas most focus has been laid on the mutual *learning* of the policy actors (Kröger 2009: 4). The possible impact of the coordination on policy outcomes is thus ascribed to the discourse between actors and pressures that the peer reviews among the Member States create (Zeitlin 2005). To accommodate to these processes, non-state actors in the MS have reacted by addressing policy issues that are discussed within the OMC (Johansson 2007).

Early commentators thus welcomed the OMC as a remedy to the democratic deficit of EU-decision-making that would be closer to Europe's citizens as deliberations on European decisions would also take place on the Member State level (Rodrigues 2001). This view, however, has by now largely given away to the argument that OMC deliberations are merely taken "by elites for elites in which parliaments, social partners and NGOs are hardly involved and political alternatives not discussed" (Kröger 2009: 6).

As OMC processes have mainly been explained in terms of a learning discourse between Member States, they imply a de-politicization of the decision-making process that disregards dimensions of the political economy of policy issues (Kröger 2009: 12). Many scholars have thus questioned the general impact that coordination through learning can have. In particular, more recent OMC literature has voiced wide-ranging criticism regarding the measurement of policy changes induced by OMC learning processes. Some argue the indicators set in the OMC are not strictly standardized and can thus in many cases be manipulated byMember States to show favorable results (Salais 2006). Others negate the performance of learning processes due to language barriers between the national policy experts and a lack of genuine support from national political elites (Mailand 2008). And lastly, some corroborate a general shortfall of political will by Member State governments to implement policies coming out of the OMC (Sacchi 2004).

Yet, they disregard the impact that multi-level networks could have on influencing the monitoring process and the implementation of targets. According to the network governance approaches, an interdependence of actors is an essential element of European governance. As stated by Hooghe and Marks who first theorized multi-level governance,

> "while national arenas remain important arenas for the formation of national government preferences, the multi-level governance model rejects the view that subnational actors are nested exclusively within them. Instead, subnational actors operate in both national and supranational arenas [...] National governments

> […] share, rather than monopolize, control over many activities that take place in their respective territories." (Hooghe and Marks 2001: 4)

The OMC research debate has not yet analyzed whether the coordination process itself could create a dynamic in which targets set within the OMC can be utilized by various interests at the national level to influence the Member State position and create feedback loops at the EU-level. Most scholars have argued that it is discourse between policy actors and the pressures that the peer reviews among the Member States creates (Zeitlin 2005). However, strategic advocacy coalitions between various actors at Member State and EU-level that could have an interest to set and achieve these targets are not yet addressed sufficiently. Such efforts could theoretically alter OMC outcomes and its impacts significantly. This is of importance since it has implications for both the effectiveness and legitimacy of the Open Method of Coordination.

Policy network approaches on advocacy coalition frameworks (ACF) have argued that actors within a political system form coalitions based on their personal or institutional belief system to reach concrete policy change, where the dominant coalition is going to determine policy outcome (Sabatier 1998). This process explicitly transcends a two-level game between Member States and EU level, which focuses on exchange between national units - something many OMC commentators seem to assume in their analyses.

> "One of the ACF's most innovative features is that it challenges the implicit assumption of most political scientists that an actor's organizational affiliation is primordial - that there is something fundamentally different between legislators, administrative agency officials, interest group leaders, researchers, and journalists. In the traditional view, interest group leaders and legislators are politically active in seeking to influence public policy, while agency officials, researchers, and journalists tend to be perceived as more passive and/or policy indifferent. The ACF, in contrast, encourages us to think of agency officials, researchers, and journalists as potential members of advocacy coalitions - as having policy beliefs similar to interest group leaders and their legislative allies, and as engaging in some non-trivial degree of co-ordinated activity in pursuit of their common policy objectives." (Sabatier 1998: 107)

According to Sabatier's framework, advocacy coalitions could thus substantially alter outcomes in the processes of the Open Method of Coordination. However, he acknowledges that the impact of advocacy coalitions is also dependent on stable and dynamic external factors that can increase or decrease the chances of success, namely "changes in socioeconomic conditions, changes in public opinion, changes in systemic governing coalition, and policy decisions from other subsystems" (Sabatier 1998: 102).

My empirical analysis of horizontal coordination on ODA levels will thus trace the described shortcomings of the OMC by looking at potential advocacy coalitions and will thereby try to describe a model that may explain the impact of the OMC on EU Member States' aid levels.

3. Methodology

My analysis looks at the longitudinal influence of different variables on ODA levels. It will thus include secondary statistical data to track long-term ODA level changes. Reliable OECD data on ODA is available from 1960 onward and will be supplemented further with statistics by Eurostat, Member State budgets, and mid-term budget plans. I will use a complex qualitative design (Lee 1999: 80) to evaluate the influence of the different variables on changes of trends in the data on ODA/GNI-levels. This involves a historical reconstruction of the impact that different actors and general developments have had. To approximate their effects and meanings, the study relies on primary qualitative sources such as Commission reports, Council and European Council conclusions, and newspaper articles. It will furthermore include numerous secondary sources from the research literature and 18 expert interviews with key individuals involved in ODA-policy at both the EU and Member State level.

The interviewees consist of former Member State Under Secretaries of state, policy experts from advocacy groups at Member State level and from European federations, Members of European Parliament, Commission officials from the Directorate General Development, members of the Council Working Group on Development (DEVGEN), European Parliament secretariat staff, experts from implementing organizations, and Member State bureaucrats. The interviews were conducted in July 2010 in Brussels and over the phone in August 2010. To protect privacy of the research participants and deter potential harm to them, all names have been anonymized. This, however, is a complex endeavor since it carries significant implications for the objectivity of results (*see* Thomson, Bzdel et al. 2005). Rock (1999) suggests that the desirable result of the anonymization process should be that only interviewees are able to recognize themselves in the published work. However, a tradeoff has to be made to warrant verifiability for other researchers. I will therefore settle to anonymize the names of my sources, but indicate an approximate sectoral or institutional affiliation and whether or not the information stems from the EU- or the Member State.

My analysis will focus on two sets of actors to differentiate causality of the OMC on ODA-levels from mere correlation: (1) EU Member States and (2) non-EU DAC donors. For the sake of obtaining a synoptic view on the EU Member State ODA levels, I am going to limit the analysis to roughly a quarter of the currently 27 Member States. These will be made up by the EU's highest absolute ODA donors from 2009, the year of the latest available OECD data. In order of magnitude these include France, Germany, the United Kingdom, Spain, The Netherlands, Sweden, and Italy. Since this sample would not include a Member State from the new Eastern European Member States of the 2004 or 2007 accessions, I will furthermore include Poland, the largest donor of the EU-12 countries, to detect developments that might be special to the circumstances of the new Member States. To isolate causality from the influence of other international bodies, a control group will include an equally sized group from non-EU DAC donor countries, similarly chosen by the size of their absolute ODA in 2009. However, data is not yet available for some

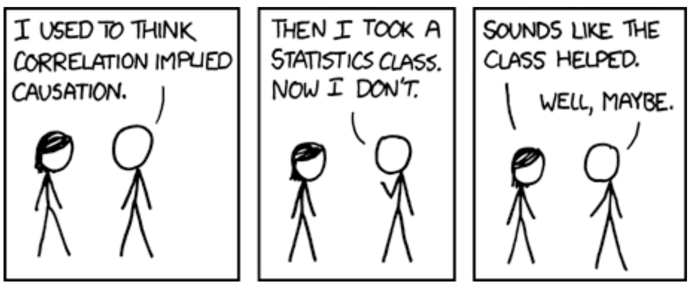

Figure 1: Correlation
Source: XKCD Comics (2010)

of the newer OECD donors such as South Korea. The control external group will hence only include six non-EU donor countries, namely the United States, Japan, Norway, Canada, Switzerland, and Australia. The sample of EU-Member States covers a variety of different categories, such as countries with and without a colonial past,[2] countries with different welfare state regimes,[3] and different dates of joining the Union.[4] Furthermore, the ODA contribution of these countries makes up more than 80% of the total amount of EU ODA in 2009, which makes their shares heavily important for the EU's overall ODA-levels.

Thorough testing of confounding variables and a wide range of expert interview subjects should warrant valid and reliable results. The interviewees cover a purposefully selected sample from a small parent population of policy experts involved in ODA-policy at the EU and Member State level. For one, most interviewees were deeply involved with the decision-making processes, either at the Member State or EU level, or both. I put particular focus on the inclusion of individuals who were working on ODA levels when critical changes of absolute and the relative ODA/GNI levels began to appear after 2000. The interviewees represent many of the major state and non-state actors involved at both Member State and EU-level. However, due to the complex international environment of the subject matter, there is an important caveat concerning the reliability of results. Kassima (1994) points out a boundary problem that arises when applying policy network approaches to EU governance:

> "In domains where the EU is not the only competent international organisation, there is an additional complexity in defining the relevant network and important consequences [...]. First, it is not clear at which stage the other organisation should be counted as part of the relevant policy network. Second, where there is another international organisation, there will usually be either a partial or a total overlap in membership with the EU. In such cases, EU Member States have preferences for acting in one or the other, or in both." (Kassima 1994: 24-25)

The policy issue of ODA-levels is no exception to the described methodological problem. It will thus have to isolate the influence of the Open Method of Coordination from that of other decision-making fora since the European Commission and the EU Member States are often times members in international institutions that work on rising or harmonizing aid-levels, such as the OECD DAC, the UN, or the G8/G20. To remedy this boundary problem, a longitudinal time series in combination with careful historical reconstruction should allow to isolate necessary from sufficient conditions. I will in a first step take a detailed look at the inner workings of the Open Method of Coordination in ODA policy and in a second step isolate trends in ODA/GNI-level changes from other possibly confounding variables. I will assess the influence of all control variables. If such influence is measured, I am going to probe whether the factor was necessary or sufficient for policy change.

As Kröger (2009: 8) points out, a clear isolation of possibly confounding factors for the Open Method of Coordination allows for a context-sensitive exploration of policy issues with the advantage of "profound knowledge and understanding of the process under re-

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[2] With a colonial past: France United Kingdom, Spain, The Netherlands; a distant or weak colonial past Germany, Italy; without a colonial past: Sweden, Poland

[3] Liberal: United Kingdom; Conservative: France, Germany, Italy; Social-Democratic: Sweden

[4] 1957: France, Germany, The Netherlands, Italy; 1973: UK; 1986: Spain; 1995: Sweden; 2004: Poland

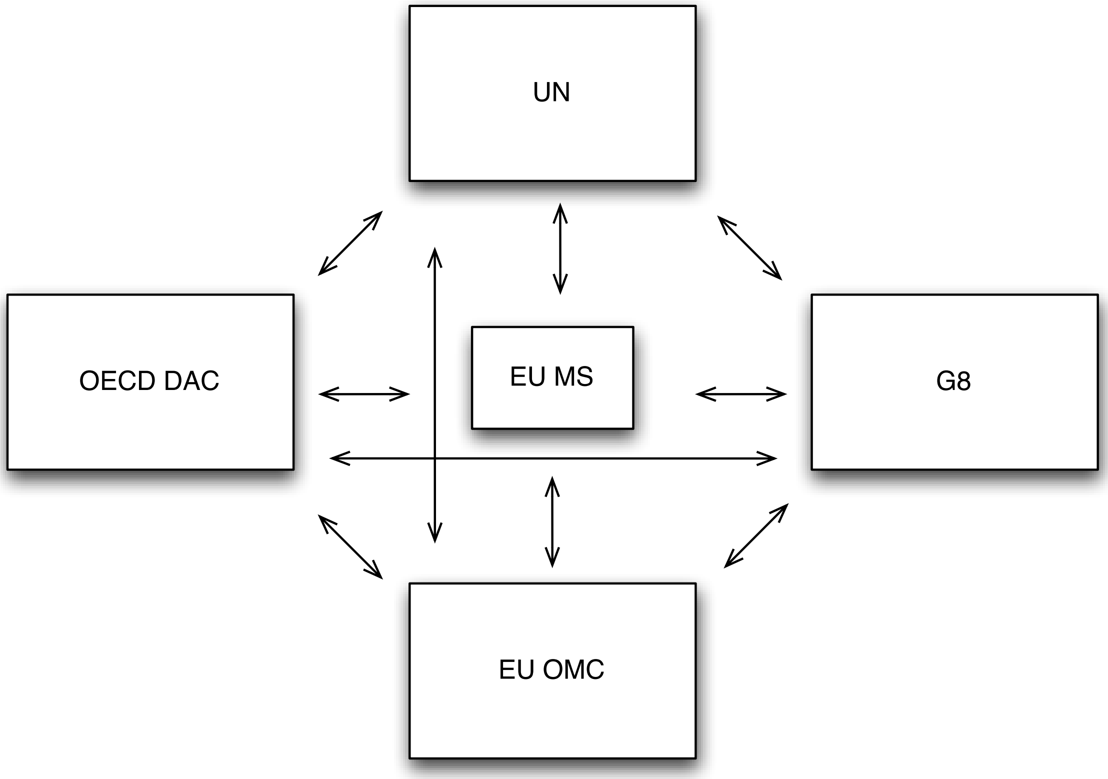

Figure 2: Boundary problems. Who influences whom?

view, while the disadvantagee is the limited potential for generalization". Though broad generalizations from the specificities of development policy and its unique political surrounding might not be possible, it can nevertheless help to sharpen the focus of research on the Open Method of Coordination for potentially overlooked processes.

I will operationalize the dependent variable with the OECD definition on the levels of Official Development Assistance (ODA). A general methodological problem of OMC research is the fact that it is hard to assess with qualitative indicators. For example, those used by Zeitlin (2007) - "changes in national policy thinking (cognitive shifts)" and "changes in national policy agendas (political shifts)" - seem open for interpretation. Qualitative indicators such as these make comparative analysis more difficult as they require assessment and contextualization through discourse analysis that cannot be standardized in a cross-country study. Using a hard quantitative measurement such as ODA that is strictly standardized by the OECD has the advantage that it allows analysis of a quantifiable impact of a policy target that is used in the OMC process under study.

Figure 3 provides an overview over the dependent variable (Rising ODA/GNI levels in EU Member States), the independent variable (the Open Method of Coordination), and seven possibly confounding control variables that I will probe (UN Resolutions and Millennium Development Goals, OECD DAC, political orientation of MS governments, government revenues, change in public opinion, pressure from developing countries, and the role of the G8 and G20).

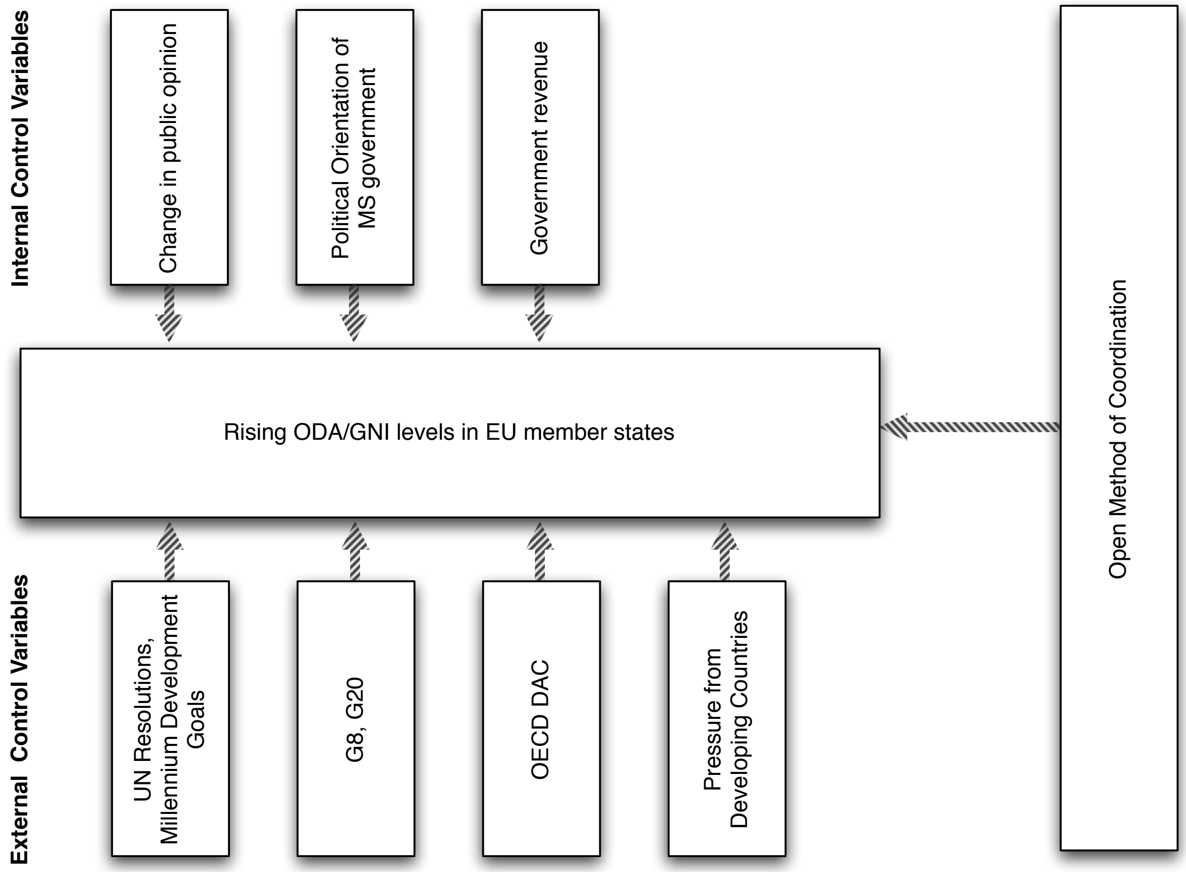

Figure 3: Dependent-, independent-, and control variables

4. Analysis

Before beginning to assess the influence of the Open Method of Coordination on EU Member States' ODA levels, it is necessary to determine whether horizontal coordination between EU States in ODA policy issues can in fact be analyzed within the OMC-research framework. The four principles of the Open Method of Coordination that were explicitly fleshed out in the Lisbon European Council Conclusion in 2000 are

1. "fixing guidelines for the Union combined with specific timetables for achieving the goals which they set in the short, medium and long terms;
2. establishing, where appropriate, quantitative and qualitative indicators and benchmarks against the best in the world and tailored to the needs of different Member States and sectors as a means of comparing best practice;
3. translating these European guidelines into national and regional policies by setting specific targets and adopting measures, taking into account national and regional differences;
4. periodic monitoring, evaluation and peer review organised as mutual learning processes" (European Council 2000, §37)

These were specifically set for employment, social, and economic policy in the context of the Lisbon agenda. However, as I have pointed out, the same instruments have analogously been applied in other policy fields. Even though they are not necessarily explicitly referred to as an "Open Method of Coordination", they have the same principles that were agreed to in various European Council and Council conclusions and are quintessentially of the same nature as the coordination process between the Member States follows the codified policy fields in the Lisbon Agenda (*see* Lange and Alexiadou 2007).

On ODA-levels, the ground for coordinated action was first laid in June 2001 at the Göteborg European Council under Swedish Presidency:

> "[...] the Union has reaffirmed its commitment to reach the UN target for official development assistance of 0.7% of GDP as soon as possible and to achieve concrete progress towards reaching this target before the World Summit on Sustainable Development in Johannesburg in 2002."
> (European Council 2001a, §26)

These conclusions were reaffirmed by the DEVGEN Council configuration and the European Council in Laeken, whereas the former delegated the Commission to

> "clarify and expand them [ODA targets] on the basis of a dialogue with each of the Member States, in particular on the further steps to be undertaken by each of them with a view to reach the 0.7 % GNP target, including the question of establishing specific timetables." (Council of the European Union 2001b, §8)

This resulted in a EC communication presented to the General Affairs Council in February 2002 (European Commission 2002). The communication listed a concrete timetable to achieve 0,39% ODA/GNI collectively and a minimum 0,33% ODA/GNI individually as an intermediary target by 2006. Subsequently, the DEVGEN Council committed to these targets (Council of the European Union 2002a) and the Barcelona European Council on March 15 and 16, 2002 reaffirmed this intermediary target as well as a long-term commitment to reach 0,7% ODA/GNI.[5] Two of the best-performing Member States at the time, Sweden and the Netherlands, issued a separate statement to the Council Conclusion that asked that "starting at the World Summit for Sustainable Development conference in Johannesburg, each Member State's respective efforts and results in increasing ODA should be monitored and evaluated on a yearly basis."(Council of the European Union 2002c) Their proposal was soon adopted. A General Affairs and External Relations Council (GAERC) conclusion on November 18, 2002 (Council of the European Union 2002b) and a follow-up conclusion in May 2003 in fact mandated the Commission to "continue to monitor on a regular basis, and report annually on, the follow up of the Monterrey commitments by elaborating, in consultation with Member States, an improved methodology in order to reach the most accurate knowledge on progress achieved by the EU." (Council of the European Union 2003)

Such reports, the so-called Monterrey Monitoring Reports, have been issued annually by the Commission since. In 2005 the commitments were reiterated by a step-by-step plan,

5 Furthermore, a sustained effort of those Member States who had already achieved this level. European Council (2002), §13, so-called "Barcelona Commitments"

that committed EU-15 countries to reach an interim collective target of 0,56% ODA/GNI in 2010 (0,7% ODA/GNI in 2015), an individual target for EU-15 countries of at least 0,51% ODA/GNI, and individual targets of at least 0,17% ODA/GNI in 2010 (0,33% ODA/GNI) for the new EU-12 Member States (Council of the European Union 2005).

Thus, all of the four informal properties of the Open Method of Coordination are present in ODA-level policies. The Member States set targets to be reached within specific timetables, use quantitative indicators for the measurement of performance,[6] transform such European guidelines into country specific individual targets, and expose themselves to annual monitoring and evaluation.

European coordination on aid-levels

The aid levels for the whole of the European Union have increased significantly from 0,32% ODA/GNI in 2000 to more than 0,44% ODA/GNI in 2009. Figure 1 illustrates that in 2004 aid levels for the selected Member States rose sharply.[7] The Member States budget planning processes for the budget year 2004 took place in 2003 and were thus the first budgets that could fully incorporate the pledges of the Member States after the Barcelona Commitments in March 2002 and two UN conferences later that year.[8] ODA/GNI levels slightly decrease between 2006 and 2007, but are inclining thereafter.[9] This can be explained by the fact that most Member States used a profusion of debt relief grants to increase their ODA and by 2007 a number of countries had depleted these, forcing a functional shift in their ODA in their 2007 and 2008 budgets (European Commission 2007: 6). Figure 4 shows the vastly differing ODA/GNI levels for selected Member States. Most of them, however, show a clear upward trend.[10] Can these rises solely be attributed to the EU's use of the Open Method of Coordination starting in 2002? How can the the deviation of decreasing ODA/GNI levels in Italy be explained?[11]

The European Commission has since its inception in 1957 been referred to as the motor of European integration. Its modus operandi has for the past fifty years most frequently been in the terrain of the community method that produced binding legislation for its Member States. The Open Method of Coordination, on the other hand, is first and foremost a coordination process between Member States in policy areas so close to their sovereignty that they do not wish do be legally bound by its results. Development aid levels, in fact, go to

6 The ODA-indicator as defined by the OECD DAC

7 Similar increases over this time period have taken place in other EU Member States as well

8 Financing for Development Conference Monterrey (late March 2002) and Johannesburg World Summit for Sustainable Development (September 2002)

9 The notable exception is Germany, where ODA/GNI levels were decreasing in 2008 because debt relief grants were depleted and ODA funds reoriented (European Commission (2010b: 58)

10 The same holds true for the combined EU-15, EU-25, and EU-27 ODA/GNI levels

11 Stagnating or decreasing ODA/GNI levels between 2002 and 2009 also occurred in Greece (0,21% to 0,19%), Portugal (0,27% to 0,23%) and two of the Member States already above the 0,7% ODA/GNI target, Denmark (0,96% to 0,88%), and The Netherlands (0,81% to 0,82%) (OECD 2010)

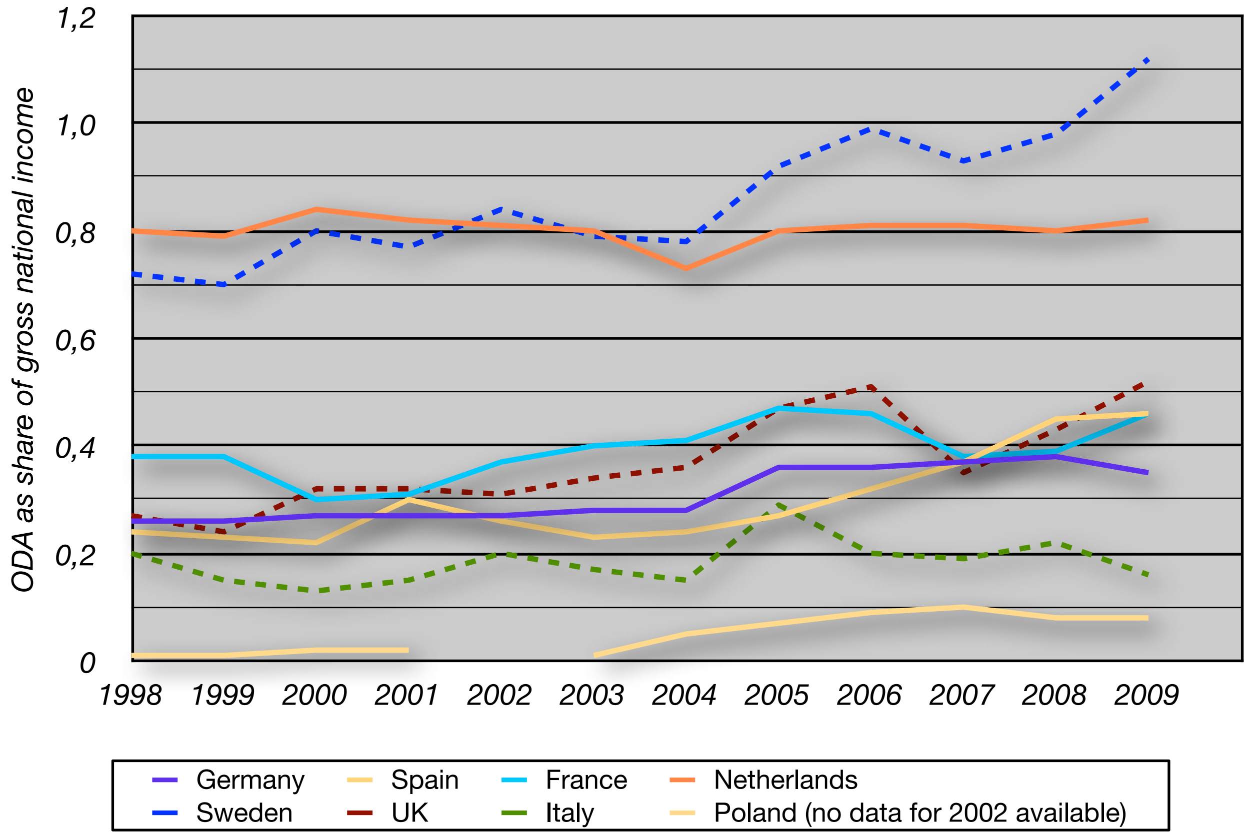

Figure 4: Selected Member States' ODA levels
Source: OECD 2010

the very core of the Member States' sovereignty, as they touch upon matters of budget and taxation.

The 2001 European Council in Göteborg laid the cornerstone of the EU's sustainable development strategy and was the ignition for the EU's internal discourse on ODA levels. Its policy content was in fact preceded a month earlier by the Commission communication "a sustainable Europe for a better world". More concretely, it suggested that the European Council mandate it to take action by the preparation of another communication:

> "Among other issues, this Communication should address the question of mobilizing additional financial resources for development aid, in particular to reduce global poverty."(European Commission 2001: 9)

The Commission took this initiative as numerous bureaucrats within the DG Development were keen to fill the Millennium Declaration of September 2000 with more concrete financial backing in the run-up to the UN Monterrey Conference on Financing for Development in early 2002.[12] Such initiatives take the form of communications to the Council and are usually a diplomatic balancing act. EC officials try to fathom what is politically feasible in the Member States, as they do not want to risk complete rejection or watered-down proposals that would mean a defeat for their work. However, in 2001 they found a strong ally in the Swedish presidency, as Sweden was one of the few countries to reach the 1970 UN

12 Interviews with EC officials

target of 0,7 per cent ODA/GNI and had consistently been trying to attain a fairer burden share of aid levels from other developed nations.[13] The Belgian presidency in the second half of 2001 was similarly ambitious towards development objectives as it tried to brand development policy as one of the successes of its presidency.[14] In effect, the close work with these two allies enabled the Commission to get mandated by the DEVGEN Council to work out more concrete proposals on how to commit the Member States to measurable success on ODA/GNI levels (Council of the European Union 2001b, §8). The resulting EC communication that outlined the collective 0,39 ODA/GNI percent commitment to be reached by 2006 was then approved by Council and European Council and is known as the *Barcelona Commitments* - the EU's bid for the Monterrey Conference on Financing for Development (European Commission 2002). It is the foundation of the open coordination on ODA levels that has been practiced since. The mandate for the Commission to monitor implementation on a yearly basis had particularly been a demand by those Member States that were already above the 0,7 per cent target - Sweden and the Netherlands (Council of the European Union 2002c). In 2005 new targets became necessary, since the EU enlargement in 2004 increased the EU by 15 Member States, of which many had previously little to no development aid programmes. This eventually resulted in the step-by-step plan discussed earlier and the "European Consensus on Development", a common reaffirmation of these commitments by Council, Commission and European Parliament in December 2005.

In the course of the monitoring process bureaucrats from the DG Development try to gather information from the Member State level about ongoing budget discussions and mid-term financial planning and find out about their implications for ODA-levels. The EC furthermore issues a detailed questionnaire on aid-issues to the Member States, which it uses as an instrument to test congruence between different positions and the feasibility of new initiatives.[15] This results in an annual monitoring report published in spring. Since the outcome of these reports already underwent internal consensus building in inter-services groups with other DGs and is furthermore carefully based on what EC bureaucrats deem a possible consensus, its contents often times are adapted in final Council conclusions.[16] Nevertheless, the EC explicitly points out shortfalls from commitments if it doesn't consider that enough progress was made. But such direct criticism against the performance of certain performers is not going to find its way into Council conclusions, as Member States would readily be on the defensive.[17] In some cases, where proposals on concrete steps such as increased monitoring are failing or are likely going to fail within the Council of Ministers, the EC will bypass this decision-making level and try to precipitate a conclusion at the European Council level to facilitate future developments in the Council.[18]

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13 Interview with former MS Under Secretary of State

14 Interview with former MS Under Secretary of State

15 Interview with EC official

16 Interviews with EC officials, Brussels-based civil society policy officer

17 Interview with EC official

18 For example, this happened in Council negotiations in 2010. The DEVGEN Council didn't pass a conclusion to allow for the annual creation of its own report on progress. However, the European Council conclusion from June 17, 2010 (§20) mention such an annual progress report to be presented to the European Council by the Council (Interviews with EC officials, Brussels-based civil society policy officer)

Furthermore, the role of the Commission goes far beyond monitoring. The Director General and Commissioner of DG Development frequently travel to Member States that seem unable to live up to their commitments.[19] They explore the views of all actors involved on ODA at the national level[20] and reiterate the commitments for individual and collective targets in talks with bureaucrats and Member State parliaments. Particularly in countries where development issues aren't high on the political agenda, they emphasize global security concerns to garner support such as the prevention of international crises or avoidance of migration due to lack of opportunities in the countries of origin.[21]

The acting Directorate General Development doesn't have internal adversaries on raising aid-levels within the Commission since the monetary contributions are made by Member States. More specifically, they are not in competition with other Commission departments over funding, a situation that development ministries at the national level frequently find themselves in. The resulting internal unity on aid-levels makes it easier for the DG Development to take a strong stance on ODA issues than it would in other development policies, which often touch upon competencies of other departments and require internal negotiation. DG Development has for the past years furthermore enjoyed strong backing from its political leadership, as Commission President Barroso has been receptive and supportive of development issues.[22] Consequently, the EC acts on the side of the good performing Member States within the Council. It furthermore frequently finds civil society as a common partner on the issue. The Commission has thus proven to be a quite proactive actor on ODA-levels within the OMC framework and can rightly claim its title as a motor of integration or at the very least its combustion chamber.

Civil society groups in Brussels have only in recent years started to work on ODA-levels, as recognition of the importance of European coordination in sync with European decision-making has increased within the advocacy community.[23] Even though federations and umbrella organizations of development NGOs have been present in Brussels for decades, advocacy work on increasing ODA-levels had until the early 2000's almost exclusively taken place at the Member State level. According to EC officials, Brussels-based civil society had only a minor role to play in the negotiations leading up to the Barcelona Commitments.[24] Advocacy groups only started to organize on Brussels-based advocacy work for ODA-levels in the run-up to the step-by-step plan in 2005. Most notably, their work has since then resulted in an annual shadow-report that is released simultaneously with that of the DG Development. Remarkably, these shadow-reports are co-funded by the European Commission and tackle issues that EC officials often regard as too sensitive to be addressed by

19 Interviews with EC officials

20 Generally finance and development ministries, or in some cases international development departments of foreign affairs ministries

21 Interview with EC official

22 Interviews with Brussels-based civil society officer; EC officials

23 Interviews with Brussels-based civil society policy officers

24 Interviews with EC officials

them directly.[25] The shadow reports bundle the position of twenty-seven national development NGO federations and provide negotiators in Brussels pushing for higher ODA expenditures with arguments - information that goes beyond what is provided directly by Member State governments and compiled in the annual Commission report as it takes issues from another angle. Furthermore, co-funding by the Commission also takes place for the overall budget of the largest federation of European development NGOs, CONCORD.[26] Greenwood (2007) has pointed out that this is a common feat for the Commission. Directorates General establish privileged organizations and as

> "allies in the drive for European integration, interest groups reduce the dependence of the Commission and Parliament upon national administrations, and form a demand constituency upon member states. They may also help nurture popular support for European integration, and have historically been viewed by EU political institutions as a potential solution to their remoteness and lack of democratic legitimacy." (Greenwood 2007: 5-6)

Though positions on other development policy issues in many cases differ, they are by and large congruent with regards to pushing aid-levels up to the committed 0,7 per cent ODA/GNI. This leads to comprehensive sharing of information between officials in DG Development and advocacy group staff in the run-up to important Council meetings. Next to the CONCORD are a number of INGOs that have opened branches in Brussels in the past couple of years.[27] Similar to CONCORD, their work involves channeling of information from European policy issues towards their national branches and platforms and vice versa.

NGOs and civil society groups engage in lobbying the permanent representatives of the Member States that are directly involved in Council negotiations. Feasible impact of such efforts with regards to aid-levels, however, is questionable given the significant budget implications that are not going to be decided by negotiators in Brussels. These remain in the jurisdiction of budget sovereignty of Member States' parliaments. Permanent representatives will thus have to work within constraints that are imposed upon them by their national governments and generally only have room for diplomatic maneuvering around the strength or weaknesses in the formulation process of a Council conclusion.[28]

Much more importantly, the Brussels offices of development NGOs coordinate advocacy work of their branches in the Member States in regard to upcoming Council decisions and depending on their current strategy target either significantly well- or poorly-performing Member States.[29] The intention behind this is to put the shortcomings of the latter in the spotlight and thus bring additional pressure on these states from their peers in the Council as they go into the negotiations, animate the former to point out their positive achievement, and thus either demonstrate the large gap between commitments and achievements,

25 Interview with EC official, Brussels-based civil society policy officers

26 *See* http://www.concordeurope.org/Public/Page.php?ID=17 for a complete list of the MS federations, which are organized within CONCORD (Accessed August 12, 2010)

27 For example: ActionAid, Oxfam, ONE

28 Interview with MS Permanent Representative

29 Interview with Brussels-based civil society advocacy officer

ask for a fair sharing of the burden, or both. In general the work is particularly focused on those Member States with the largest aid budgets, as they are made out to be most critical in the Council negotiations.[30] The coordination from the Brussels-based offices is particularly important as to inform the Member State branches about the right timing to take initiatives. It enables national branches of advocacy groups to lead public advocacy campaigns right before important Council meetings, reminding their government of possible shortfalls from intermediary targets and thus create bottom-up pressure in the negotiation process.[31]

Clearly, there is thus a critical role for the national advocacy groups and platforms to use opportunities given by the possibility of exerting such networked pressure on their respective governments. However, as I am going to show later on, public opinion changes had in the past only limited effect on significantly increasing aid-levels. Thus, government position on aid -levels are likely not changing because of single media campaigns. This would mean that advocacy focus has particular impact when the elite-public of national decision-makers involved on aid-levels and budget processes can effectively be addressed. In particular, the quantified long term and interim targets that are set and agreed upon within the framework of the OMC present a proficient yardstick to concretely measure success vis-à-vis commitments. Civil society groups at the Member State level are able to utilize these commitments to push for their fulfillment. Without the concrete targets and interim targets provided first by the Barcelona Commitments and later by the step-by-step plan, their message would have fallen on much less fertile ground with decision-makers.[32] A push for higher aid-levels solely based on advocacy groups' calculations of what amount of development aid is needed would weigh in with much less authority than their governments prescribing to a definite timetable at the European level on when to reach certain targets.[33]

In almost all European Member States development NGOs are organized within a single national federation or umbrella organization, which allows them to coordinate their advocacy strategies and effectively lobby their respective government. Notably, there is one exception to this. In the case of Italy, which is the only EU Member State in this study that does not show a clear upward trend, there is no united voice of NGOs for development advocacy.[34] Instead of a single powerful federation, there are as many as three federations,[35] a structure unique when compared with all other Member States of the EU.[36] Even though it is hard to assess the strength of civil society, a number of factors come readily to mind - the number of NGOs working on an issue, their funding, their grassroots support from society or access to politicians. However, literature on lobbying has shown that a

30 Interviews with Brussels-based civil society policy officers

31 Interviews with Brussels- and MS-based civil society advocacy officers

32 Interviews with civil society advocacy officers at the Brussels- and MS-level

33 Interviews with MS-based civil society advocacy officers

34 Interview with Italian civil society advocacy officer

35 ONG Italiane (small and local NGOs), CINI (INGOs), and Link 2007

36 Interview with Italian civil society advocacy officer

united position with little internal division is a significant factor for gaining influence (*see* Greenwood 2007, Ciglar and Lewis 2007, van Schendelen 2005). The reasons for these divisions in Italy are far beyond the scope of this paper, but scholars working on political culture have pointed out a general pattern of parochialism and fragmentation present in Italian civic life, which exemplarily also shows up in the high number of small parties, and provinces (Abraham and Verba 1989). In addition, Italy does not have a ministry of development. Development policy issues are decided within the ministry of foreign affairs and have for the past years lacked clear support from the respective minister.[37] Taken by itself, however, this factor does not necessitate a weak position of development relative to other departments. Both the UK and Spain perfectly showcase that political will power to bolster development objectives can also originate from the Ministry of Finance (UK: Gordon Brown) or the Prime Minister's office (Spain: José Zapatero).[38] However, in combination with the fragmented advocacy community which furthermore doesn't represent a broad grassroots base as their counterparts in other EU Member States,[39] Italian advocacy groups have a hard time pressing for policy change on ODA-levels.[40] Even though they can - similar to their counterparts in other Member States - point out the commitments of Italy at the EU-level, they can not forge strong alliances with actors within the government that would instigate a push in the same direction.[41] This shows that the OMC needs willing political actors at the Member State level to have an effect on policy change, even if this support comes from sub-group of government actors, as long as they are able to take part in budget negotiations within the government.

Development ministries or comparable departments in foreign ministries at the Member State level are generally in support of an increase of ODA-levels.[42] Not least it means an increase in the budget they are able to dispose. For international negotiations, and negotiations at the EU-level, however, they will have to agree with other departments on a common cabinet position, in the case of ODA-levels particularly with their respective ministry of finance on the size of their budget. The commitments and targets that were agreed to in the OMC thus provide a strong support for their position and differ from previous international commitments, as they are not only set with a specific deadline, but are furthermore measured against intermediate targets and include an institutionalized annual review process. They are additionally bolstered, if governmental actors are allying with advocacy groups to put pressure on the national ministry of finance and members of parliament involved on budgetary matters or get backing from the head of state level (Wieczorek-Zeul 2007: 39).[43]

37 Interview with Italian civil society advocacy officer

38 Interviews with British and Spanish civil society advocacy officers

39 For example, Oxfam or ActionAid in the UK can organize a significant number of votes according to a UK-based civil society advocacy officer (interview)

40 Interview with Italian civil society advocacy officer

41 Nevertheless, since Italian relative aid levels have even fallen behind new Member States such as Slovenia and Cyprus, the Berlusconi government is rethinking to adjusting aid disbursements (Interview with advocacy officer of INGO)

42 Interview with former MS Under Secretary of State, MS Permanent Representative

43 Furthermore confirmed in an interview with a MS ministry of finance official

During Council negotiations on ODA-levels, there are generally two blocks - Member States that are already at or above the target of 0,7 per cent and those that are well on track on the one side, and Member States that have not yet reached the targets they committed to on the other.[44] Discussions generally revolve around the outcomes of the annual monitoring report by the EC, which is generally released in the spring. The good-performers frequently demand adherence to the targets that were commonly set by making reference to the need of a more equal burden-sharing of ODA between all EU Member States.[45] These pressures are fed back to the national capitals and play a role in the Member State's budget negotiations, particularly if it is supported by national actors aligning behind the same goal.[46] Whether the pressure originating from this review process in a given year is strong or weak is influenced by positive or negative feedback loops. If a large number of Member States are on track to achieve their targets, the pressure on those Member States falling behind is incrementally higher. Contrarily, if an EC review shows that a majority of Member States are off track, as has been the case in 2009 and 2010, pressure on badly performing governments is significantly reduced.[47] If such a standstill is likely going to be the case, a willing coalition of European Commission, well-performing MS, and Brussels-based advocacy groups tries to push to anchor a reaffirmation of commitments or the introduction of new review instruments in Council Conclusions. If such efforts fail, they have also (as mentioned earlier) tried and succeeded to introduce such commitments in the European Council conclusions and thus instigate future action by the Council.

Throughout the process, the Council Presidency plays an important role. Its official function is to act on neutral grounds and find consensus between 27 MS positions in order to have a common proposal that allows the Council to move forward and adopt a conclusion. Nevertheless, the given orientation and political agenda of the MS that holds the Presidency is somewhat influential.[48] It can decide what is incorporated into the draft that is put up for vote. This also includes formulations that are included, but put in brackets, i.e. representing the opinion of some, but not all MS. The fact that even non-unanimity opinions are still included into Council Conclusions can still buoy them up in the political discourse ensuing the Council Conclusions. Certain presidencies also allow for considerable influence for the EC, which in the OMC functionally only has the mandate to release its annual reports. In particular, small MS holding the presidency tend to closely reconcile their political agenda with the EC, whereas bigger MS don't.[49]

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44 Interview with MS Permanent Representative

45 Furthermore, best-practices from certain Member States can take some wind out of opposing arguments about feasibility of securing development financing, as they prove that a policy can realistically be done. The implementation of national laws that bind governments to adhere to commitments, as it is the case in Belgium, are one example. Since other governments are in the process of following suit, notably the UK government, it leastwise drives discussions about the applicability of similar arrangements in other Member States.

46 Interviews with MEP, MS Permanent Representative, former MS Under Secretary of State

47 Interviews with Brussels-based civil society advocacy officers and MS Permanent Representative

48 Interview with EC officials, MS Permanent Representative

49 Interview with EC official

The European Parliament formally doesn't have any influence on the horizontal coordination between the Member States. Notably, parliamentarians of all groups (except Eurosceptics) in the development committee are in support of increasing ODA levels.[50] However, whether or not an EP rapporteur decides to issue a shadow report concurrent with the annual publication of the Commission crucially depends on the individual parliamentarian in charge. Even though the parliament's reports on ODA-levels are read by Permanent Representatives, they are generally only referred to in Council conclusions, when they are in line with the consensus position in the Council. They are, however, also taken note of at the MS state level, as the MEP's are in close contact with the national parliamentary groups of their political parties. Concrete political pressure resulting from this, however, seems unlikely.

Nevertheless, the development committee has reminded the Development Commissioner of the fact that his initial approval was contingent upon the EP's approval - a token of political sway.[51] As they furthermore have a significant say in other development policy issues

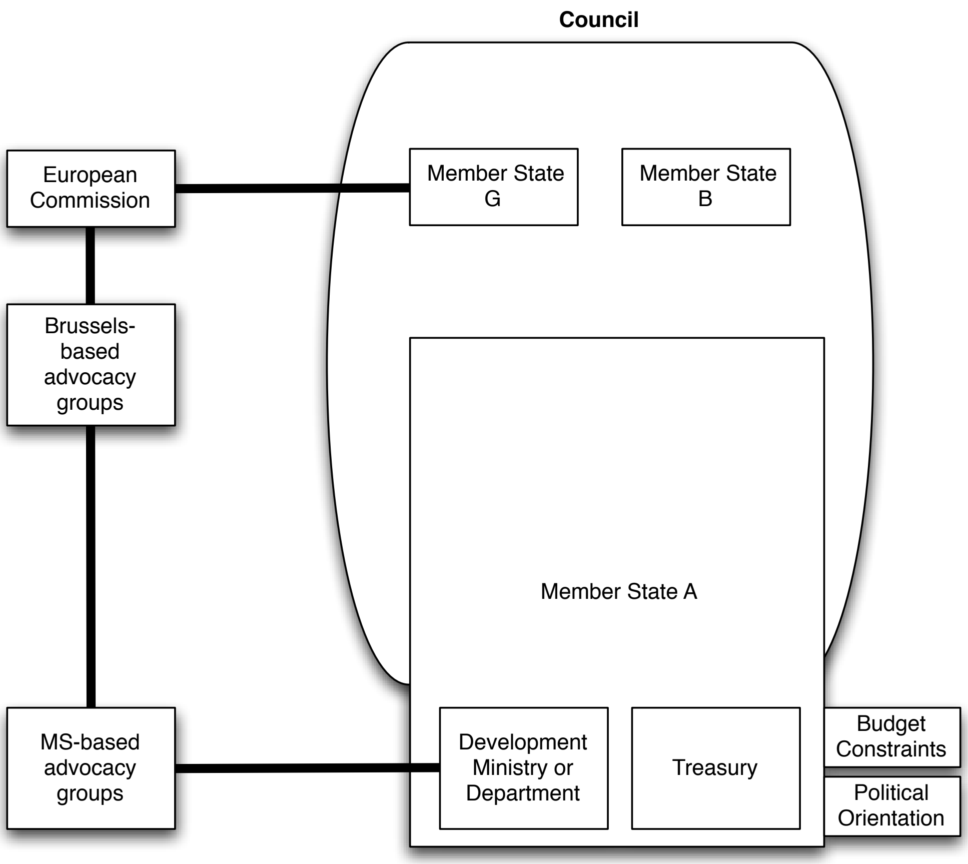

Figure 5: Advocacy coalitions in the Open Method of Coordination on aid-levels

50 Interview with MEP

51 Interview with MEP

that involve the co-decision procedure, permanent representatives try to at least take into account the development committee's opinion in order to not sour the working relationship.[52] More concretely, the EP has in the past successfully put pressure on the Development Commissioner to drop a proposal that would have widened the definition of ODA.[53] Ordinarily, however, MEPs consider the Council negotiations between MS a closed shop and see their main role in supporting and encouraging the Commission to continue naming and shaming the worst-performing Member States.[54] Moreover, if the EP does issue shadow reports on ODA-levels, they are generally not timed in the rhythm of the Commission-Council working schedule and thus exert little impact.[55] At the end of the day, recommendations and resolutions coming from Parliament are thus only a minor part of the OMC process and the final word is a unanimous vote of Member States on Council conclusions.[56]

European aid levels have risen significantly since horizontal coordination began in 2002. The above observations of the OMC policy process on ODA-levels indicates that an advocacy coalition of state and non-state actors on Member State and EU-levels facilitated such developments. Figure 4 summarizes the process.

The European Commission took initiative to draft proposals for concrete steps to reach long-term and intermediary targets of ODA-levels. They found a willing ally in the Swedish and Belgian European Council Presidency in 2001 to push their initiative forward and, with the Barcelona Commitments led to the introduction of OMC-governance on aid-levels. Demands in the Council by already well-performing Member States (Netherlands and Sweden) resulted in a mandate for the Commission to release yearly monitoring reports. Commission officials stand in close contact with Brussels-based advocacy groups, to whom they feed information about the ongoing processes and which give them comprehensive overviews over civil-society positions from all 27 Member States. Brussels-based advocacy groups can coordinate their national branches in tune with the timing of Council negotiations and can thus focus their energy on a strategy of either pushing good-performers or bad-performers. Within the Member State development ministers or heads of development departments in the foreign ministries are generally in favor of higher development spending, but will regularly find themselves in budget negotiations with their government's treasury over the mobilization of the necessary funds. The hard quantitative ODA/GNI targets set in the OMC, top-down pressure from other other well-performing Member States ("State G") in the Council and timely bottom-up pressure from advocacy groups all help national development ministers in budget negotiations to increase funds.

Obviously this requires at least a number of necessary conditions, namely that: (1) Budget constraints are not too narrow, and (2) political will from at least one significant actor

52 Interviews with MS Permanent Representative, MEP, EP secretariat staff

53 Interview with EP secretariat staff

54 Interviews with MEP, EP Secretariat staff

55 Interviews with EC officials, Brussels-based civil society advocacy officers

56 Note that with the institutional changes that are instigated by the Lisbon Treaty, the EC will in the future have to make its working schedule of upcoming initiatives available to Council, European Parliament, and National Parliaments far in advance, which could potentially enhance the timing and thus impact of EP work within OMC processes (Interview with EC official)

within the Member State government to instigate increases in ODA/GNI-levels. I will examine those factors in more detail in the upcoming section.

The case of Italy shows that when the top-down pressures stemming from the OMC do not encounter at least a political ally or a strong civil society base at the Member State level that can use OMC targets for strengthening their cause, policy change in this Member State is not likely going to happen. However, the advocacy coalition isn't operating in a political vacuum. A number of internal and external influences will thus have to be considered.

Internal factors

I will now turn to four variables internal to the EU Member States that could confound the influence of the Open Method of Coordination on ODA/GNI-levels and will therefore probe (1) changes in public opinion, (2) political orientation, and (3) government revenues.

Olsen (2001) has conducted a case study of five European aid donors (France, UK, Germany, Denmark, Netherlands, and the EU) between 1992 and 1999 that analyzes the relationship between decision-making on aid and public opinion. It specifically looks at

	EB 71.2 2009	EB 62.2 2004	EB 46 1997	EB 36 1991	EB 3/88 1987	EB 20 1984
FR	86	88	82	79	84	82
DE	89	91	87	85	89	80
IT	90	94	91	88	93	84
PL	93	94	:	:	:	:
ES	93	96	96	95	93	:
SE	93	97	83	:	:	:
UK	87	91	85	84	87	80
NL	86	93	91	92	93	88

In your opinion, is it very important, fairly important, not very important or not at all important to help people in developing countries?
% Total responding very important and fairly important

Table 1: Public opinion on development aid
Source: Eurobarometer 2009, 2005, 1997,1992, 1988, 1984

changes in ODA/GNI levels and tracks the concurrent developments in opinion polls. The analysis shows a significant disconnect between governments and citizens. Public opinion in the polls from France, the UK, and Germany clearly favored that "helping the poor" is a government responsibility that should not be cut, while ODA/GNI levels were decreasing. However, previous research (Thérien and Lloyd 2000: 21; Smillie 1999) claims that public opinion is the most decisive factor influencing aid levels and finds a positive correlation between the two.

Olsen isolates the fact that such correlation is only significant if looking at humanitarian aid levels, which, however, only makes up a fraction of overall ODA.[57] At the same time, he finds that the public is generally uninformed about the use of development aid. This leads him to conclude, that (1) public opinion is instead driven by intensifying media coverage of humanitarian disasters ("CNN effect") and (2) it is discourse between different elite groups that drives policy issues on aid and aid levels. Such elite opinion may be split into different segments, with each group trying to convince the public of its own opinion (Olsen: 649).

Olsen's analysis only covered the years until 1999 and does not include the time period after 2002 that saw ODA/GNI levels rising significantly within a relatively brief span of time. Conducting a similar analysis for this time period goes far beyond the scope of this thesis. However, Eurostat public opinion polls over the past twenty-six years (Table 2) indicate that public opinion in the countries under study has only risen slightly over this time period with regards to the perceived importance of development aid. At the same time, however, ODA/GNI levels were both increased and cut. Particularly between 2002 and 2009 the ODA/GNI levels in all states were increasing (except for Italy), while the endorsement of development aid slightly declined. It thus seems that public opinion is only a negligible variable to explain the increases in recent years.

Another variable internal to the Member States that could have a potential impact on the level of ODA/GNI rates is the political orientation of the national governments. Center-left governments that generally tend to reallocate more money within the national economy could be expected to also appropriate more funds for development aid than center or center-right governments. Table 2 collates ODA/GNI rates from the year of the earliest available ODA data, 1960, until the year of the most recent data, 2009. Parties are grouped into right, center right, center, and center left according to the European Parliament group they are affiliated with. They are represented by purple (right), blue (center-right), green (center), and red (center-left). ODA/GNI increases and decreases were calculated on a yearly basis for each country's political camps and their means as well as standard deviations are depicted on the right.

The results are mixed. Over the forty-nine year period all center left governments tend to increase ODA/GNI levels slightly. Center governments in Germany tend to increase ODA/GNI levels while those in France, Italy and Sweden tend to lower ODA/GNI levels. Center right governments in France, Germany, Italy, Poland, and the UK tend to lower ODA/GNI levels, while those in the Netherlands, Spain, and Sweden don't. In Poland, ODA/GNI levels also rose slightly under the right-wing PiS government in 2006 and 2007. The long term-trends of center-right governments, however, also don't compellingly predict the

57 in 2009, OECD DAC donors had a combined budget of 9 Billion USD for humanitarian aid, whereas total ODA was 116 Billion USD (OECD 2010)

	1960	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979
FR	1,35	1,36	1,27	0,98	0,9	0,76	0,69	0,71	0,67	0,67	0,52	0,51	0,49	0,43	0,44	0,44	0,41	0,38	0,39	0,42
DE	0,31	0,45	0,45	0,41	0,44	0,4	0,34	0,41	0,42	0,38	0,32	0,34	0,32	0,32	0,38	0,4	0,36	0,33	0,37	0,45
IT	0,22	0,15	0,18	0,14	0,09	0,1	0,12	0,22	0,19	0,16	0,15	0,16	0,08	0,12	0,13	0,1	0,12	0,09	0,14	0,08
NL	0,31	0,45	0,49	0,26	0,29	0,36	0,45	0,49	0,49	0,5	0,62	0,58	0,67	0,53	0,61	0,74	0,8	0,81	0,78	0,94
PL																				
ES																				
SE	0,05	0,06	0,12	0,14	0,18	0,19	0,25	0,25	0,28	0,43	0,35	0,44	0,46	0,53	0,69	0,78	0,78	0,95	0,86	0,92
UK	0,56	0,59	0,52	0,48	0,53	0,47	0,45	0,44	0,4	0,43	0,39	0,44	0,42	0,36	0,4	0,38	0,39	0,44	0,46	0,51

	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
FR	0,44	0,51	0,56	0,56	0,62	0,61	0,56	0,6	0,58	0,61	0,6	0,62	0,63	0,63	0,62	0,55	0,48	0,44	0,38	0,38
DE	0,44	0,47	0,48	0,48	0,45	0,47	0,43	0,39	0,39	0,41	0,42	0,39	0,37	0,35	0,33	0,31	0,32	0,28	0,26	0,26
IT	0,15	0,16	0,2	0,2	0,28	0,26	0,4	0,35	0,39	0,42	0,31	0,3	0,34	0,31	0,27	0,15	0,2	0,11	0,2	0,15
NL	0,97	1,07	1,07	0,91	1,02	0,91	1,01	0,98	0,98	0,94	0,92	0,88	0,86	0,82	0,76	0,81	0,81	0,81	0,8	0,79
PL										:	:	:	:	:	:	:	:	:	0,01	0,01
ES	0,08	0,13	0,13	0,04	0,08	0,1	0,09	0,08	0,07	0,14	0,2	0,24	0,27	0,28	0,28	0,24	0,22	0,24	0,24	0,23
SE	0,78	0,83	1,02	0,84	0,8	0,86	0,85	0,88	0,86	0,96	0,91	0,9	1,03	0,99	0,96	0,77	0,84	0,79	0,72	0,7
UK	0,35	0,43	0,37	0,35	0,33	0,33	0,31	0,28	0,32	0,31	0,27	0,32	0,31	0,31	0,31	0,29	0,27	0,26	0,27	0,24

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
FR	0,3	0,31	0,37	0,4	0,41	0,47	0,47	0,38	0,39	0,46
DE	0,27	0,27	0,27	0,28	0,28	0,36	0,36	0,37	0,38	0,35
IT	0,13	0,15	0,2	0,17	0,15	0,29	0,2	0,19	0,22	0,16
NL	0,84	0,82	0,81	0,8	0,73	0,82	0,81	0,81	0,8	0,82
PL	0,02	0,02	:	0,01	0,05	0,07	0,09	0,1	0,08	0,08
ES	0,22	0,3	0,26	0,23	0,24	0,27	0,32	0,37	0,45	0,46
SE	0,8	0,77	0,84	0,79	0,78	0,94	1,02	0,93	0,98	1,12
UK	0,32	0,32	0,31	0,34	0,36	0,47	0,51	0,36	0,43	0,52

	Mean	Std. Deviation	N
France Left	.	.	0
France Center Left	.0233	.02828	9
France Center	-.0143	.04380	14
France Center Right	-.0358	.07575	26
France Right	.	.	0
Germany Left	.	.	0
Germany Center left	.0100	.03598	20
Germany Center	.0043	.03552	7
Germany Center Right	-.0086	.04098	22
Germany Right	.	.	0
Italy Left	.	.	0
Italy Center Left	.0282	.07757	11
Italy Center	-.1200	.	1
Italy Center Right	-.0068	.04732	37
Italy Right	.	.	0
Netherlands Left	.	.	0
Netherlands Center Left	.0200	.06493	14
Netherlands Center	.	.	0
Netherlands Center Right	.0066	.08278	35
Netherlands Right	.	.	0
Poland Left	.	.	0
Poland Center Left	.0300	.01414	2
Poland Center	.	.	0
Poland Center Right	-.0020	.01095	5
Poland Right	.0150	.00707	2
Spain Left	.	.	0
Spain Center Left	.0179	.04049	19
Spain Center	.	.	0
Spain Center Right	.0040	.03688	10
Spain Right	.	.	0
Sweden Left	.	.	0
Sweden Center Left	.0267	.08610	42
Sweden Center	-.0700	.08185	3
Swedene Center Right	.0400	.09557	4
Sweden Right	.	.	0
UK Left	.	.	0
UK Center Left	.0104	.05443	25
UK Center	.	.	0
UK Center Right	-.0125	.04683	24
UK Right	.	.	0

RIGHT (European Group Affiliation Conservatives and Reformists)

CENTER RIGHT (European Group Affiliation EPP)

CENTER (European Group Affiliation EDP, Grand Coalition in Germany from 1966-1969, 2005-2009), or France from 1986 to 1988 , 1993 to 1995, and 1997 to 2002 which is marked as centrist because of the *cohabitation* governments at the time

CENTER LEFT (European Group Affiliation S&D Group or G-EFA)

NOTE: In years of incumbency change, the longer ruling party is marked down. The table on the right depicts mean and standard deviation of yearly ODA changes over a forty-nine year period (Poland nine years, Spain twenty-nine years)

Table 2: Political Orientation and ODA/GNI Levels
Source: ODA/GNI data from OECD DAC (2010), own calculations

ODA/GNI levels between the *Barcelona Commitments* in 2002 and 2009. In France under the incumbent UMP government, the levels in this period rose from the 0,31 per cent of the preceding government to 0,46 per cent in 2009. In Sweden, the center-right government lowered ODA/GNI rates from the 1,02 per cent of the preceding social-democratic government to 0,93 per cent during its first year of office. However, by 2009 Swedish ODA/GNI-levels reached a 49-year record high of 1,12 per cent. Thus, political orientation of the Member States' governments has not, particularly for those at the center-right, been a predictor for ODA/GNI-level developments since 2002.

Unquestionably, political will and leadership are important factors if aid-levels are to rise. Member states that showed particularly great increases in ODA/GNI levels for the last couple of years usually had strong political will at the top. New Labor under Chancellor of the Exchequer and later Prime Minister Gordon Brown or the Socialist Government in Spain under José Zapatero placed development high on their political agenda, with both doubling ODA/GNI from their previous levels (Dowden 2010). Similarly, the socialist Spanish governments in the early 1990s increased ODA/GNI levels at a time when all other DAC donors were decreasing theirs. Nevertheless, Table 2 shows many instances where ODA/GNI levels were decreasing despite center-left governments being in power. The fact that ODA/GNI levels in all analyzed Member States have been on the rise since 2000 will thus also have to be attributed to another factor.

Given that ODA/GNI levels as a matter of course depend on allocations from the Member States' budgets, it is feasible that they only rise in times of fiscal leeway, while possibly decreasing in times of fiscal constraint. In times of economic growth more money could be allocated towards the aid budget. However, to increase the ODA/GNI-levels the allocation will inevitably have to go beyond automatically added tax revenue resulting from higher economic growth, if other government sectors are not going to be cut. If not, it would require higher tax revenue to finance additional spending. A look at this variable is particularly compelling given the events unfolding during the ongoing financial crisis and possible fallout effects for the aid budget and ODA/GNI levels. Table 3 shows the real GDP growth rate, tax revenue of central governments as percentage of GDP and the ODA/GNI-levels since 1990. Furthermore, it depicts correlations between ODA/GNI levels and on the one hand GDP growth and tax revenue on the other.

The results are, again, mixed. France and Italy show a negative correlation between ODA/GNI-levels and GDP growth while having a (weak) positive correlation between ODA/GNI-levels and tax revenue. In constrast, Germany and the Netherlands show weak positive correlations between ODA/GNI and GDP growth and medium to strong positive correlations between ODA/GNI and tax revenue. Spain and Sweden even show a negative correlation with both GDP growth and tax revenue. Focusing more particularly on the time period after 2000 that saw rising ODA/GNI levels in all the countries under study, some countries (Netherlands, Germany) have only increased their ODA/GNI levels in line with more fiscal leeway for such increases, while others (notably Spain, Sweden, the UK and to an extend France) increased their ODA/GNI levels in spite of a falling tax revenue shares over this time period. This implies that readily available tax revenues due to times of economic growth and/or a growing tax base might have in the former cases been a necessary condition for ODA/GNI levels to rise in some of the countries under study, while the political will in the case of the latter was so strong as to increase ODA/GNI counter to the trend of falling tax revenues.

		1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	correlation with ODA/GNI x^2	sig	N
FR	GDP	2,6	1	1,4	-0,9	2,2	2,1	1,1	2,2	3,5	3,3	3,9	1,9	1	1,1	2,5	1,9	2,2	2,4	0,2	-2,6	-0,3	0,203	20
	TAX	19,4	19,6	18,4	18,1	18,0	18,1	19,0	19,3	19,1	19,7	18,9	18,4	17,8	17,4	18,3	17,8	16,8	16,2	15,5	:	0,186	0,447	19
	ODA GNI	0,6	0,6	0,63	0,63	0,62	0,55	0,48	0,44	0,38	0,38	0,3	0,31	0,37	0,4	0,41	0,47	0,47	0,4	0,39	0,46	1		
DE	GDP	5,3	5,1	2,2	-0,8	2,7	1,9	1	1,8	2	2	3,2	1,2	0	-0,2	1,2	0,8	3,2	2,5	1,3	-4,9	0,255	0,278	20
	TAX	11,02	11,6	11,99	11,62	11,80	11,70	10,86	10,58	10,68	11,24	11,40	11,05	10,88	10,95	10,40	10,62	10,96	11,5	11,55	:	0,418	0,075	19
	ODA GNI	0,42	0,4	0,37	0,35	0,33	0,31	0,32	0,28	0,26	0,26	0,27	0,27	0,27	0,28	0,28	0,36	0,36	0,4	0,38	0,35	1		
IT	GDP	2,1	1,5	0,8	-0,9	2,2	2,8	1,1	1,9	1,4	1,5	3,7	1,8	0,5	0	1,5	0,7	2	1,5	-1,3	-5	-0,1	0,677	20
	TAX	24,1	24,4	26,5	27,1	25,6	25,2	25,1	26,1	24,4	26,3	23,6	23,2	22,3	22,3	21,7	21,3	22,9	23,2	22,7	:	0,204	0,403	19
	ODA GNI	0,31	0,3	0,34	0,31	0,27	0,15	0,2	0,11	0,2	0,15	0,13	0,15	0,2	0,17	0,15	0,29	0,2	0,2	0,22	0,16	1		
NL	GDP	4,2	2,4	1,7	1,3	3	3,1	3,4	4,3	3,9	4,7	3,9	1,9	0,1	0,3	2,2	2	3,4	3,6	2	:	0,109	0,658	19
	TAX	25,2	26,5	25,7	26,3	23,6	22,5	23,0	22,4	22,3	22,8	22,4	22,7	22,5	21,7	21,6	23,5	23,2	23,4	:	:	0,649**	0,004	18
	ODA GNI	0,92	0,9	0,86	0,82	0,76	0,81	0,81	0,81	0,8	0,79	0,84	0,82	0,81	0,8	0,73	0,82	0,81	0,8	0,8	0,82	1		
PL	GDP	:	-7	2,5	3,7	5,3	7	6,2	7,1	5	4,5	4,3	1,2	1,4	3,9	5,3	3,6	6,2	6,8	5	:	0,581	0,078	10
	TAX	:	20,4	22,0	24,5	23,3	22,5	21,3	20,5	19,7	18,2	16,9	16,1	16,9	16,7	15,2	16,4	17,4	18,1	:	:	-0,1	0,799	9
	ODA GNI	:	:	:	:	:	:	:	:	0,01	0,01	0,02	0,02	:	0,01	0,05	0,07	0,09	0,1	0,08	0,08	1		
ES	GDP	3,8	2,5	0,9	-1	2,4	2,8	2,4	3,9	4,5	4,7	5	3,6	2,7	3,1	3,3	3,6	4	3,6	0,9	-3,6	-0,624**	0,003	20
	TAX	16,8	17,0	17,3	16,2	16,3	16,2	16,1	16,0	15,8	16,4	16,7	16,3	13,1	12,5	12,2	12,9	13,4	14,1	10,7	:	-0,542*	0,016	19
	ODA GNI	0,2	0,2	0,27	0,28	0,28	0,24	0,22	0,24	0,24	0,23	0,22	0,3	0,26	0,23	0,24	0,27	0,32	0,4	0,45	0,46	1		
SE	GDP	1	-1,1	-1,2	-2,1	3,9	4	1,5	2,5	3,8	4,6	4,5	1,3	2,5	2,3	4,2	3,2	4,3	3,3	-0,4	-5,1	-0,649**	0,002	20
	TAX	26,5	23,6	21,2	20,4	21,0	22,3	23,3	24,9	30,6	31,8	31,0	28,4	26,4	26,5	27,0	27,9	27,7	27,0	25,1	:	-0,555*	0,016	19
	ODA GNI	0,91	0,9	1,03	0,99	0,96	0,77	0,84	0,79	0,72	0,7	0,8	0,77	0,84	0,79	0,78	0,94	1,02	0,9	0,98	1,12	1		
UK	GDP	0,8	-1,4	0,1	2,2	4,3	3	2,9	3,3	3,6	3,5	3,9	2,5	2,1	2,8	3	2,2	2,9	2,6	0,5	-4,9	-0,473*	0,35	20
	TAX	26,7	26,5	25,8	24,8	25,3	26,4	26,3	26,6	27,8	28,0	28,5	28,3	27,0	26,3	26,5	27,1	28,0	27,6	26,9	:	0,035	0,448	19
	ODA GNI	0,27	0,3	0,31	0,31	0,31	0,29	0,27	0,26	0,27	0,24	0,32	0,32	0,31	0,34	0,36	0,47	0,51	0,4	0,43	0,52	1		

GDP - Real GDP growth rate - Percentage change on previous year
TAX - Tax Revenue of central government as Percentage of GDP
ODA GNI - Official Development Assistance as Share of Gross National Income
x^2 - Pearson correlation
sig - Significance (2-tailed)

*Correlation is significant at the 0.05 level (2-tailed)

**Correlation is significant at the 0.01 level (2-tailed)

Note: I chose not to standardize using either GDP or GNI for all three measures, since they are in this form most commonly employed in OECD statistics. Since GNI is a country's GDP plus net income from assets abroad, less consumption of fixed capital, less indirect business taxes, it is in any case a measure that is correlated or strongly correlated with the GDP measure (see calculations in Annex E) and increase and decrease in ODA/GNI can thus be analyzed along with the developments of the other two relative measures under consideration (GDP growth rate and tax revenue of central government as percentage of GDP) to show general trends.

Table 3: GDP growth, tax revenue, and ODA/GNI levels
Source: Data from OECD (2010), correlations are own calculations (detailed in Annex E)

In the midst of the recent economic recession government revenues automatically fell with a diminishing tax revenue base. A number of Member States, such as France, Sweden, and the UK, however, were substantially increasing their ODA/GNI levels in 2009. This can also be explained by the fact that the overall GNI was decreasing and thus ODA *relative* to GNI had to rise considerably to remain if it remained at previous absolute budget levels. Nevertheless it shows that even during recession years aid budgets were not falling proportional to GDP decline.[58] The mixed results, however, indicate that budget constraints or fiscal leeway in times of economic boom might have slightly contributed to the some Member States increasing ODA/GNI levels, but were certainly not the sole influential factor for all.

ODA levels in the global context

As I have elaborated on earlier, a methodological boundary problem arises, since the EU is not the sole international ODA donor and part of a complex system of international relations. Such externally confounding factors include the relations with developing countries, the UN framework, the G8 and G20, and the OECD DAC. In the following sections I will therefore closely examine these factors and analyze their influence on the Member States ODA levels.

In 1969 a special UN commission under former Canadian Prime Minister Lester B. Pearson reviewed the twenty years of development assistance that had followed World War II. The resulting "Partners in Development" report recommended that advanced countries should jumpstart economic and social development in the global south, by contributing at least 0,7 per cent of their GNI for ODA (Pearson 1969). In 1970 the UN General Assembly proclaimed the 1970s a "development decade" and, among other things, followed the Pearson Commission's proposal for an ODA/GNI target:

> "In recognition of the special importance of the role which can be fulfilled only by official development assistance, a major part of financial resource transfers to the developing countries should be provided in the form of official development assistance. Each economically advanced country will progressively increase its official development assistance to the developing countries and will exert its best efforts to reach a minimum net amount of 0.7 per cent of its gross national product at market prices by the middle of the Decade." (United Nations 1970, §43)

By 1975, however, only Sweden, the Netherlands, and Norway had fulfilled the pledge. As figure 6 displays, the ODA/GNI-levels of France, the UK, and Italy stagnated or even declined, while those of Germany increased only slightly. Figure 7 shows even more decidedly that developed countries took strikingly different paths. While Canada, Norway, and Aus-

58 Unfortunately, OECD data for new developments in 2010 is not yet readily available. However, anecdotal evidence indicates that in 2011 aid budgets in numerous Member States are in fact going to be cut along with other spending. A notable exception is the UK, where the new center-right coalition ring-fenced its aid budget

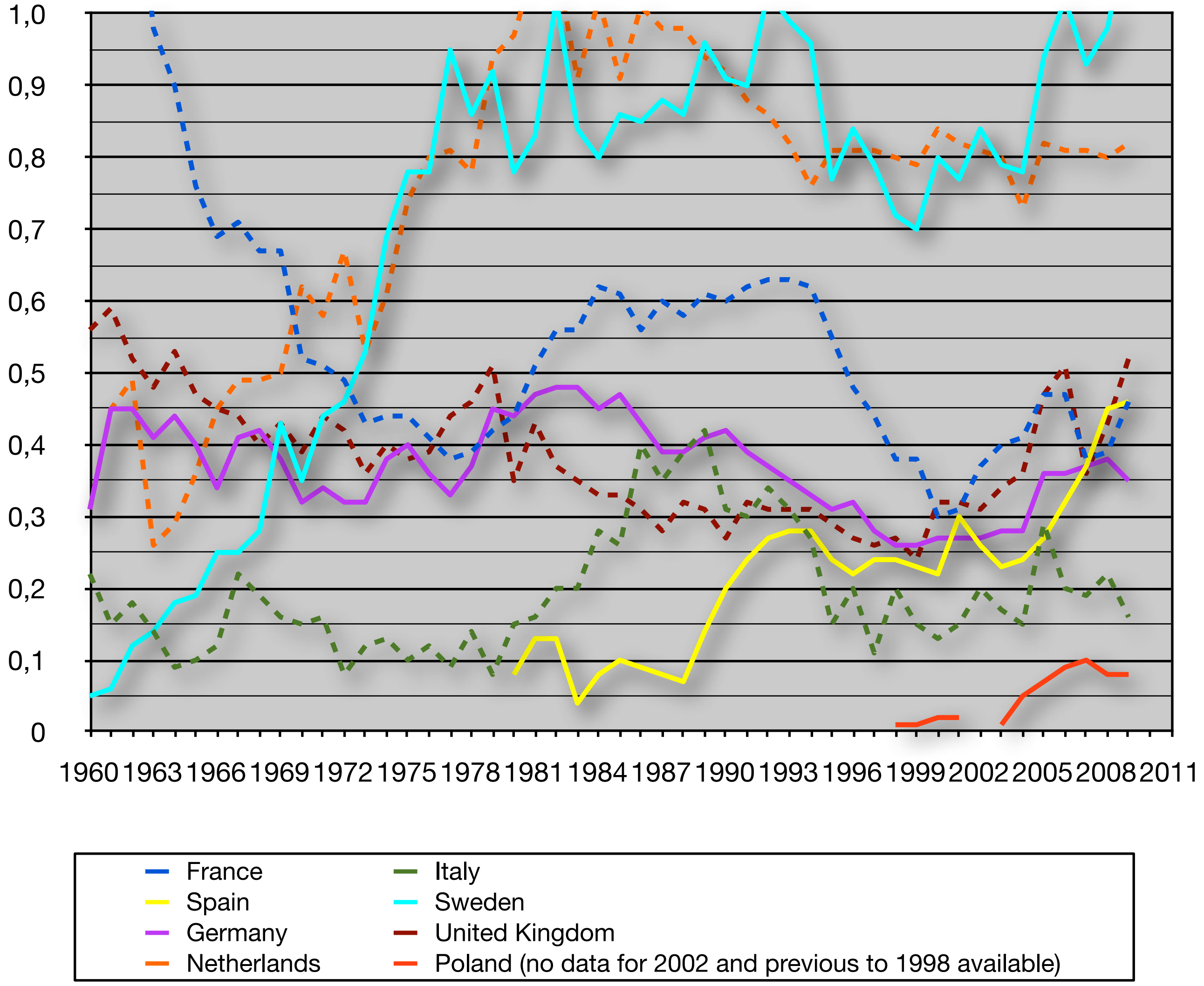

Figure 6: Long term ODA/GNI trends of selected EU Member States
Source: OECD 2010

tralia approached the 0,7 ODA/GNI target by 1975, the levels of the largest donor, the US, decreased significantly, whereas those of Japan stagnated.

It can thus hardly be said that the international commitments turned out to be more then an unfulfilled pledge for these countries. Similarly, from 1975 until 1990 the rates for some countries inclined (Sweden, Netherlands, Norway, France, Italy, Spain), while others more or less stagnated (Japan, Canada, United States), and some even declined (Australia, Germany, United Kingdom). As Hulme (2009: 8) commented on the developments of ODA levels during this period:

> "First, national ministers declare a grand goal. Subsequently this goal has some general influence on activity, but it is not systematically pursued. At the next UN summit or conference, the minister (or his/her successor) agrees to the same or a reduced goal for a later date." (Hulme 2009: 8)

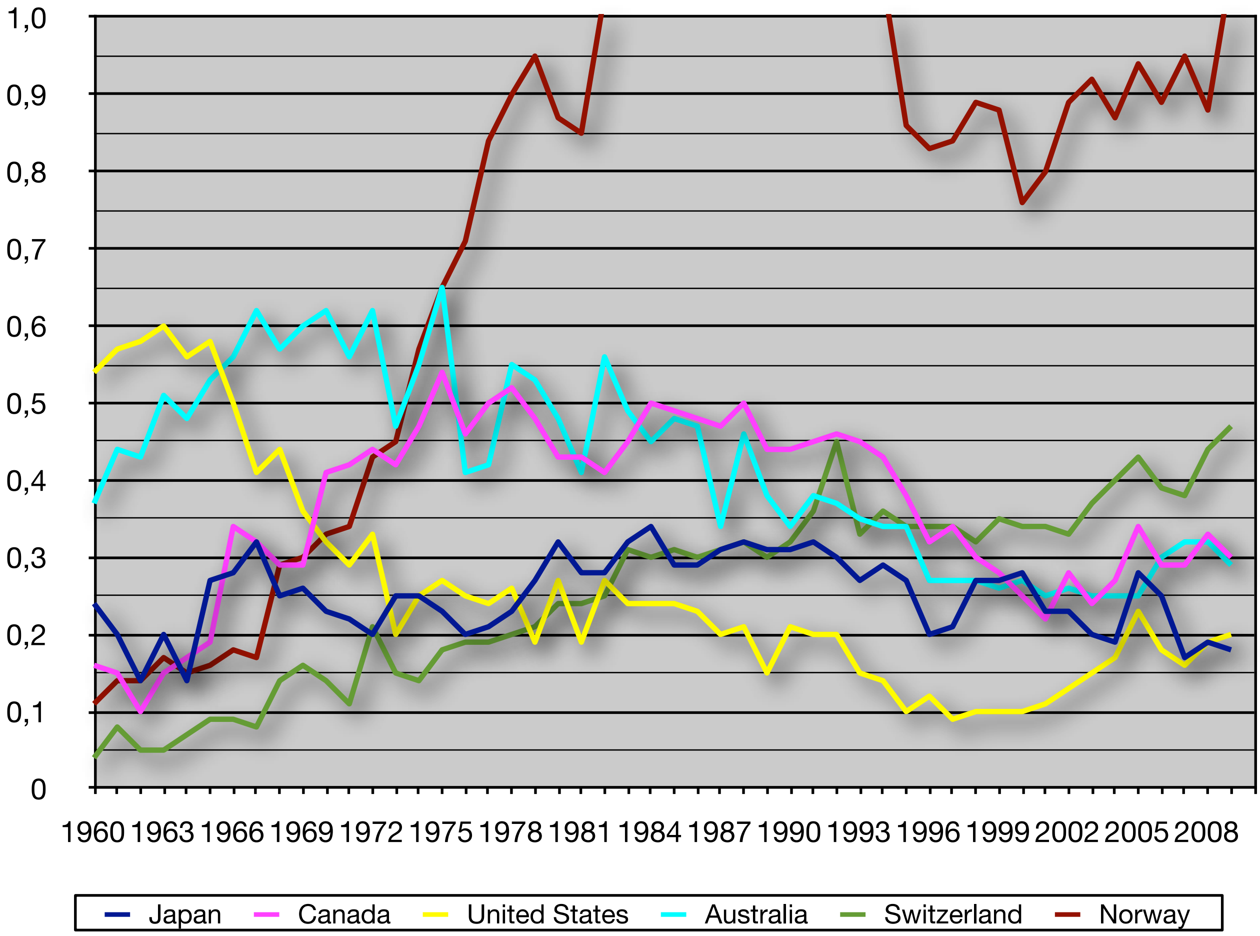

Figure 7: Long term ODA/GNI trends of non-EU donor countries
Source: OECD 2010

By the early 1990's the end of the Cold War had ceased the need of Western governments to pay strategic rents to the governments of third world countries and secure the national interest of developed countries to support liberal capitalism (*see* Olsen 2004: 96). Instead, the focus of donor countries could now shift to attaching conditionalities that would more than previously require good governance and other obligations on behalf of the developing country in order to receive aid funding, which many could not promptly fulfill (Hulme 2009: 8-9). Consequently, the data shows a clear downward trend for all of the donor countries for this time period.

By the late 1990s, however, development policy makers in most of the donor countries had growing awareness of the necessity to reverse such downward trends and establish an accountability mechanism for aid commitments in order to sustainably improve living conditions in developing countries.[59] This eventually culminated in the Millennium Declaration, signed by 192 heads of states and governments on September 8, 2000. Since this declaration was not solely signed by ministers but also by the highest dignitaries of the world's governments, it built up a momentum that was unprecedented (*see* Holland 2008,

59 Interviews with EC official and former MS Under Secretary of State

Hulme 2009).[60] Even though the “poverty” chapter of the Millennium Declaration included trade, debt relief and ODA, Hulme (2009: 35) points out that it did not introduce deadlines for targets to be reached within a specific time frame. Such details for concrete targets of the developed world’s contribution were instead postponed:

> “We are concerned about the obstacles developing countries face in mobilizing the resources needed to finance their sustained development. We will therefore make every effort to ensure the success of the High-level International and Intergovernmental Event on Financing for Development, to be held in 2001.” (United Nations 2000, §14)

However, such a conference did not take place in 2001. Instead, on July 25, 2001, the General Assembly adopted a resolution that an International Conference on Financing for Development would be held in March 2002 in Monterrey, Mexico (United Nations 2001).

The run-up to the Monterrey Conference was a decisive moment in which the EU took action. Under the Swedish Presidency, sustainable development was the main theme of the Göteborg European Council in June 2001. The European heads of state affirmed their commitments to reach 0,7 % ODA/GNI as soon as possible and achieve “concrete progress towards reaching this target before the World Summit on Sustainable Development in Johannesburg in 2002.” (European Council 2001, §26) Hereinafter, the fifteen Member States mandated the Commission to find common ground and a way forward by issuing a report (Council of the European Union 2001b, §10) and agreed to find a EU position before the Monterrey Conference in March (Council of the European Union 2001a). The United States, on the other hand, first rejected increasing ODA in the run-up to the conference. Even in late January of 2002, the Bush administration rejected proposals to double absolute aid levels and commit to time-specific targets and indeed threatened to cancel President Bush’s appearance at the conference if such goals were pursued further.[61] However, the target put on the table by the EU’s Barcelona consensus to reach 0,39% ODA/GNI by 2006 helped for a commensurable push by the US-administration to pledge an increase of their absolute aid spending of 50% by 2006 (Hofman and Drescher 2002). Newspaper archives indicate that no other variables such as a change in US public opinion or an unexpected government revenue seem to have precipitated this turnaround.[62] Moreover, EC officials attested the importance of the common EU position for the negotiation process and the change of the initial US position.[63] As Table 4 shows, both EU and US managed to substantially increase their ODA/GNI by 2006. While some EU Member States didn’t

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60 Note: Even before the Millennium Declaration was signed and the Monterrey conference took place, growth of ODA/GNI levels from 1999 onwards had already gained traction in some donor countries such as the United States (0,1% to 0,13%), United Kingdom (0,24% to 0,31%), Sweden (0,7% to 0,84%), and Italy (0,15% to 0,2%). This was due to debt cancellations and their inclusion in the ODA. The World Bank started the so-called highly-indebted poor countries (HIPC) debt relief initiative 75 in 1996 and substantial debt relief grants were released in the years after. However, given that the ODA/GNI average of OECD DAC countries virtually stagnated at the same time (0,22% to 0,23%) the HIPC initiative didn’t truly signify a general reversal towards an upward trend of ODA/GNI-levels in either EU or non-EU donor countries.

61 New York Times, January 29, 2001: U.S. Rejects Bid to Double Foreign Aid To Poor Lands

62 New York Times, March 24, 2001: Forging the Monterrey Consensus

63 Interviews with EC officials

manage to reach the minimum individual target of 0,33% ODA/GNI as defined in the Barcelona Commitments, the EU managed to surpass its collective 0,39% target, and the US increased its ODA/GNI share from 0,1% to 0,18%. Apart from the US, some non-EU donors have made substantial aid increases between 2002 and 2009 (Norway: 0,89% to 1,06%, Switzerland: 0,33% to 0,47%), others have only shown incremental change (Australia 0,26% to 0,29%, Canada 0,28% to 0,3%), and Japan has even decreased its ODA/GNI levels (0,23% to 0,18%). While this attests to the fact that bilateral relations between the US and the EU seem to have pushed the former to higher commitments, the international regime in which a number of other donor countries were furthermore present didn't prove to be sufficient pressure for all donor countries to increase contributions.

More importantly, what should be taken from this analysis is the fact that while there was an expectation at the international level for a concrete outcome at the Monterrey conference, it was the common EU position from the Barcelona Commitments that put pressure on the United States and not the other way around. Even though it was a necessary condition for the EU to act,[64] the Monterrey Conference did not lead to increases in ODA/GNI levels comparable to the EU's in other major donor countries such as Australia, Canada, and Japan. UN commitments such as that from the General Assembly in 1970 and at the Monterrey conference in 2002 might have been necessary for policy change, but they certainly weren't a sufficient condition for increasing ODA/GNI levels in the EU.

		1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
EU	**France**	0,38	0,38	0,3	0,31	0,37	0,4	0,41	0,47	0,47	0,38	0,39	0,46
	Germany	0,26	0,26	0,27	0,27	0,27	0,28	0,28	0,36	0,36	0,37	0,38	0,35
	Italy	0,2	0,15	0,13	0,15	0,2	0,17	0,15	0,29	0,2	0,19	0,22	0,16
	Netherlands	0,8	0,79	0,84	0,82	0,81	0,8	0,73	0,82	0,81	0,81	0,8	0,82
	Poland	0,01	0,01	0,02	0,02	:	0,01	0,05	0,07	0,09	0,1	0,08	0,08
	Spain	0,24	0,23	0,22	0,3	0,26	0,23	0,24	0,27	0,32	0,37	0,45	0,46
	Sweden	0,72	0,7	0,8	0,77	0,84	0,79	0,78	0,94	1,02	0,93	0,98	1,12
	United Kingdom	0,27	0,24	0,32	0,32	0,31	0,34	0,36	0,47	0,51	0,36	0,43	0,52
	EU 15	0,33	0,32	0,32	0,33	0,35	0,36	0,35	0,43	0,43	0,39	0,43	0,44
	EU 27	:	:	:	:	:	:	:	0,41	0,41	0,37	0,4	0,42
Non- EU	**Australia**	0,27	0,26	0,27	0,25	0,26	0,25	0,25	0,25	0,3	0,32	0,32	0,29
	Canada	0,3	0,28	0,25	0,22	0,28	0,24	0,27	0,34	0,29	0,29	0,33	0,3
	Japan	0,27	0,27	0,28	0,23	0,23	0,2	0,19	0,28	0,25	0,17	0,19	0,18
	Norway	0,89	0,88	0,76	0,8	0,89	0,92	0,87	0,94	0,89	0,95	0,88	1,06
	Switzerland	0,32	0,35	0,34	0,34	0,33	0,37	0,4	0,43	0,39	0,38	0,44	0,47
	United States	0,1	0,1	0,1	0,11	0,13	0,15	0,17	0,23	0,18	0,16	0,19	0,2

Table 4: Medium term ODA/GNI of selected EU and non-EU donor countries
Source: OECD 2010, Eurostat 2010

64 Interview with EC official

The pledges of G8 countries can be regarded in a similar vein to the UN commitments. Most notable for development financing is the Gleneagles G8 summit in 2005 during which the G8 governments under a proactive UK presidency pledged to double their (absolute) aid to Africa by 2010 compared to 2004 levels.[65] However, the aid volume of these pledges was hardly the direct outcome of Gleneagles alone.[66] Much less publicly than the G8 summit in early July 2005 was a meeting of the EU's development ministers on May 24, where a common agreement was reached that the fulfillment of the MDG required concrete financial bolstering. A step-by-step plan was drawn up for how the EU would collectively reach 0,7% ODA/GNI by 2015, as well as an intermediary collective target of 0,56% by 2010 (Council of the European Union 2005).[67] As was the case with the Barcelona Commitments three years earlier, the step-by-step plan included individual targets for the Member States. The EU-15 committed to individually reach a minimum of 0,51% by 2010 and 0,7% by 2015, whereas the EU-12 agreed to reach an individual minimum level of 0,17% by 2010 and 0,33% by 2015. This was reiterated on June 17 by the European Council (European Council 2005, §27). These commitments were then transcribed verbatim into the communiqué of the Gleneagles G8 Summit (G8 2005, Annex II).

All other subsequent G8 summits that alluded to ODA commitments, such as the 2007 summit in Heiligendamm, or the 2009 summit in L'Aquila merely renewed the Gleneagles summit pledge. As table 4 shows, all non-EU donor countries have in fact decreased their ODA/GNI levels between 2005 and 2009 (United States: 0,23% to 0,2%, Japan: 0,28% to 0,18%, Canada: 0,34% to 0,3%). The levels of the G8's EU-members ODA/GNI meanwhile remained on a general upward trajectory. Even though they decreased in Italy (0,29% to to 0,16%), they fluctuated in some countries due to the phasing out of debt cancellations (France: 0,47% to 0,46%, Germany: 0,36% to 0,35%),[68] while in others they significantly increased (UK: 0,47% to 0,52%). Moreover, overall levels in the EU-15 increased slightly from 0,43% to 0,44% and those in the EU-27 from 0,41% to 0,42%.

Clearly, the G8 coordination did no have a major impact as the same trend cannot be seen in all G8 countries. While the ODA pledges made at G8 summits might be important for public reaffirmation of commitments, they are not a sufficient condition for rising ODA/GNI levels in the G8 countries.[69]

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65 G8 (2005), §27; These commitments should be seen as a run-up to the first UN MDG-review conference that took place later that year in New York.

66 The lion's share of the overall burden of G8 commitments is on the side of the EU. For example, of the additional $25 Billion USD ODA by 2010 that was pledged for Africa annually the EU takes upon itself more than 75% (European Commission 2010a).

67 The Council meeting was preceded by an EC communication on April 12 outlining financial needs for an attainment of the MDGs by 2015 (European Commission 2005b) and the annual Monterrey Monitoring Report reviewing the state of the Barcelona Commitments (European Commission 2005a).

68 Most of the stagnation of French and German aid-levels can be attributed to the phasing out of debt-cancellations that were mentioned earlier. The baseline of ODA minus debt cancellations in fact shows an ongoing upward trend. *See* CONCORD's 2010 AidWatch Report, pp. 26-27. http://www.concordeurope.org/Public/Page.php?ID=25122 (Accessed August 5, 2010)

69 Additionally, the G8 framework might in the future loose relevance to the even broader G20 forum, particularly since the 2010 South Korean Presidency has undertaken an effort to strengthen the role of the development agenda in the G20. In the past, however, it has not played a major role on the coordination of ODA and can thus be omitted from this analysis.

A more critical international organization for ODA is the Development Assistance Committee of the Organization for Economic Cooperation and Development (OECD DAC). It was founded in 1960 as a coordination platform for aid donors.[70] Its mandate establishes that

> "the Committee will continue to consult on the methods for making national resources available for assisting countries and areas in the process of economic development and for expanding and improving the flow of long-term funds and other development assistance to them." (OECD 1960)

One of the most important contributions in its early years was to establish a definition for Official Development Assistance, to which international commitments were measured. As early as 1958 the World Council of Churches demanded international flows of 1% ODA/GNP from developed to developing countries. All DAC members at the time endorsed the idea, but faced the problem of not being able to statistically determine the amount of private capital flows, which made necessary a measurement of official aid flows (OECD 2002). In 1964 the United Nations Committee on Development Planning under economist and Nobel laureate Jan Tinbergen, calculated that after discounting the complicate measurement of private flows, 0,75% ODA/GNP would be required to achieve desirable growth rates in developing countries (ibid.). By 1969 the DAC countries agreed to a common definition of ODA, entailing

> "flows of official financing administered with the promotion of the economic development and welfare of developing countries as the main objective, and which are concessional in character" (OECD 2009)

Jan Tinbergen's recommendation was taken up by the UN Pearson Commission and the UN Assembly General as mentioned earlier, whereas the target rate was measured in terms of the new ODA definition that was established by the DAC (OECD 2002).[71] A critical achievements of the DAC was that in its existence it only modified the ODA measurement three times and didn't bow to political pressures. In 1972 it added a 25% minimum grant element for loans to the ODA definition and in 1993 it replaced the accounting standard of gross national product with that of gross national income (ibid.). Thirdly, in 2005, a DAC High-Level meeting decided to include certain non-military but security related peace-building measures (OECD 2005). Despite regular pressures by its Member States to weaken the ODA definition, the DAC secretariat, in alliance with the good-performing DAC members already over the 0,7% ODA/GNI target, consistently resisted such temptations.[72]

It furthermore holds a quasi-monopoly on compiling detailed statistical data on ODA, since its Member States are obliged to detailed reporting. Effectively, all international or-

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70 Initially under the umbrella of the Development Assistance Group (DAG), but renamed to Development Assistance Committee with the Establishment of the OECD in September 1961 (Führer 1996).

71 Since this entailed repayable loans it was modified to be at a lower rate of 0,7 % of the new ODA definition . This was the target rate adopted by the UN General Assembly in 1970 (OECD 2002).

72 Interview with former MS Under Secretary of State

ganizations and political actors rely on the statistical work undertaken by DAC.[73] Furthermore the DAC uses instruments similar to the OMC. It issues an annual *Development Cooperation Report* that monitors the performance of its members regarding ODA levels. In particular, it was recently mandated by the G8 to monitor the Gleneagles Commitments and publish the outcomes annually, which it has done vigorously.[74]

Yet, ever since its inception in 1960 the DAC's mandate has been one of an "equitable sharing of the aid effort" (Führer 1996: 9) and one of its founding documents, the "Resolution of the Common Aid Effort" adopted by its members in 1961 stated that they are

> "convinced of the need to help the less-developed countries help themselves by increasing economic, financial and technical assistance and by adapting this assistance to the requirements of the recipient countries [and] agree to recommend to Members that they should make it their common objective to secure an expansion of the aggregate volume of resources made available to the less-developed countries and to improve their effectiveness." (Führer 1996: 11)

Given the wildly diverging ODA/GNI rates of its Member States (Figure 6 and 7) and the fact that until 42 years after its foundation, until the Barcelona Commitments in 2002, no clear trend or time frame for a majority of its EU-members to make progress toward the 0,7% UN target existed, the commitments made within DAC to "secure an expansion of the aggregate volume of resources" do not seem to have had a direct effect on its members' ODA/GNI levels. Policy makers pointed out to me that the DAC's technical capacity and statistical work have been of great importance as it established a measure for ODA that is standardized for all major donor countries.[75] However, the fact that ODA/GNI levels of its members haven't moved towards convergence or generally towards higher ODA/GNI levels speaks against its political effectiveness in this regard.[76]

Deviating from the Council of the EU, it has a peer review process in which a Member State's aid performance is assessed in detail every four years and of whose results are made public. In general discussions are of a more technical nature and focus more on questions of aid effectiveness rather than aid volume. Moreover, meetings are generally held by expert delegations and only seldom on the ministerial level, as is the case in the DEVGEN Council, where such meetings take place at least quarterly. This means that the degree of political pressure created is significantly less.[77]

After having looked at institutions on the donor side, it could furthermore be possible that developing countries bilaterally or multilaterally have an influence on the aid levels of the donor countries. Since the Rome Treaties in 1957, the former European colonies have had a special relation with the EU through the institutionalized group of Africa, Caribbean, Pacific (ACP) states. The most notable case of a Member State with bilateral ties to develop-

73 Interview with EC official

74 Interviews with Brussels-based civil society policy officer and EC official

75 Interviews with MS Permanent Representative, EC officials, former MS Under Secretary of State, MEP

76 Note that all countries in this analysis are members of the OECD DAC

77 Interview with MS Permanent Representative and EC official

ing countries is France, which sustained a close-knit relationship with its former African colonies (Claeys 2004). In fact, it was France that pushed the other founding members of the European Community to incorporate a common fund for the former colonies in the treaties - the European Development Fund (EDF). It is thus no coincidence that seventeen out of the initial eighteen countries incorporated into the EDF framework were francophone.[78] The French government continuously promoted the interests of its former colonies vis-à-vis other EU Member States, inter alia by contributing proportionally more to the EDF than to the community budget (Claeys 2004: 126). Yet, the French government mostly resorted to development spending in order maintain a sphere of influence in its African *pré carré* (ibid.: 121). This does by no means signify that developing countries, particularly former colonies, were able to push France to such higher contributions or influenced overall ODA increases.

The ACP Group that resulted from the Rome Treaties is an amalgamation of former European colonies in many different parts of the world and therefore lacks clear cohesion of interests. This weakness is particularly telling in the negotiations for the EDF funding envelopes, in which the ACP Group rarely prevails in increasing its budget size.[79] Since EDF contributions do not even directly affect overall ODA levels of Member States (they can theoretically be re-allocated between their multilateral and bilateral aid budgets), this indicates that a direct bilateral influence on the ODA levels of Member States is limited as well.

Additionally, the diplomatic capacity of developing countries is fragmented among numerous international organizations and institutions. Next to the ACP one can readily think of the most prominent ones such as the G77, the Group of Least Developed Countries (LDCs), and the African Union. The limited resources that developing countries have for diplomatic relations in the first place are thus further weakened, making their positions ineffectual along the various bilateral and multilateral channels. In practice, these states only try to exert influence in Brussels when it comes to cuts in the EDF and within the negotiations on the principles of the disbursement of the EDF.[80] They are not in contact with the European Commission on the subject of the Member States' ODA-levels, and generally cannot even agree on a common position.[81] Some states find it better in their diplomatic strategy to not pose ODA demands altogether.[82] Others don't regard higher ODA as a priority and rather focus on the reform of trade regimes.[83] Within the UN, the G-77 has commonly tried to push for higher ODA ever since the Pearson Commission in 1970. This has in UN negotiations resulted in a clear split between demanding developing countries and reluctant donor

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78 This points to the burden-sharing of the weight from former colonies, that Paris anticipated from other Member States, particularly from Germany (Hewitt and Whiteman 2004: 134).

79 Interviews with EC officials, MS Permanent Representative

80 Interview with MS Permanent Representative

81 Interviews with EC officials

82 Interview with civil society advocacy officer involved with the ACP

83 Interview with civil society advocacy officer involved with the ACP

countries.[84] Given my earlier analysis on the influence of the UN targets, it did, however, clearly not pose a sufficient condition for ODA/GNI levels to rise.

The analysis of external variables has thus shown that UN or G8 commitments, OECD DAC coordination, and developing countries operating within or outside these institutions seem to have been insufficient conditions for increases in ODA/GNI levels in EU Member States (and non-EU countries for that matter).

External and internal factors influence the policy outcomes of ODI/GNI levels to differing degrees in the Member States. While international fora such as the 1970 UN General Assembly led the Netherlands and Sweden to attain the 0,7 per cent target, the majority of countries under study were clearly not walking down the same path. The Millennium Declaration in 2000 and the subsequent Millennium Development Goals established a general climate of necessity to act. However, similar commitments in 1970 have gone by unfulfilled before, and in the aftermath of the declaration major donors such as the US initially rejected to increase aid funding. The Millennium Declaration alone was thus not a sufficient condition for aid levels to rise. Similarly, I argued that the OECD DAC over the course of the last fifty years failed to establish peer pressure that significantly altered the course of their members' ODA/GNI budgets. I have demonstrated that this was also the case for the G8, which reaffirmed commitments but was not the direct driving force behind ODA/GNI increases.

Internal variables that could affect a Member State's decision to act show that public opinion has not significantly changed over the past thirty years and thus only had little influence on the outcome of ODA/GNI levels. Political orientation of the ruling government has had a somewhat important role to play between 1960 and 2000, but cannot satisfactorily explain more recent developments. Budget constraints tend to be determinant for some Member States and thus might be a necessary condition for ODA/GNI levels in these countries to rise. This, however does not hold true for others.

Given the diametrically different directions the eight Member States' ODA/GNI levels took in the forty-two years before 2002 and the general upward trend that can be observed since, it seems very likely that another factor was pushing these changes. This analysis set out by describing the different elements of European policy coordination on ODA levels that started in the early 2000s. As we have seen, none of the internal or external factors can sufficiently explain the rising ODA/GNI levels in the eight countries under study. I argue, thus, that it was the Open Method of Coordination that caused this change.

84 Interview with EC official

5. Conclusions

My research has shown that the upward trend in the ODA/GNI levels of EU Member States has been influenced, if not in many cases caused, by the EU Open Method of Coordination.

I have examined the role of a number of confounding factors, both internal and external to national politics. Though some have shown a certain degree of influence on the decisions taken in some Member States, they did not prove to be satisfactory in explaining why the aid level in European Member States ODA/GNI-levels have concertedly increased in recent years. The Open Method of Coordination seems to have instigated policy change in many Member States.

However, my analysis showed that the current theoretical framework of OMC research has not addressed all facets of this method of coordination. Learning and peer pressure in the Council are not the sole mechanisms in the OMC that have contributed to policy change. Instead, a proactive European Commission in alliance with well-performing or politically willing Member States, officials in national development ministries or departments, and organized civil society in Brussels and at the Member State level was often able to push unwilling political actors towards committing to ODA targets and later adhering to them. I demonstrated that all these actors were necessary, but taken isolated were in most cases not sufficient to do so. Only a combination of top-down and bottom-up pressure was able to bring about policy change on ODA-levels. Such advocacy coalitions have actively used the mechanisms of the OMC - time specific targets, benchmarking of performance, and monitoring of results - to influence political decisions at the member state level.

This has implications for future OMC research since advocacy coalitions can create democratic legitimacy for a policy. It suggests that transparency in the formation of OMC targets, through incorporating them into national discourse, is essential. Furthermore, it indicates that the effectiveness of the Open Method of Coordination can indeed be much more than just cheap talk.

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