

From national to global development

# Taking the long view

Several Western donor countries have begun to gear their development policies towards a changing global society. The question is, will these policies be restricted by national self-interests or will they take the interests of the global poor to heart?

The boundaries between North and South are becoming increasingly blurred. Today's major policy challenges – food insecurity, climate change, resource scarcity, global inequality, conflict and terrorism, and financial instability – are problems that potentially affect us all, regardless of where we live. By implication this means that development policy can no longer be treated as isolated intervention programmes directed solely at the national level of countries in 'the South'. Development – what it is, how it can be achieved and by whom – needs to be redefined. The real challenge for the 21st century is that countries find a way to collectively care for the world's global public goods.

There is certainly a growing awareness of the need for a global outlook on development. There have been quite a few policies, bills and committees recently that attest to this (see box on page 5). Actually implementing these policies and bills is another story though. It is not easy to develop new ways of working – across sector ministries and in a new global landscape of multipolarity and transnational networks – when political and economic interests are at stake. And yet several European governments are taking the initiative to try and turn development into a truly global endeavour.

## Sweden, pioneers

Sweden is a pioneer in formulating a global outlook on development. In 2003, the government presented its Policy for Global Development (PGD). It was a bill not just for the minister of development cooperation and her staff but reflected a whole-of-government approach to coherent global development policies. The PGD was a response to a 'shrinking world' in need of 'shared responsibility'. It asked all Swedish ministries to contribute to equitable and sustainable global development.

In 2006, a centre-right alliance took over the majority of Swedish Cabinet seats after 12 years of social-democratic rule.

## summary

- Foreign policies need to have a global outlook if they are to tackle major challenges such as food insecurity, climate change and inequality, and to provide for global public goods..
- Several European countries are attempting to make development a global endeavour, including Sweden, Germany, the United Kingdom, Norway and Switzerland.
- The Norwegian Refleks project, which involved 18 ministries, laid down the interests and dilemmas of Norway's foreign policy in a changing world..
- In the United Kingdom, cross-departmental cooperation is being institutionalized and is spurring joint policy making in the areas of climate, trade, security and food, and agriculture.

In 2008, this government, which was re-elected in 2010, suggested reforms to the PGD because its implementation was found to be too slow and complicated. The rhetoric of shared responsibility was reiterated, but it now focused on fewer issues.

The PGD now identified six global challenges for implementation: oppression, economic exclusion, climate change and environmental impact, migration flows, infectious disease and other health threats, and conflict and fragile situations. Bertil Odén, a consultant and co-editor of *Where Is Swedish Aid Heading?* writes in this book that 'the packaging of the challenges ... transforms them in a way which admits that they can more clearly be recognized as global public goods'. Unlike the Bill of 2003, the reforms suggested in 2008 point to the notion that both national self-interest and global development are at stake in meeting global challenges.

An internal Ministry of Foreign Affairs evaluation in 2009 found 'a positive general trend' for the implementation of the PGD. Others, inside and outside the ministry, however, feel that progress on implementing the bill has slowed down. One big obstacle is the allocation of budgets (see companion article in this special report). Another obstacle is the obvious conflict of interest between certain policy areas and the goal of global development and justice. Sweden's arms trade,



which exports to governments that are gross human rights violators, is a case in point.

Odén and Lennart Wohlgemuth, co-editor of *Where Is Swedish Aid Heading?* and guest professor at Gothenburg University, write that because negotiating conflicting interests is inherently intricate, the government should agree on a set

hierarchy of interests. So far, the PGD does not provide for this. Wohlgemuth nevertheless chooses to be optimistic: 'Government is alerted every time it makes a decision that goes against the PGD. Even if this doesn't change its vote, it is at least made aware of the conflicts and contradictions, which is a major achievement.' In the 2010 Commitment to Development Index, Sweden ranks first out of the 22 richest countries in mainstreaming development perspectives and considerations in overall government policy.

#### References to a global outlook

- Sweden: *Shared Responsibility: Sweden's Policy for Global Development*, government bill published in 2003 by the Swedish Ministry of Foreign Affairs
- Germany: global structural policy, term used since the 1998-2005 Red-Green coalition; *Towards One World*, white paper published in 2008 by the German Ministry for Economic Cooperation and Development
- United Kingdom: *Eliminating World Poverty: Building Our Common Future*, white paper published in 2009 by the UK Department for International Development
- Norway: *Norwegian Interests: Foreign Policy for a Globalised World*, publication from 2008 compiling the results of the Refleks project
- France: Directorate for Global Affairs, Development and Partnerships, Ministry of Foreign Affairs, created in 2008
- Switzerland: Directorate Global Cooperation, established in 2008
- United States: Presidential Policy Directive on Global Development, issued in September 2010

#### Norway's Refleks project

States increasingly 'need to take the outside world into account when formulating national policies and defining national interests,' writes Inge Kaul in her article about global public goods in issue 20/21 of *The Broker*. This was the rationale behind the Refleks Project that was launched in Norway by Minister of Foreign Affairs Jonas Gahr Støre in 2007. The starting point was not the future of development policy, but Norwegian national interests in light of globalization and geopolitical change. Støre, minister in the centre-left coalition that has been in government since 2005, asked: 'How is it possible for the world to have undergone such major global changes as it clearly has since 1989 without any government having conducted an overall review and examination of the main interests and lines of Norwegian foreign policy?'

As many as 18 ministries took part in the discussions, often through inter-ministerial working groups. Moreover, public





Reuters / Ali Hashisho

debates were organized in ten cities outside Oslo, and researchers from Norway and abroad were invited to contribute. Leiv Lunde, former state secretary of international development and manager of the Refleks project, emphasizes the importance his team attached to making this an independent project, saying that it ‘had to be absolutely clear that this was not about PR for the Ministry. We used critical journalists as moderators, never ministry staff. It became a real open and honest debate’.

The results were compiled in an independent publication called *Norwegian Interests: Foreign Policy for a Globalised World*, edited by Lunde and Henrik Thune. The book spells out Norwegian interests and dilemmas in all main areas of foreign relations, starting with national security, economy, energy and environment.

This book served as a building block for Norway’s foreign policy white paper, *Interests, Responsibilities and Opportunities: The Main Features of Norwegian Foreign Policy*, which was presented to parliament in March 2009. According to Lunde, it is difficult to measure the exact impact of the Refleks project on this white paper. ‘To us, the process was more important than the final product. Our major achievement is that we managed to get foreign policy issues out to a broader public. To have them think about the notion that, today, the decisions Norway makes are part of a bigger picture.’

The staff at the Norwegian Agency for Development Cooperation felt that the white paper under-represented development issues in the discussion of foreign policy priorities. They considered this a missed opportunity, all the more because the white paper that was written under the responsibility of Erik Solheim, minister of international development, and which was presented to parliament a month earlier in February 2009, very much integrated a foreign policy perspective on development. The title of this white paper is *Climate, Conflict and Capital: Norwegian*

*Development Policy Adapting to Change*. Its opening sentence reads: ‘World poverty is no coincidence. It is a result of international power structures.’ Its last two pages explicitly address the importance of coherence between development and national policies.

The current ministers of foreign affairs and international development intend to step up the integration of foreign policy and development policy. It was agreed recently that Norway’s engagement with Africa will focus less on the aid channels and more on the foreign policy ones. The message that the two ministers want to get across is that Africa is changing in that it is no longer simply a poverty-stricken continent that needs our charity. An illustration of this change is that Norwegian companies pay more to the Angolan government in taxes than Norway’s aid budget for all of Africa.

### **Germany, towards one world**

The term ‘global structural policy’ was introduced – and is still used today – as the leading concept for Germany’s development cooperation efforts during the Red-Green coalition led by Chancellor Gerhard Schröder from 1998 to 2005. It derives from the term ‘macro-structural policy’, introduced in 1960s post-war Germany to refer to the active role that the state should take in steering against negative trends.

The term ‘global structural policy’ also refers to the fact that a conducive global environment in terms of security, trade and financial stability is a condition for development to happen. Stephan Klasen, from the Department of Development Economics at the University of Göttingen, however, remarks that ‘global structural policy is a nice term, but has meant precious little in practice partly because it was pushed only by the Ministry for Economic Cooperation and Development (BMZ) with little buy-in from the rest of the government.’

In June 2008, the previous German government – the ‘grand coalition’ – accepted an all-of-government white paper entitled *Auf dem Weg in die Eine Welt* (Towards One World). It highlighted the four main principles that guide Germany’s development cooperation: reduce poverty worldwide, protect the natural environment, build peace and democracy, and promote equitable forms of globalization.

The Merkel Cabinet II, elected in October 2009, is expected to show considerable continuity in the direction of its aid policies. This includes explicit attention for the issue of global public goods. The new BMZ website announces that ‘[d]evelopment cooperation aims to help resolve crises and conflicts in a peaceful manner. It aims to help ensure that scarce resources are more equitably shared, and that our environment is preserved for coming generations. And it aims to help reduce global poverty.’

When asked why ‘poverty’ comes last in line, Sven Grimm, a political scientist who used to work at the German Development Institute (DIE), responds: ‘This might have to do with how to sell the agenda to the public when one is effectively presenting the same agenda from government to government. It could also be due to a slightly shifting agenda beneath the surface, but this is probably overstating the issue.’

Barbara Unmüßig, president of the Green Political Foundation (Heinrich Böll Stiftung), argues that the current ministry, despite rhetoric suggesting the opposite, is ‘conceptually very weak and lacks a future-oriented development policy’. This becomes especially apparent, says Unmüßig, when one looks at ‘the huge incoherence of German foreign policy’. If the current government is serious about increasing its policy focus on GPGs, this is what needs primary attention. Sources at the BMZ claim that coherence is the ‘absolute priority’ of Dirk Niebel, minister of economic cooperation and development.

Niebel is certainly much more open than his predecessor to cooperating actively with the Ministry of Foreign Affairs and Ministry of Economic Affairs than his predecessor (that all three ministers hail from the liberal party helps, of course). But who will say with certainty that this willingness springs from a new concept of what global development needs, instead of from strategic German interests?

The reality is that so far cooperation across ministries has been awkward. It has led to budgetary ‘turf wars’ asking who is in control of official development assistance (ODA) funds? The German development budget is unlikely to grow, which makes BMZ more reluctant to share it with other ministries. Its official reason has been that these ministries lack the necessary expertise and structures for dealing with developing countries. Another argument holds that the agenda and funds for development become scattered when sector ministries take control over them.

Imme Scholz, deputy director of DIE, believes that the discussion should go beyond budget issues. There is a need for an open and strategic debate on what Germany wants to achieve with its cooperation efforts. ‘The heyday for development cooperation as we knew it is over. We risk losing

our constituency if cooperation doesn’t change and become more effective. Also, we have to accept that national interests from various sectors – climate and environment, science and technology, also economy – are more openly involved now. Therefore we need to formulate our goals and transmit our message in a different way: why is it that cooperation with developing countries is important in the 21st century?’ She adds that reformulating the goals carries the risk that other interests – most notably, those of the German private sector – will start dominating the agenda. However, she says, this dilemma should be tackled instead of ignored.

### United Kingdom, going global

The UK Department for International Development (DFID), founded in 1997 as a separate government department headed by the secretary of state, is arguably the most visible player in international development. Its mission has always clearly been poverty reduction, and the organization has scarcely changed its discourse in that respect. The 2009 DFID white paper entitled *Our Common Future* discusses the global challenges of an interdependent world. But the preface leaves no room for doubt: ‘We will continue in our commitment that the purpose of UK aid remains, and is rightly, poverty reduction.’

This does not mean that the United Kingdom recognizes less than other countries the need for linking development with other global issues. On accepting his appointment as secretary of state for international development, Andrew Mitchell confirmed this in May 2010 by saying ‘[w]e will harness the full range of British government policies – including trade, conflict resolution and environmental protection – to contribute to our progressive vision of a more prosperous, sustainable and secure world.’

DFID considers global climate change a key issue, and it has worked together with the Department of Energy and Climate Change, established in 2008, on various programmes.

There have been other cross-cutting programmes too, such as the Foresight research project that published its final report, *The Future of Food and Farming: Challenges and Choices for Global Sustainability*, in January 2011. The project was jointly sponsored by the UK Department for Environment, Food and Rural Affairs (Defra) and DFID. Ministers from each department chaired a high-level stakeholder group that steered the project, which was directed by the Government’s Chief Scientific Adviser, Sir John Beddington. The project involved about 400 leading experts from 35 countries. The report calls for a radical redesign of the global food system.

Defra and DFID have set out a joint strategy for acting on the report’s findings. Secretary of State for the Environment Caroline Spelman said: ‘We need a global, integrated approach to food security, one that looks beyond the food system to the inseparable goals of reducing poverty, tackling climate change and reducing biodiversity loss – and the UK government is determined to show the international leadership needed to make that happen.’ The report is already informing major international initiatives such as the

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UN's High-Level Task force on Global Food Security and the OECD's Green Growth strategy.

The Trade Policy Unit (TPU), staffed and funded by both DFID and the Department for Business, Innovation and Skills (BIS), probably exemplifies the most structured, joint policy making on global development issues within the British government. The aim of the unit, set up in 2007, is to make sure the UK government contributes to global prosperity by encouraging open and fair markets. Does it work? 'It's difficult, of course, to assess its substance and impact,' says Dirk Willem te Velde, head of the Investment and Growth Programme at the Overseas Development Institute.

'The slow progress on the Economic Partnership Agreements between the European Union and African countries, for instance, gives little reason for enthusiasm.' But DFID and BIS have always done their utmost to influence international trade policy. For example, DFID inspired the Aid for Trade initiative. 'DFID and BIS,' Te Velde says, 'appear to have successfully influenced the G-20 Seoul document, in which the G-20 commits to support African plans for regional economic integration and a free trade area.'

### A stronger voice for US global development

On 22 September 2010, President Barack Obama signed the Presidential Policy Directive on Global Development, the first of its kind issued by a US administration. One significant element of this strategy is a higher profile for the United States Agency for International Development (USAID), which will not only double its staff, but also start participating in meetings of the National Security Council (NSC).

This means that USAID will sit across the table from the US Departments of Defense, State and Treasury when major foreign policy decisions are made. Potentially, this development could fundamentally change the status of development in US foreign policy, because global development interests will now have a dedicated advocate in the inter-agency process.

In an article in *Foreign Affairs* (Nov/Dec 2010), Secretary of State Hillary Clinton outlines the new US 'smart power' approach – a term coined by Harvard professor Joseph Nye – to solving global problems, which includes the intention to 'elevate diplomacy and development alongside defense'.

In 2009, Clinton launched a comprehensive review of the State Department and USAID, with a view to making both work more in tandem as 'increasingly, global challenges call for a mix of both [diplomacy and development]'. New initiatives, such as the Global Health Initiative and Feed the Future, have the explicit goal to go 'beyond agency "stovepiping"' and encourage coordinated efforts across the federal government. But more joint policy making is not only meant to happen within the US government. The 'smart power' approach builds on the notion that a stronger foundation needs to be built internationally for 'addressing shared problems [and] advancing shared interests.'

Annual strategic dialogues with key partners, including China, India, Nigeria, Pakistan, Russia and South Africa, are part of this, as well as US investments in 'strengthening global structures such as the G-20'.

The Stabilisation Unit, the government's centre of expertise and best practice in stabilization, will also be in the spotlight in the coming years. It serves to respond to the challenges of fragile and conflict-afflicted states, and involves staff and budgets from its parent departments, namely, the Ministry of Defence, the Foreign & Commonwealth Office and DFID.

In October 2010, the coalition government of the Conservative and Liberal Democrat parties presented its comprehensive spending review. It showed that, unlike the cuts made by nearly all other European donors, DFID's budget will go up by 35% by 2015. Not only that, spending to support fragile states will increase from just under a quarter to just under a third of ODA. This is meant to create 'an international development programme that contributes to national security goals'. The subject of 'conflict and fragility' was one of the main themes of the 2009 White Paper written under the Labour government. But the way it has been put forward by the new government has triggered wary responses. The headline of an article in the *Guardian* published on 19 October 2010 – 'Anger as Billions of Aid is Diverted to War Zones' – summed up the fear of many aid watchers that 'aid is securitized'.

The relevant question is whether the stepped-up focus on security issues is based on the idea of security as a global public good – or is it limited to the UK's national security interests? The reason for allocating more bilateral aid to security issues pertaining to 'AfPak' – a neologism referring to the joint strategy for Afghanistan and Pakistan – is that there is little hope for global peace and security if this region is not stabilized. On the other hand, says Te Velde, 'AfPak could also be seen as a domestic UK priority given the Pakistani diaspora in the UK. But the main point is that aid funds should not have to shoulder all the weight of providing regional or global security.'

The actual work of the Stabilization Unit in the coming few years will reveal the truth about his matter. Many now share the sentiment expressed by Rosie McGee of the Institute of Development Studies that with the recent change in government 'we expect to see a shift, not necessarily towards aid as promoting global public goods, but certainly towards aid promoting British interests, in particular security and business interests.'

Perhaps the International Development (Reporting and Transparency) Act of 2006 can be used as a tool to keep national interests in check. This act obliges DFID's secretary of state to report on the actions of all other government departments to assess their relevance for development. In theory, this act could therefore be used to challenge the idea of aid spending on security self-interests. However, the text of the act – which states that the secretary of state 'shall include in each annual report such general or specific observations as he thinks appropriate' – gives significant leeway to the secretary of state to decide how far this reporting should go. And this, at the end of the day, reveals the extent to which political will remains fundamental to a coherent global policy.



### The Swiss universality principle

Foreign policy in Switzerland, which unlike other European donors is not a member of the European Union, NATO or the various 'G-groups', is guided by what they refer to as the 'universality principle'. This means maintaining good relations with as many countries as possible. The Swiss Foreign Policy Report 2009 focuses explicitly on global challenges (climate, energy, finance, food security and migration) in an increasingly multipolar world. The report can be read as an attempt to reconcile enlightened interests – a strongly globalized nation such as Switzerland fares better in a world in which prosperity and security are more equally distributed – while preserving self-interests such as securing energy supplies, maintaining international influence or curtailing undesirable migration.

The current discourse at the Swiss Agency for Development and Cooperation (SDC), which is part of the Ministry of Foreign Affairs, is also shifting towards global challenges. Ruth Huber, Head of SDC's Directorate Global Cooperation says that '[t]he notion of a rift between rich OECD countries and poor Southern countries is crumbling. How this will influence the taxpayer's motivation to fund poverty reduction we don't know. But we do know that global challenges other than poverty reduction are growing in importance. The key challenge for the 21st century is how low-income countries can gainfully be part of global value chains.'

The new perspective on development has led to changes in Swiss policy. Poverty reduction is no longer the one and only goal of aid, but is on a par with *human security* (conflict reduction, prevention of pandemics, fragile states) and *development-promoting globalization*. This change was reflected in the reorganization of the SDC in 2008, which saw the creation of the Directorate Global Cooperation.

This new directorate is responsible for implementing global programmes, which merge bilateral and multilateral efforts in four areas: food security, climate change, migration

and water. The Directorate Global Cooperation aims to strengthen its coordination with sector ministries on these issues – particularly with the Ministries of Agriculture, Environment and Justice. 'It is an explicit goal of this directorate,' Huber says 'to contribute to a cross-sectoral development perspective that fosters policy coherence.'

This intention, however, may well hit a snag. Switzerland has no binding framework or effective mechanism to enhance policy coherence for development. All too often, says Michèle Laubscher of Alliance Sud, the Swiss alliance of development NGOs, sector policies concerning banking, taxes, migration, export credit arrangements or intellectual property rights disregard even the 'do no harm' principle regarding developing countries.

Moreover, according to Laubscher, in practice the implementation of 'development-promoting globalization' reveals a growing tendency to gear aid to self-interests, 'clad in the rhetoric of creating synergies and win-win situations'. One example is the decision to withdraw economic aid from the least developed countries in order to redistribute it to middle-income countries such as Colombia, Indonesia or Vietnam, with whom Switzerland wants to deepen trade relations. Alliance Sud is also suspicious that, with little fresh money for development coming in, the global programmes are mainly financed by a relocation of bilateral resources, thus reducing the budgets reserved for poverty alleviation.

Sweden, Norway, Germany, the United Kingdom, the United States and Switzerland are among the donor countries that have taken steps towards designing a development policy and structure that responds to today's major challenges, which are global in scope and local in impact. The eventual success of these attempts depends on whether or not new ways of cooperating, both nationally and internationally, will accompany the policy changes. The obstacles and opportunities to achieving this are discussed in the next article. ■