

SGI

Sustainable  
Governance  
Indicators

# 2014 Global Inequalities Report

Global Social Policy



Indicator

## Global Social Policy

Question

To what extent does the government demonstrate an active and coherent commitment to promoting equal socioeconomic opportunities in developing countries?

41 OECD and EU countries are sorted according to their performance on a scale from 10 (best) to 1 (lowest). This scale is tied to four qualitative evaluation levels.

- 10-9 = The government actively and coherently engages in international efforts to promote equal socioeconomic opportunities in developing countries. It frequently demonstrates initiative and responsibility, and acts as an agenda-setter.
- 8-6 = The government actively engages in international efforts to promote equal socioeconomic opportunities in developing countries. However, some of its measures or policies lack coherence.
- 5-3 = The government shows limited engagement in international efforts to promote equal socioeconomic opportunities in developing countries. Many of its measures or policies lack coherence.
- 2-1 = The government does not contribute (and often undermines) efforts to promote equal socioeconomic opportunities in developing countries.

### Denmark

Score 9

Assisting developing countries has broad support in Denmark. Indeed, according to the Center for Global Development's Commitment to Development index, Denmark is ranked first in respect to overall commitment to development, first in respect to fostering institutions and third when it comes to reducing the burden of poverty. When it comes to efficiency, Denmark sits in the middle among OECD countries. Nearly all political parties support Denmark's development efforts and want the country to remain highly ranked in comparison with other countries.

Denmark is one of only five countries in the world to contribute more than the U.N. target of 0.7% of Gross National Income (GNI) to development assistance and it has done so since 1978. In 2011, Denmark contributed 0.85% of GNI to development aid. The priority areas of Denmark's development strategy are human rights and democracy, green growth, social progress, stability and protection. About 30% of Danish aid is provided through multilateral channels.

The OECD's Development Assistance Committee (DAC) regularly assesses Denmark's development policy. The DAC peer review of 2011 confirmed the high quality of Denmark's development cooperation.

Citation:

DANIDA, Activities, <http://um.dk/en/danida-en/activities/> (accessed 27 April 2013).

OECD, Development Assistance Committee (DAC), Denmark. Peer Review 2011. <http://um.dk/en/~media/UM/English-site/Documents/Danida/Activities/Review%20rapport%20final.jpg> (accessed 27 April 2013).

## Estonia

Score 9

Development assistance is an important part of Estonian foreign policy. Financial resources allocated to these activities have grown steadily and compose 0.1% of GDP. In January 2011, the Estonian Government approved the Strategy of Estonian Development Cooperation and Humanitarian Aid 2011 – 2015, which takes the UN MDGs as a departing point. The strategy contains objectives and main fields of activities, as well as major partner countries. The priority partners are former communist countries in Eastern Europe (i.e., Moldova, Ukraine) and the Caucasus region (i.e., Georgia); and Afghanistan. Estonia is active in various fields, but special efforts are made in transferring knowledge in the fields of education policy, health system reform and e-government. Dissemination of domestic expertise in implementing ICT in public administration and education are the areas in which Estonia is acting as a trend-setter. Generally, however, the government's approach is to follow international strategies and policy guidelines on development assistance.

In parallel to government, NGOs and private enterprises work in the field of international development. Awareness raising campaigns in the fair trade movement is one example of NGO activity. Due to open economic policy and the absence of protectionist measures on trade, fair trade products can be found in most Estonian supermarkets.

Citation:

Overview of the Estonian development cooperation including the Strategy of Estonian Development Cooperation and Humanitarian Aid 2011-2015 <http://www.vm.ee/?q=en/nodel/4084>

## Luxembourg

Score 9

Since 2000, the country's development agency, Luxembourg Development Cooperation (Lux-Development), has as part of its efforts exceeded the U.N. target for industrialized nations of earmarking 0.7% of GDP toward development projects. After Norway (1.02%) and Sweden (1%), Luxembourg spent 0.97% of GDP (€317 million) in public development assistance in 2012.

Luxembourg plays an important role in micro-financing, hosting firms that offer a full range of micro-financial products and support more than 50% of

global funds. From 2013 to 2015 Luxembourg will be a non-permanent member of the U.N. Security Council, elected in part on its strong contributions to cooperation policies.

Luxembourg's development assistance focuses on training, health care, water treatment, sewage, local development and infrastructure projects, with a focus on local initiative through offering education and training programs. Some 15% of the cooperation budget is given for humanitarian help, which includes emergency assistance and reconstruction aid, based on EU and OECD guidelines.

Since 1992, Lux-Development has been responsible for the design and implementation of two-thirds of the country's development budget. Furthermore, 20% of the budget is reserved for projects in cooperation with 97 approved NGOs, which work in concert with the cooperation and humanitarian action government minister. In 1992 Luxembourg joined the Development Assistance Committee (DAC) of the OECD, supporting bilateral cooperation and monitoring aid flows, allowing Luxembourg to work often with other European countries. Luxembourg has also implemented guidelines set by the OECD and the European Union to stop tax evasion from developing countries. The recent DAC peer review recommended the promotion of policy coherence over development issues and the improvement of coordination between state departments and Lux-Development for more positive results.

Citation:

<http://cooperation.mae.lu/fr/Partenaires-de-la-Cooperation-luxembourgeoise/Liens-vers-les-ONG-partenaires>

Direction de la Coopération au Développement (2012): Coopération au développement et Action humanitaire. Rapport Annuel 2011: <http://www.cooperation.lu/2011/>

[http://www.cooperation.lu/\\_dbfiles/lacentrale\\_files/400/404/MAE-2011.pdf](http://www.cooperation.lu/_dbfiles/lacentrale_files/400/404/MAE-2011.pdf)

<http://www.alfi.lu/setting-luxembourg/microfinance-investment-vehicles>

<http://www.taxjustice.net>

<http://www.oecd.org/dac/peer-reviews/luxembourg.htm>

## New Zealand

Score 9

New Zealand is highly committed to tackling global socioeconomic inequalities. Its aid program is managed by the Ministry of Foreign Affairs and Trade. It is coherent and efficient in prioritizing economic development (New Zealand is ranked fifth of 41 countries by the Center for Global Development on the quality of its development assistance), despite being criticized by some NGOs. Free access to global markets for developing countries is high on its agenda. The government openly argues for its development program to be used for diplomatic and trade outcomes, and not solely development outcomes. Geographically, New Zealand focuses on

countries in the Association of Southeast Asian Nations (ASEAN) and in the South Pacific, although significant funding is channeled through multilateral and international agencies.

Citation:

Aid Statistics – Donor Aid at a Glance: New Zealand: <http://www.oecd.org/dac/stats/NZL.gif> (accessed May 13, 2013).

International Development Policy Statement: Supporting Sustainable Development (Wellington: Ministry of Foreign Affairs and Trade 2011).

New Zealand Aid Programme: <http://www.aid.govt.nz/about-aid-programme> (accessed May 13, 2013).

## Sweden

### Score 9

Promoting global social justice is an overarching policy goal for Swedish governments regardless of their ideological orientation. Sweden combines bilateral strategies with an active involvement in multilateral efforts towards those objectives. Additionally, public spending for development issues is comparable high.

It is fair to say that Sweden actively drives social justice issues in the international arena and leads by example.

## United Kingdom

### Score 9

The coalition government, unlike earlier Conservative-led governments, is strongly committed to development aid. The government sees this as linking humanitarian efforts to its anti-terrorism agenda. As a consequence, the government has maintained the high levels of spending introduced by the previous Labour government, and it has even ring-fenced the development aid budget in its spending cuts – a move which met substantial opposition in public opinion. Both measured against United Nations' targets and against international reality, the United Kingdom's public aid spending must be considered generous. The country has continued to champion the development agenda at G8 and G20 meetings.

Development assistance spending is coordinated by the Department for International Development, whose work is scrutinized by the newly created Independent Commission for Aid Impact.

In general, the United Kingdom is a proponent of open markets and fair access for developing countries, although an attempt in the late 1990s to espouse an ethical trade policy was subsequently quietly dropped.

## Finland

### Score 8

Based on international humanitarian law, international human rights treaties and laws regarding refugees, Finnish humanitarian aid is committed to aid principles as laid down by the OECD Development Assistance Committee. These principles emphasize the provision of aid solely on the basis of need, and Finland requires that recipient countries also have made formal requests to the United Nations for aid. Finland emphasizes the primary role of the United Nations in coordinating the provision of aid, and channels its funds for humanitarian aid through U.N. organizations. In terms of development coordination, such as work to improve the economic and social position of developing countries, Finland's contributions are implemented through various methods, and portions of multilateral funds are channeled through the European Union. Generally, Finland is committed to development and has participated in several international efforts to promote equal social opportunities and fair global trade. However, the overall efficiency of Finnish efforts is not at a high level, and the country should not be counted among top initiators and agenda-setters. In short, in terms of advancing global social inclusion, Finland is a committed partner rather than a leader.

#### Citation:

"Finland's Humanitarian Policy", Ministry for Foreign Affairs of Finland, 4/11/2013.

"Finland's Development Policy Programme 2012", Ministry for Foreign Affairs of Finland, 6/19/2012.

## Ireland

### Score 8

Despite the austerity measures that have been taken to correct the imbalances in public finances, Ireland has maintained its spending on overseas development assistance in the region of 0.5% of GDP since 2008. There is a special focus on countries in Sub-Saharan Africa and on poverty eradication, ending hunger and encouraging gender equality, good governance and human rights.

Ireland has consistently supported an international agenda that advances social inclusion. Its support for a fair global trading system is constrained by the overriding role of the European Union in framing trading policy and to some extent by concerns about domestic self-interest with regard to certain sectors, including farming.

## Norway

**Score 8** Norway is a leading contributor to bilateral and multilateral development cooperation activities, as well as to international agencies focusing on development issues. Its activities in these areas actively seek to combat poverty, exclusion and discrimination.

On the other hand, it maintains a high level of protectionism with respect to the import of agricultural products.

## Australia

**Score 7** Australia plays a leading role in the region in promoting economic development and poverty alleviation in less developed countries, particularly in the Pacific. Australia is also a strong advocate of trade liberalization, especially in relation to agricultural products, which is critically important to economic development in most developing countries.

Due to its status as a middle power, Australia lacks leverage on some issues. It has been unable to provide a major impetus to further develop the multilateral trading system, for example.

## Canada

**Score 7** Canada's government has a long history of supporting international efforts to promote socioeconomic opportunities in developing countries. However, Canada's commitment to global development frameworks appears to have flagged in recent years. A recent North-South Institute study makes the case that Canada's current framework guiding foreign-aid efforts – that is, the focus on improving aid effectiveness and accountability – is insufficient as an overarching framework guiding the country's approach to development. This is because the focus on aid effectiveness captures only a small part of Canada's engagement with the developing world. A broader vision that includes aid and non-aid policies is needed in order for Canada to improve the coherence of its development policy and be an effective actor in the international development sphere. In principle, Canada promotes a fair global trading system. In practice, domestic interests are often paramount. For example, the government vigorously defends Canada's agricultural marketing boards in trade negotiations, even though the removal of the trade barriers related to these boards would give developing countries better access to the Canadian market.

Citation:

Anni-Claudine Bulles and Sghannon Kindornay (2013) "Beyond Aid: A Plan for Canadian International Cooperation" North-South Institute, May. <http://www.nsi-ins.ca/wp-content/uploads/2013/05/BuellesKindornay.2013.CNDPolicyCoherenceEN.pdf>

## Czech Republic

Score 7

The Czech Republic is not a major player in international development, but it has developed a coherent strategy for projects – particularly in countries where its experience of transition can be helpful. In 2012 aid was equivalent to 0.12% of GNI (quite a low figure compared with major world players but an indicator of a degree of commitment) with five program countries: Afghanistan, Bosnia and Herzegovina, Ethiopia, Moldova and Mongolia receiving 35% of bilateral aid in 2011. The development of a coherent framework for such projects, including evaluation and monitoring, led to the Czech Republic's acceptance as the 26th member of the OECD's Development Assistance Committee. There is also active involvement in, and coordination with, EU policymaking on international aid.

## France

Score 7

France has a long tradition of offering support to poor countries both in terms of financial support and promotion of policies in their favor. However, this should be qualified. First, France is reluctant to consider that free trade is one of the most effective instruments of support. As a consequence, France is often an obstacle to the lowering of tariffs and trade barriers, for instance in agriculture. Second, French aid is concentrated on African countries, where its economic interests have been traditionally strong. The temptation to link aid to imports from the donor country is quite common.

Within the framework of international organizations, France is active but for the above mentioned reasons, its policy preferences are deeply influenced by path dependency, such as colonization and the global network of French-speaking countries.

## Germany

Score 7

In absolute terms, Germany ranks third among donor countries with respect to the provision of official development assistance. However, relative to its gross national income (GNI), it is positioned only within the middle of the OECD ranks.



The company's trading system is necessarily aligned with that of its European partners. In trade negotiations within the European Union, Germany tends to defend open-market positions and liberalization. This position is in line with the country's economic self-interest as a successful global exporter. For agricultural products in particular, the EU's Common Agricultural Policy still partially shields European farmers from international competition, thus limiting the ability of developing countries to export their agricultural products to Europe. However, Germany has been more open than peers such as France to a liberal approach that would provide greater benefits to developing and emerging countries.

In order to enhance efficiency and to cut administrative costs, three previously independent German developmental agencies were merged into the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) in 2011. GIZ works with the Federal Ministry for Economic Cooperation and Development (BMZ) in the context of international cooperative ventures focused on sustainable development. This concentration of tasks into a single agency improved the efficiency of the country's development-focused activities.

## Lithuania

### Score 7

Through its development aid policy, the Lithuanian government participates in international efforts to promote socioeconomic opportunities in developing countries. Lithuania provides development aid to Belarus, Ukraine, Moldova and Georgia, as well as Afghanistan (where it is involved in the civilian-military mission) through its own development aid and democracy support program, as well as through the European Development Fund, to which it provides a financial contribution. Moreover, in 2011 Lithuania joined the World Bank's International Development Association, which provides loans and grants for anti-poverty programs.

Although Lithuania committed to allocating 0.33% of its gross national product to development aid by 2015 as part of its contribution to the U.N. Millennium Development Goals, current levels of government expenditure in this policy area (about 0.8% in 2006) remain well under the target. It is hard to judge the real impact of Lithuania's development aid given the absence of independent evaluations. As a member of the European Union, Lithuania is bound by the provisions of the EU's common policy toward external trade. Although the European Union generally maintains a position of openness with regard to trade and investments, it has retained some barriers to market access and other measures that distort international competition. In rare cases, Lithuania has adopted measures within the EU's external trade

regime that restrict trade (e.g., along with other countries, Lithuania prohibited import of a specific genetically modified maize, a measure related to consumer- and environmental-protection concerns, rather than being based on new or additional scientific information about the impact of GMOs). Despite being a small and open economy and officially advocating open global trade policies, Lithuania has often aligned itself in trade discussions with the EU's most protectionist countries, especially on the application of such instruments as antidumping duties. It has also supported trade protection in the farming sector, backing EU import duties on key agricultural products that hurt developing countries specializing in agricultural exports.

Citation:

Elsig, M., "European Union trade policy after enlargement: larger crowds, shifting priorities and informal decision making", *Journal of European Public Policy*, 17:6, September 2010, p. 781-798.

## United States

### Score 7

The United States is an important player in global social policy because it provides a large share of the world's development assistance. Relative to the size of its economy, however, its efforts lag behind all of the other wealthy OECD democracies except Italy and Japan. For most of the postwar era, U.S. foreign aid, though very large in absolute terms, has had four features that have reduced its impact on economic development and welfare in poor countries. One, it has been modest in amount, relative to national income. Secondly, U.S. aid has been heavily skewed toward military assistance. Thirdly, The United States has not always coordinated its assistance with international organizations. In 2010, only 7% of U.S. aid was channeled through international development banks, although U.S. contributions amounted to 23% of the funding for such banks. And lastly, U.S. food assistance has been designed to benefit U.S. agricultural, shipping, and commercial interests along with the aid recipients.

Presidents Bush and Obama have both made major efforts to reorient U.S. foreign aid. The Bush administration accomplished a transformation of aid policy by reducing the emphasis on military spending, increasing health assistance (especially, and effectively, for AIDS prevention and treatment through the President's Emergency Plan for AIDS Relief, or PEPFAR), and focusing economic assistance on countries with stable democratic political systems and commitment to long-term, pro-business development strategies. President Obama has continued in this direction and in his 2014 budget has proposed both a major increase in overall funding and a dramatic shift toward regional, rather than U.S. domestic, purchases of food. With the current partisan division of Congress, however, and the strong interest-group opposition, the proposal does not have strong prospects for adoption.

## Citation:

Tarnoff, Curt, and Marian L. Lawson, Foreign aid: An introduction to U.S. programs and policy, Congressional Research Service, February 10, 2011. Accessed on May 9, 2013. <http://www.fas.org/sgp/crs/misc/R42042.pdf>

Gibler, Douglas M. and Steve V. Miller, Comparing the Foreign Aid Policies of Presidents Bush and Obama. *Social Science Quarterly* 93, 5, 2012, 1202-1217

## Chile

### Score 6

Chile formally follows and promotes the United Nations' Millennium Development Goals and its post-2015 agenda in its foreign policies. However, in practice those criteria are not necessarily considered when it comes to decision-making regarding international cooperation with developing countries in the region (Chile cooperates nearly exclusively with Latin American developing and emerging countries). Regarding the promotion of fair trading access to global markets, Chile applies nearly no subsidies to domestic producers nor does it establish protectionist trade barriers for imports.

## Iceland

### Score 6

Iceland is a founding member of the United Nations, and applied for a seat on the Security Council in 2008, though without success.

The Icelandic International Development Agency (Próunarsamvinnustofnun Íslands, ICEIDA) is a state-run institution that has been associated with the Foreign Ministry since 1981. Its role is to cooperate with and assist poor nations. A few years ago, ICEIDA had projects in six countries, but this number has recently been reduced to three, including Malawi, Mozambique and Uganda. In 2009, Iceland's contribution to development aid amounted to 0.33% of GDP; however, this fell to just 0.22% in 2012, well below the long-held U.N. target of 0.7%. In 2013, Iceland joined the OECD's Development Cooperation Directorate (DAC).

Apart from its rather limited development assistance through ICEIDA, Iceland has not taken any specific initiatives to promote social inclusion in the context of global frameworks or international trade.

## Israel

### Score 6

Over the years Israel has provided humanitarian, medical and financial aid to developing countries. In recent decades, this aid has been expanded to technological and agriculture knowledge-sharing as well. The government's

Center for International Cooperation (MASHAV) oversees cooperation with other developed countries, and is responsible for launching emergency-assistance missions.

Although the country does continue to provide aid, and has signed a number of international cooperation agreements with entities such as the United Nations Industrial Development Organization, it has not been a leader in seeking or promoting fair global trade policies.

Citation:

Ben Horin, Yitzhak, 'Israel to aid developing countries,' ynet website 18.12.2008

"Humanitarian aid: Israel," StandWithUS official booklet 2010

"Israel and UNIDO sign aid cooperation agreement," Permanent Mission of Israel to the United Nations website, 14.5.2012.

<http://www.mfa.gov.il/MFAHeb/General+info/departments+and+sections/mashav+Israels+Agency+for+International+Development+Cooperation.htm>

## Mexico

### Score 6

Compared to many developing countries, Mexico has a strong sense of social justice, albeit a contradictory one. For example, there is a marked difference between Mexico's attitude toward undocumented migration to the north and its attitude toward migrants from Central and South America. It supports immigration north, but is quite intolerant of immigration from countries to its south. Its attitude toward social inclusion similarly depends on whether we are dealing with Mexican migrants or migrants to Mexico. As far as the former is concerned, it has at times come close to encouraging law-breaking in the United States.

Regarding free trade, Mexico is supportive of open trade agreements and actively seeks good relations with any country that might counter-balance its heavy economic dependence on the United States. The one exception is China, which policymakers sometimes see as a threat. There have been anti-dumping steps taken in the past though none is now operational.

## Netherlands

### Score 6

Widespread criticism of development aid has undermined the long-standing Dutch commitment to spend 0.8% of GDP annually on development aid. Since 2011 it has been brought back to 0.7% (€4.5 billion), and starting in 2014 the amount will be further cut to €3.5 billion. Subsidies to Oxfam Novib and Cordaid will be negatively affected by as much as 50%. Aid will no longer focus on poverty reduction and will be concentrated on fewer countries (15 at first, 10 later) in the categories of (a) too weak to achieve millennium goals independently, (b) fragile states in terms of rule of law, and

(c) emerging economies. The major idea is that “economic diplomacy” can forge a coalition between Dutch business expertise (in reproductive health, water management and food security/agriculture) and business and civil society associations in developing countries. Expenditures on international conflict management (the 3Ds – development, diplomacy, defense) have been added to the diminishing state budget for development aid. There will be no cutbacks on women’s rights or emergency aid. “Good governance” aid will be focused on helping developing countries to improve taxation systems. Following OECD guidelines, there will be a reassessment of the negative side effects of Dutch corporate policies in developing countries. All of this shows less commitment by the Dutch government to global policy frameworks and a fair global trading system; the aspiration is to link development aid to Dutch national economic and international safety interests.

Citation:

NCDO, Het Nederlandse ontwikkelingsbeleid. De feiten op een rij, juni 2012 ([www.ncdo.nl/sites/default/files/Factsheet%20ontwikkelingsbeleid\\_0pdf](http://www.ncdo.nl/sites/default/files/Factsheet%20ontwikkelingsbeleid_0pdf))

WRR (2010), Minder pretentie, meer ambitie. Ontwikkelingshulp die verschil maakt, Amsterdam University Press

Nieuwe agenda voor hulp, handel en investeringen, april 2013 ([www.rijksoverheid.nl/nieuws/2013/05/04/nieuwe-agenda...](http://www.rijksoverheid.nl/nieuws/2013/05/04/nieuwe-agenda...))

Additional references:

<http://www.cmo.nl/andernieuws/index.php/4e-editie-ontwikkelingssamenwerking/extra-info/geen-4-miljard-bezuinigen>

<http://www.wrr.nl/actueel/nieuwsbericht/article/presentatie-wrr-rapport-minder-pretentie-meer-ambitie/>

## Poland

### Score 6

The Tusk government, similar to its predecessors, has not been active in tackling global social inequalities. However, the new Act on Development Cooperation, approved by parliament in September 2011 after six years of debate, has put development cooperation and foreign aid programs on a new footing and has paved the way for Poland to become the 28th member of the OECD Development Assistance Committee (DAC) in October 2013. Since EU accession, official development assistance has doubled. In 2012, Poland was one of the few donor countries to expand spending amid a time of fiscal austerity. However, critics still point to the country’s lack of a clear and coherent strategy for global social policy.

## Slovakia

### Score 6

Slovakia ceased to be a recipient of World Bank development aid in 2008 and has been a donor of development assistance ever since. In September 2013, the country became the 27th member of the OECD Development

Assistance Committee. Slovakia's top official development assistance (ODA) priorities for the 2009 – 2013 period included the strengthening of stability and good governance in regions and countries that are of special concern for Slovakia, as well as reducing poverty and hunger in developing countries through more effective and better-targeted development and humanitarian aid. Under the current medium-term strategy, priority areas include Afghanistan, Albania, Belarus, Bosnia and Herzegovina, Kenya, Montenegro, Ethiopia, Georgia, Kazakhstan, Kyrgyzstan, Macedonia, Moldova, Mongolia, Serbia, Sudan, Tajikistan, Ukraine, Uzbekistan and Vietnam. In 2011, Slovakia's total ODA amounted to €61.9 million – i.e., 0.091% of its GNI and thus below the EU target. Bilateral ODA reached 25% and multilateral 75%. In 2012, ODA slightly increased.

## South Korea

### Score 6

Korea has established itself as a new donor in the field of development cooperation and was admitted to the OECD Development Assistance Committee (OECD-DAC) in 2010. It put development on the 2010 G-20 agenda and hosted the OECD High Level Forum on Aid Effectiveness in 2011. Korea has massively increased its official development aid – for example, it made a remarkable 13% increase in 2011. However, the level of overseas direct aid still remains low at 0.12% of GNI. The quality of Korean aid also remains relatively low. Untied aid is preferred by the OECD-DAC for the least developed countries but actually declined from 37% in 2009 to 27% in 2010. This is much less than the OECD average of 88%. Another weakness is the focus on bilateral as opposed to multilateral aid. In terms of a fair global trading system, Korea has so far shown little initiative and instead focuses on negotiating a large number of preferential trade agreements – for example with the European Union and the United States as well as many developing countries.

Citation:  
OECD, KOREA Development Assistance Committee (DAC), PEER REVIEW 2012,  
<http://www.oecd.org/dac/peer-review/s/Korea%20CRC%20-%20FINAL%2021%20JA%20N.pdf>

## Switzerland

### Score 6

The Swiss government has increased its development aid contributions at an average growth rate of about 5% since 2000. Switzerland is among the nine OECD countries that increased their developmental aid in 2012.

The country used to maintain strongly protectionist trade policy; however, this has been considerably liberalized due to the old regime's economic

inefficiencies, and as a result of pressure by global trading partners. A broadly accepted position among policymakers holds that Switzerland is a small country that cannot have a major global impact through its own action, and the country should maximize its interests in an unfriendly international environment. Switzerland consequently has a tradition of free-riding with regard to international or global relations. There is little evidence that Switzerland contributes significantly and actively to the global common good; even its role as provider of mediation between nations in conflict exists more in rhetoric than in reality.

## Austria

**Score 5** Austria often gives rhetorical support to agendas seeking to improve the global social balance. However, when it comes to actions such as spending public money to improve development in poor countries, Austria often slow to fulfill its promises.

As an EU member, Austria's position concerning tariffs and imports is defined by the EU's position. This body also represents Austria in the World Trade Organization. To prevent certain agricultural products from entering the Austrian market, the Austrian media and political parties (including agricultural interest groups) use environmental rather than specifically trade-focused arguments.

## Belgium

**Score 5** With the effects of the economic crisis forcing the government's hand to cut spending, the Belgian government during the review period slashed its development aid commitment to less than 0.5% of GDP. The minister responsible for development assistance is also the minister of public enterprise and city development, and has absolutely no background or training in development. In other words, development assistance has become a "parent pauvre" of Belgian government policy. Further uncertainty stems from the concern that responsibility over development aid is to be largely devolved to the regional level (the federal government and regional governments are enmeshed in a battle over who should fund what).

On the other hand, Belgium is recognized for the quality of its expertise in development aid. Also, Belgian trade policy is not particularly protectionist, either. Belgium would actually stand to lose significantly from a global rise in protectionism, since a large part of its production is exported. At the international level, Belgium has been part of efforts to push for more fair trade arrangements, but has not been a leader in agenda-setting.

## Japan

### Score 5

In terms of official development assistance (ODA), Japan has always underperformed compared to the OECD average. In recent years, due to fiscal pressures, the amount of ODA has been reduced further, including a 2.1% decrease in 2012. However, the quality of the aid provided has also been improved in recent years, and assistance has been better aligned with Japan's broader external security concerns.

A recent regular WTO review found only a few changes in the country's international trade policy framework since 2011. In particular, tariffs for agricultural products remain high, as are those for other light industry products such as footwear or headgear, in which developing economies might otherwise enjoy competitive advantages. On the non-tariff side, questions about the appropriateness of many food-safety and animal- and plant-health measures (sanitary and phytosanitary (SPS) measures) remain.

Japan's reluctance to move decisively on such issues, largely because of domestic vested interests, has contributed to the slow progress in the Doha round of WTO negotiations. Moreover, the country's various attempts at bi- and multilateral free-trade agreements have made little headway.

Japan has worked toward fulfillment of the Millennium Development Goals (MDGs). It claims to have been the leading ODA provider in the water, environment, health and education sectors over the last 10 years. It is active in making suggestions for the post-2015 development agenda, but can hardly be considered a real driver in these multilateral processes.

#### Citation:

ICTSD (International Centre for Trade and Sustainable Development, WTO: Structural Reforms Needed for Japan to Sustain Economic Recovery, Bridges Weekly Trade News Digest 17.6, 20 February 2013, <http://ictsd.org/ii/news/bridgesweekly/154773/> (accessed in May 2013)

MoFA (Ministry of Foreign Affairs, Japan), Initiatives of Japan towards 2015. Millennium Development Goals, Tokyo n. y.

## Portugal

### Score 5

In the period under analysis, foreign aid has been very much a secondary consideration in foreign policy, with the main interest being in economic diplomacy to promote the Portuguese economy and exports. That does not mean that Portugal is disengaged – it still participates well in terms of foreign aid, especially in the Portuguese-speaking countries of Africa and East Timor. However, while there was funding for foreign aid projects, there was



little concern with the overarching aid policy, which means that coherence was not as strong as it might be. This lack of interest also percolates through to the design of international policies and the lack of international leadership in that regard.

It must also be kept in mind that Portugal is a follower, and not an international leader, and has very few resources. Therefore, while Portugal is supportive of the good intentions, it is in fact marginal to their implementation and design.

## Spain

### Score 5

In line with the efforts to fight the public deficit, Spanish international cooperation to development has suffered an extreme adjustment with cuts in the budget of the Spanish Aid Agency AECID within the Ministry of Foreign Affairs and Cooperation. Currently, Spain only gives 0.15% of its GDP to official development assistance, far below the levels of 2008 (when Spain reached its peak in international development aid with around €5 billion, or 0.45% of its GDP – the seventh-highest level of aid among the world’s donor countries) or the aim of arriving at 0.7%, which was promised by the former Prime Minister, José Luis Rodríguez Zapatero before the crisis kicked off. Now, Spain – even if still engaged in international efforts to promote development – is performing badly in comparison with the other members of the Development Cooperation Directorate (DCD) of the OECD. In addition, the new focus of Spanish external action since 2011 under Rajoy’s government – more business-oriented – has meant less political attention to development and contributions to global public goods. However, a new multiannual Cooperation Director Plan was approved in 2012 to introduce more coherence with other policies, such as trade, and foster specialization and division of labor with the European Union and other EU member states’ development strategies.

Citation:  
[www.aecid.es/es/](http://www.aecid.es/es/)

## Turkey

### Score 5

During the period, through development assistance Turkey worked to advanced social inclusion and development beyond its borders as per the State Planning Organization (2010). The government expanded its annual Official Development Assistance (ODA) disbursements, from \$602 million in 2007 to \$1.27 billion in 2011, according to the OECD. The Turkish

International Cooperation and Development Agency (TIKA) earmarked its ODA funds especially for “Basic Social Services” and “Education.”

As a founding member of the World Trade Organization (WTO), Turkey supports free trade and, as a developing country, works to further the concept of “free and fair trade.” Turkey has supported G-20 efforts to successfully and comprehensively conclude the Doha Development Round. Turkey also supports the constructive efforts taken by G-20 leaders to keep markets open and liberalize trade and investment as a means toward global economic progress.

Turkey’s efforts however in promoting fair trade are less liberal when it comes to protecting particular interests. The government has expanded trade relations with some of the world’s least developed countries and has partly supported their interests at the G-20 or within the WTO. Yet Turkey itself is accused of having raised protectionist trade barriers to protect its domestic producers. For example, Turkey according to the WTO has been accused by India of raising safeguard measures on imports of cotton yarn (Dispute DS428).

Citation:

State Planning Organization (2010) “Millennium Development Goals Report - Turkey 2010”, Ankara.

OECD: Query Wizard for International Development Statistics (QWIDS), <http://stats.oecd.org/qwids/> (accessed 12.05.2013).

## Cyprus

Score  
value\_6

Cyprus participates and contributes in development cooperation programs within the context of its membership in the European Union, United Nations and other international organizations. Its main policy is tied to that of EU, and is manifested through international-cooperation and bilateral agreements in various fields. During the period under review, it was a contributor to UNITAID, participated in the fast-track financing mechanism for climate change, and provided assistance for infrastructure development, social services including health and human development, and environmental protection. However, the country’s total official development assistance (ODA) amounted to only 0.16% of GDP in 2011. To reach its individual ODA target of 0.33% of gross national income by 2015, Cyprus would need to increase its annual provision of aid by €38 million, which is highly unlikely given the country’s condition of post-crisis austerity.

Actions and policies do not appear to form part of a specific national strategy; rather, they take place primarily within existing international frameworks. The country appears to have little agenda-setting ambition in terms of pursuing specific initiatives of its own design.

Citation:

1. <http://www.oecd.org/dac/stats/non-d-accountiesreportingtheirdevelopmenttassistanacetothedac.htm>
2. [http://ec.europa.eu/europeaid/what/development-policies/financing\\_for\\_development/documents/cyprus-donor-profile.pdf](http://ec.europa.eu/europeaid/what/development-policies/financing_for_development/documents/cyprus-donor-profile.pdf)

## Italy

Score 4

The engagement of the Italian government in promoting socioeconomic opportunities in the world is generally rather limited. Over the years the Italian level of international aid has been among the lowest for developed countries (0.13% of GDP for 2012). Under the Monti government the Minister for International Cooperation, Andrea Riccardi, a well-known personality long engaged in this field with the Comunità di S. Egidio, would have probably liked to do more but was strongly constrained by the difficult budgetary situation. The minister has assured that the downturn will end in 2013 and there might be a slight increase in aid.

On a more qualitative and organizational level Italy has stressed the importance of fighting hunger and developing food production and distribution. Probably because of this activism it hosts three major U.N. food agencies, the Food and Agriculture Organization (FAO), the International Fund for Agricultural Development (IFAD) and the World Food Programme (WFP).

## Romania

Score 4

Even though in theory following its EU accession Romania became a donor of development assistance, in practice the Romanian government shows limited engagement in the international efforts to promote equal socioeconomic opportunities beyond its borders and, particularly, in developing countries. The most important exceptions are a series of cooperation programs with neighboring Moldova, which benefited from almost a third of Romania's €200 million official development budget for 2013.

## Slovenia

Score 4

With EU accession in 2004, Slovenia's status changed from donor to recipient of official development assistance. However, Slovenia has not been very active in international efforts to promote equal socioeconomic opportunities in developing countries. The few initiatives that exist are mostly

focused on the former Yugoslavia. The prevailing attitude is that Slovenia has its own measure of socioeconomic problems to tackle and that potential Slovenian international influence is negligible. Still, Slovenia's official development assistance comes close to the EU target.

## Bulgaria

**Score 3** The promotion of equal socioeconomic opportunities in developing countries is not on the agenda of Bulgarian society and its government. Bulgarian officials take positions on this issue only when they are required to do so by agendas of international bodies such as the European Union and the United Nations. On such occasions the behavior of Bulgarian officials is reactive and not proactive. At the same time, however, Bulgaria does not resort to protectionist trade barriers beyond the structure of such barriers imposed by the European Union, and does not impede or attempt to undermine efforts by the international community to promote equal opportunities in developing countries.

## Croatia

**Score 3** The Croatian government takes part in the activities of international organizations to which the country belongs; these are mostly in the field of international security and involves armed forces personnel in various roles. The government does not have a well developed international development policy and is little more than a passive participant in most other international affairs. Trade policy is mostly related to regional trade and EU relations, and does not have independent policy beyond that. In trade issues related to international development, the government follows the policy of the European Union and other international organizations.

## Greece

**Score 3** Until the onset of the economic crisis, Greece used to be active in assisting less developed countries in the Balkans but also in Sub-Saharan Africa through a specially designated service of the Greek Ministry of Foreign Affairs, called YDAS. In 2011 – 2013 Greece became a kind of recipient rather than a donor country, in the sense that it received loans from the European Commission, the ECB and the IMF, in order to avoid default, after becoming incapable of servicing its public debt in 2010. Thus, in the period under consideration, the Greek government was neither able to advance social inclusion beyond its borders nor to contribute to promoting a fair global

trading system. Still, in that period Greece, as a member state of the European Union, continued participating in all of the Union's decision-making related to global social policy.

## Hungary

### Score 3

Hungary has always paid little attention to developing countries. In line with this tradition, the Orbán government has shown only limited interest in international efforts to promote equal socioeconomic opportunities in developing countries. In the case of trade policy, it has not developed its own policies, but has followed the position European Union, albeit with some hesitation.

## Latvia

### Score 3

As a result of government austerity programs, funding for development cooperation was reduced to a minimum from 2009 – 2011, effectively halting any opportunity for Latvia to directly engage in tackling global social inequalities. In 2012, the Ministry of Foreign Affairs budget for this purpose was increased to LVL 50,000, and to LVL 50,269 in 2013.

#### Citation:

1. State Development Cooperation Policy Plan (2012), Available at (in Latvian): <http://www.likumi.lv/doc.php?id=246719>, Last assessed: 20.05.2013

2. State Development Cooperation Policy Plan (2013), Available at (in Latvian): <http://www.likumi.lv/doc.php?id=255960>, Last assessed: 20.05.2013

## Malta

### Score 3

If one excludes Malta's participation in EU ministerial councils where global social issues are occasionally discussed, the Maltese government has very limited opportunities to help shape or advance social inclusion beyond its borders. Even in the level of aid that the country donates, this is said by the European Union and the United Nations to be far below the usual ratio to GDP. In 2011, donations reached 0.25% of GDP, and Malta seeks to reach its ODA/GNI ratio of 0.33% by 2015. There has been some controversy over the amount of development assistance that the government uses locally to provide for asylum seekers; however, the foreign ministry plans to redress this balance.

Malta's development policy attaches special importance to countries in the Horn of Africa and in Sub-Saharan Africa. Countries in these regions are the

main source of asylum seekers and clandestine immigrants for Malta (mainly Sudan, Eritrea, Ethiopia and Somalia). Malta's development policy seeks to assist developing Mediterranean states, particularly in the Middle East and specifically, the Palestinian territories. Malta also highlights the need to focus on the special characteristics and particular development needs of small island states, and already actively assists other small states through the commonwealth by making available its acquired experience and expertise as a developed small island state. It also contributes little in the way of promoting a fair global system, as its role and influence at the World Trade Organization is negligible, and it does not use innovative financing mechanisms for development. In general, Malta follows the lead of the European Union, and its policies on tariffs are in line with those agreed on in Brussels.

Citation:

An Overseas Development Policy and a Framework for Humanitarian Assistance for Malta  
[www.foreign.gov.mt/.../Malta's%20Over seas%20Development%20Policy...](http://www.foreign.gov.mt/.../Malta's%20Over%20seas%20Development%20Policy...)

Malta : Donor Profile [ec.europa.eu/europeaid/.../development...development/.../malta-donor-pr...](http://ec.europa.eu/europeaid/.../development...development/.../malta-donor-pr...)

Over €360,000 in development aid for developing country projects. Malta Today 24/01/12

Transparent overseas development aid. Time of Malta 13/05/13

This report is part of the Sustainable Governance Indicators 2014 project.

© 2014 Bertelsmann Stiftung

Contact:

Bertelsmann Stiftung  
Carl-Bertelsmann-Straße 256  
33311 Gütersloh

Dr. Daniel Schraad-Tischler  
[daniel.schraad-tischler@bertelsmann-stiftung.de](mailto:daniel.schraad-tischler@bertelsmann-stiftung.de)

Najim Azahaf  
[najim.azahaf@bertelsmann-stiftung.de](mailto:najim.azahaf@bertelsmann-stiftung.de)