INTERNATIONALLY SHARED GOALS AND NATIONAL GOVERNMENTS: A CASE STUDY OF FRANCE AND FINANCING FOR DEVELOPMENT

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Abstract

This paper focuses on France’s response to internationally shared ODA/GNI targets in the field of development cooperation. At the Monterrey Conference in 2002, the international community declared that they would increase the ratio of ODA/GNI to 0.7% by 2015. Although France undertook an individual target to achieve 0.7% in 2012, she decreased her ODA and postponed her deadline. Facing the global financial crisis, international society reaffirmed its commitment to increase ODA at the 2008 Doha Conference. The DAC peer review called on France for national improvements in development cooperation, including ODA. The European Union also urged member states to increase ODA in order to achieve the agreed-upon ODA/GNI target and argued that the current economic crisis could not stand as an excuse for decreasing aid. These pressures did not succeed in forcing France to increase her ODA. Budgetary-planning processes and the attitudes of both the President and the ministry revealed that France seemed to give up increasing ODA, while she seemed to adhere to spread the concept of Global Public Goods and new financing measures. International pressures were ineffective in changing the course of France’s national strategies/plans.

I. Introduction

This paper focuses on national responses to internationally shared goal/norm. Recent studies have examined the creation and diffusion processes of internationally shared goals and norms, and have shown that international organizations (IOs) play important roles in producing and diffusing measures with which to tackle transnational problems. As Barnett and Finnemore have shown (Barnett and Finnemore 2005), IOs exercise certain types of powers (productive, institutional, and compulsory) in the various phases of creating goals and norms, diffusing them, and assuring governmental enforcement. Do states change policies and attitudes as IOs direct? If so, why and how do they change their policies and attitudes? In other words, do IOs really change “what national governments want” (national interests), or do they merely change the strategic environment in which national governments pursue their policies? To what extent are governments able to independently choose their policies? To address these questions, this paper

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investigates both the development of internationally shared goals and the behaviors of a national government.

This paper focuses on financing for development as a case study because this policy domain has a set of quantitative targets that have been internationally declared and agreed-upon. The international community declared and iteratively confirmed that they would increase the ratio of ODA/GNI (Official Development Assistance relative to the Gross National Income) to 0.7% by 2015. This paper examines the actions taken by France as a test case of national responses. In 2002, France set her ODA/GNI target of achieving 0.7% by 2012. This French target was more ambitious than that of the European Union (EU), which had proposed 0.39% by 2006 and 0.56% by 2010, both as steps toward reaching 0.7% by 2015. However, France failed to keep up with even the EU’s target (0.39%) in 2007 [Table 1]. The international society reiterated the need to increase ODA. This paper examines whether such efforts succeeded in changing French thought, development strategies, or aid trends.

The second section of this paper introduces the status of financing for development in development cooperation in order to exhibit the internationally shared quantitative target of ODA/GNI. The section also touches on a peer review on French development cooperation executed by the DAC of OECD in 2008, and introduces the actions taken by the EU to achieve its ODA/GNI target. The facts shown in these subsections illustrate the pressures on France to surpass their own, self-declared ODA/GNI target. The third section examines the actions taken by France by looking into budget planning and the attitudes of policymakers, as well as policy documents. The section assesses France’s response to the pressures from the international community, including the EU.

II. Pressures on France

1. The International Web of Agreements and Contracts

Policy convergence among donor agencies in the latter half of the 1990s and the Millennium Development Goals (MDGs) contributed to developing global governance in the field of development cooperation1. Many actors in the international community came to share a common goal: halving extreme poverty. They began to tackle the multidimensional aspects of development cooperation, ranging from good governance, partnership, ownership, aid effectiveness, and trade for development, to health, water sanitation, and education. As a consequence, a need emerged for arena to discuss each issue. The Conference on Financing for Development became one of such arenas2.

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1 In detail, See Inoue (2008).
2 Although the United Nations had addressed financing for development since the 1990s, it was the Millennium
In March 2002, the International Conference on Financing for Development was held in Monterrey, Mexico. A wide range of actors, from government representatives and ministers, officials of major international organizations, to private sector and civil society, gathered at the conference to adopt the Monterrey Consensus. The consensus declared a commitment to mobilizing domestic resources, attracting foreign direct investments as well as finance from other private sources, promoting international trade as an engine for development, increasing international financial and technical cooperation and external debt relief, and enhancing the coherence and consistency of international monetary, financial, and trading systems (United Nations 2003: para 4). It also stressed that ODA plays an essential, complementary role to other sources of financing for development, especially in countries with the least capacity in attracting private, direct investments (Ibid: para 39). It said that a substantial increase in ODA and other resources would be required in order to achieve internationally agreed-upon development goals and objectives (Ibid: para 41). In that context, it urged developed countries to make concrete efforts toward the target of 0.7% of their GNP (original) as ODA to developing countries (Ibid: para 42).

At this conference, France undertook its individual commitment to reach 0.5% ODA/GNI in 2007 and 0.7% in 2012. It was the first such official declaration in the G7 countries (OECD 2008: 39). In doing so, France took on the responsibility of achieving a specific goal, rather than a simple involvement in international contracts.

Further, 2008 was a crucial year in the field of development cooperation. It was the mid-point of the MDGs (culminating in 2015), and several high-level meetings related to development cooperation were to be held during the year³. At the same time, the world was faced with the current international financial crisis and downturn in economic growth. Both would put the achievement of development and the fight against poverty at risk⁴. International society had to exhibit a strong commitment to development-related issues.

As for financing for development, in February of 2008, the General Assembly of the UN began conducting review sessions on the thematic areas of the Monterrey Consensus in order to prepare for the Follow-up International Conference on Financing for Development. At the Follow-up International Conference held in December, officials from over 160 countries, including nearly 40 heads of state or government, gathered in Doha to endorse the Doha Declaration on Financing for Development (United Nations 2008). The declaration encouraged donors to work on national timetables that would increase aid levels toward the established ODA targets by the end of 2010 (Ibid: para 40-43), and requested the international community to redouble its efforts to facilitate the achievement of development-related goals. In such a circumstance, France, which had individually declared its quantitative target on ODA/GNI, bore

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³ Related actions were taken in other domains of development cooperation in the same year, such as the Third High Level Forum for Aid Effectiveness, the Follow-up International Conference on Financing for Development, the 12th session of the UN Conference on Trade and Development and the FAO High-level Conference on World Food Security. http://www.un.org/esa/ffd/doha/background.htm (accessed on 20 August 2009)

⁴ For an explanation of why 2008 was important for development cooperation, see http://www.un.org/esa/ffd/doha/background.htm (accessed on 20 August 2009).
further responsibility than ever in tackling the questions of how to increase its ODA in times of financial and economic crisis.

2. DAC Peer Review

The DAC (Development Assistance Committee), a committee in the OECD (Organisation for Economic Co-operation and Development), is composed of 22 developed countries and the Commission of the European Community, and works to increase resources, improve aid effectiveness, and make these resources secure and available to partner (developing) countries. The DAC conducts periodic reviews of four or five of its members’ efforts; each member is examined every four, or five, years. In 2008, a peer review for France was published (OECD 2008), in which the DAC introduced some findings and recommendations for France.

In the peer review evaluation, France was the third biggest donor among DAC members. French aid, as well as ODA/GNI, increased drastically between 2000 and 2006. However, the review pointed out that the increase depended heavily on debt relief operations, which occupied 41% of French bilateral aid in 2005-2006. When these operations were finished, aid volume decreased, and the ODA/GNI ratio also decreased from 0.47% in 2006 to 0.38% in 2007. French performance ranked 11th among DAC countries, while among G7 countries, it still ranked first (OECD 2008: 39).

As for France’s commitment to its ODA/GNI target, the peer review cited France as the first G7 country that publicly announced a schedule for moving towards the target of 0.7% (OECD 2008: 39), but also brought two facts to light: (i) France did not meet the target in 2007 due to the aid trend introduced above; and (ii) the French government eventually postponed its commitment to reach 0.7% by 2015, in line with the collective undertaking of the European Union. However, the review estimated that even the interim objective of the EU (0.56% in 2010) would be difficult to achieve, because it was estimated that French ODA would have to rise by more than EUR 1 billion each year in times of budgetary difficulty if France wanted to reach its short and medium term objectives (Ibid: 39). The review recommended that France should, in particular, take advantage of the introduction of its first multi-year budget for 2009-11 to ensure that sufficient appropriations are included in the budget law (Ibid: 14).

The review also touched on bilateral and multilateral ODA issues. The review pointed to the fact that France has allocated her bilateral ODA largely in the field of education and culture. Education alone accounts for 70% of its bilateral ODA. Citing a portfolio of multilateral ODA (OECD 2008: 47), the review pointed out that that 66% of its multilateral aid flows to the European Community, the World Bank, and the Global Fund to fight AIDS, Tuberculosis and Malaria, but pointed that the remainder is scattered among 150 other international institutions.

The review drew attention to (1) French dependence on debt relief operations; (2) budget constraints on increasing the ODA; (3) areas of bilateral ODA (mainly focused on education);

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5 For detailed information on peer review, the process to conduct peer reviews, and the DAC itself, see OECD (2008), p.3.

6 France was facing severe budgetary constraints: its fiscal deficit exceeded 2.4% of the GDP in 2007, while it was committed to achieving fiscal balance by 2010, if growth permits, and at the latest, by 2012 (OECD 2008: 39).

7 In 2006, the most important education outlays reported as ODA were tuition fees (USD 1097 billion) and university scholarships (USD 102 million). See OECD (2008), p.45.
and (4) the multilateral ODA portfolio. Although peer reviews do not have coercive power, *per se*, this review did place some pressure on France to change her development policy.

3. The EU

At the beginning of the 21st century, the EU became involved in international agreements and contracts in the field of development cooperation. Above all, the EU sought for operational and policy collaborations with the UN, the IFI (International Financial Institutions), and other UN agencies, funds and programmes (Inoue 2008). The EU (the EC together with member states), which is the biggest donor providing over half of the total ODA in the world, aimed to be a visible and indispensable actor in the world.

After the Monterey Conference on Financing for Development in 2002, the EU and its member states agreed to increase the EU’s collective ODA/GNI to 0.39% in 2006 as a step toward 0.7% by 2015. In 2005, the EU declared an additional intermediate target: to reach 0.56% by 2010. This commitment was combined with a pledge to allocate 50 percent of increased aid volumes to Africa. In order to assess their ODA performance, the Commission, with support by the Council, began to report the commitments and achievements annually. These reports stated that aid levels increased by more than 30% from 2004 to 2005, and the target of 0.39% ODA/GNI for 2006 was exceeded with the record of 0.41%. The annual report of financing for development (CEC 2007) requested some member states, which have neither reached the 2006 targets nor prepared for the 2010 milestones, to demonstrate further efforts to fill the gap in the spirit of securing *fair burden-sharing between Member States* (bold original).

The European ODA/GNI decreased in 2007, although the EU achieved its intermediate target for 2006 (0.39%) one year ahead of schedule. The decrease was due to the decrease and eventual end of the debt relief that had been directed to Iraq, Nigeria, and tsunami-affected regions. The EU, especially the Commission, recognized the aid trend and iteratively urged member states to increase their amount of bilateral and multilateral ODA without depending on debt relief operations.

For example, in the annual report of financing for development in 2007, the Commission emphasized that debt relief would not contribute to a sustainable increase of ODA, although it would become instrumental in attaining higher ODA levels in the short-term, and constituted the lion’s share of aid from major member states such as Austria, France and the United Kingdom (CEC 2007: 6). The report saw that this trend could work against the Monterrey Consensus, and requested member states to accelerate their mobilization of programmable funds to achieve the 2010 target (Ibid: 6, 8).

The Council shared the same view as the Commission. In May 2007, the Council adopted conclusions on the Commission’s progress report (CEC 2007), highlighting the fact that further efforts were needed in order to meet the next targets (Bulletin of the EU 5-2007, 1.30.4). The Council noted that specific measures such as debt relief and tsunami recovery aid were one-off measures, and confirmed that it was important to make efforts to progress in both the quantity and quality of financing for development (Ibid).

In addition to the aforementioned aid trend, in 2008, the EU and its member states were faced with the current global economic crisis. The EU had to address the question of how to take substantial actions on international contracts and commitments. France was the presidency
of the Council of the EU in the latter half of 2008. As the presidency of the Council, and as a country that had declared an individual ODA/GNI target, it was thus France’s responsibility to make a decisive commitment to increase ODA.

In November, at the meeting of the Council of General Affairs and External Relations, the Council prepared for the Doha Conference on Financing for Development. The Council reaffirmed that the Doha Conference would be an opportunity for the EU to reiterate its commitments and efforts in the domain of volume, quality and coherence.

Especially in terms of scaling up aid, the Council strongly reaffirmed its commitment to achieve a collective ODA/GNI target by both 2010 and 2015, while respecting individual member states’ priorities in development assistance. The Council also encouraged member states to work on national timetables for scaling up their aid to achieve the agreed-upon ODA/GNI targets by the end of 2010, while it underlined again that this issue falls within the competence of member states.

At the Doha Conference, the Commission welcomed the outcome of the Conference, which confirmed the members’ goals to increase aid despite the current financial crisis. It also emphasized that donors should adopt multi-annual timetables for scaling up aid as the EU and its member states had previously attempted, and expressed its view that the financial crisis should not be an excuse to shy away from providing more aid.

In April 2009, the Commission adopted a document concerning supporting developing countries in coping with the crisis. The Commission pointed out that developing countries especially faced difficulties due to the financial and economic crisis, and proposed some concrete measures so that the EU could support these countries. It also said that it would be a historic mistake to look inwards in these times. Thus, the Commission urged the member states to honor their individual and collective commitments to their ODA/GNI targets for both 2010 and 2015. The Council also adopted conclusions on supporting developing countries in coping with the global crisis, which placed significant pressure on member states, including France, to continue their commitment to financing for development.

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8 In the first half of 2008, the Commission adopted a document entitled “Speeding up progress towards the MDGs”, and emphasized that the year 2008 would be a crucial one for development because several high-level events were planned for that year (CEC 2008: 4). The document emphasized that Europe must reconfirm its intention to achieve the collective target of 0.56% in 2010, moving towards 0.7% in 2015, if Europe wants to play a leading role in the international community’s efforts, especially at the Doha conference in December. The European Council in June reaffirmed its commitment to achieve the collective ODA targets. The European Council confirmed, as the Commission did, that member states are encouraged to establish timetables to illustrate their attempts to achieve their agreed-upon ODA/GNI targets (Bulletin of the EU 5-2008, 1.31.3; 6-2008, 1.31.1 and 1.20.59).

9 The 2903rd meeting of the Council, 10 and 11 November 2008, 15396/08, pp.29-30.

10 Council Conclusions - Guidelines for EU participation in the International Conference on Financing for Development (Doha, 29 November - 2 December 2008), 11 November 2008, 15480/08, especially para 34 and 45.


12 Statement by Louis Michel, European Commissioner for Development and Humanitarian Aid. The URL is the same as in footnote 11.
III. Analysis of the French Attitude

1. Budget Planning

This section focuses on France’s national budget planning through 2008 and 2009, in order to assess whether France succeeded in increasing her bilateral and multilateral ODA without depending on debt-relief.

The legislative report on the 2008 budget in the national assembly stated that ODA spending in 2007 reached only 0.42% of the GNI, against the announced 0.5% figure. It said that the pledged amount was inflated by the inclusion of debt cancellations that were still uncertain in the short term, and by accounting for expenses that did not in fact contribute to development, such as school fees for foreign students (Assemblée Nationale 2007a: 7). Already in July, the target to reach 0.7% of ODA/GNI in 2012 had been postponed to 2015 by France’s new president. The report clearly showed that the budget had fallen backwards, going as far as to say that the ODA was no longer a priority for the government (Ibid: 9). The general report prepared by the Senate also feared that compliance with 0.7% of the ODA/GNI pledged for 2015 would become hazardous in the longer term (Sénat 2007: 15). France’s legislature instead became focused on healthcare sector and new financial instruments to help developing countries (Ibid: 52-53; Assemblée Nationale 2007b).

While debating the 2009 budget, the question arose of whether France, already having had to postpone its unilateral commitment in Monterrey to reach 0.7%, would meet this deadline (Assemblée Nationale 2008: 40-41). Although, member states of the EU reiterated their commitment to the 2010 and 2015 targets in May, and the President Sarkozy reaffirmed France’s willingness to respect its international commitments at the G8 summit in Toyako, the atmosphere in the legislature grew pessimistic. As the aforementioned DAC peer review pointed out, the parliament recognized that the traditional areas of French intervention were particularly social, with education clearly dominant, accounting for 17% of bilateral aid. The biggest expenses recorded as ODA were to school fees and university scholarships. Basic education accounted for only 9% of bilateral ODA spending, though it was expected to increase in the future (Ibid 2008: 32). The legislature also focused on the new financing measures for development such as tax on airline tickets.

The senate report (Sénat 2008a) stated that France expected strong ODA growth [Table 2] due to the resumption of debt relief (constituting a quarter of the total French ODA) and the continued increase of multilateral aid, and saw the achievement a ratio of 0.47% of the GNI was probable. However, the report also stated that the reliability of these estimates remained questionable, given the difference in performance in 2008 and the uncertainty over the timing of debt treatment. It was pessimistic as well about achieving the ODA/GNI target13, while affirming that the Conference on Financing for Development in Doha should still be an opportunity to reaffirm the French commitment to reaching 0.7% of ODA/GNI (Sénat 2008b: 5).

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13 The report stated as follows: “The sharp decline of French aid is of concern as brutal. Furthermore, most donors are now unable to fulfill the commitments made in 2005 during the G8 summit in Gleneagles (130 billion dollars in aid in 2010 in constant 2004 prices)”. Sénat (2008a), pp.15-16.
2. Policy and Policy Documents

This subsection introduces a brief overview of the role of the President, ministries, and agencies that define the direction of French development cooperation in order to examine if France was in fact prepared, willing and able to increase its ODA.

The government, and in particular, the Foreign Ministry, was at first optimistic about the 2007 target, and expected that France would become the leading donor in the EU in terms of volume.14 It believed that France was taking on a coaching role within the international community.15 However, after a decrease in ODA and the President’s postponement of the deadline for reaching 0.7% of the ODA/GNI (from 2012 to 2015), the French attitude toward ODA grew negative and shied away further from the ODA/GNI target.

The most symbolic case of this new trend was the French government’s behavior within EU politics. Although France was the presidency of the Council of the EU (meetings between the heads of governments) in the second half of 2008, and the EU as a whole took great efforts to achieve the ODA/GNI targets (see II-3 in this paper), France was not willing to touch upon ODA itself. France’s successor, the Czech Republic, was more vocal, addressing ODA in a statement at the UN with saying that ODA was a key to help developing countries reduce poverty and achieve the MDGs.16 France, on the other hand, did not directly discuss the matter of ODA. Financing for Development was not the main agenda for the French presidency; the crisis in Georgia, Europe’s response to the financial crisis, European unity in dealing with the financial crisis, responses to the economic crisis, the Union for the Mediterranean, the energy and climate-change package, and the role of the European Parliament were more pressing concerns.17 In the 18-month programme of the Council prepared by the future French, Czech, and Swedish Presidencies, the ODA/GNI target was not discussed; instead, the programme addressed the Doha Conference on Financing for Development only by saying that the Council

would prepare for active EU participation in its international debates and conferences. On the other hand, it did discuss aid effectiveness, policy coherence for development, and strengthening health systems in developing countries (Council 2008: 82-83).

This new trend was initiated by France’s president, Nicolas Sarkozy, who had postponed the 0.7% ODA/GNI target deadline. He stated that French actions involved more than financial assistance, and touched on other issues such as health care and security. French ministries shared this view, understanding that the French presidency of the EU would be an opportunity to define and enhance the EU’s (emphasis added) position. They also understood that the Doha Conference provided an opportunity to address the question of better global economic and financial governance aside from aid financed through ODA (emphasis added), and that it would also allow for the continued discussion of other forms of finance: financing innovation, migrants’ remittances, and so on. At the Doha Conference, President Sarkozy said that Europe (emphasis added) would meet the 0.7% target in 2015 at the Doha Conference on Financing for Development, but his statement did not mean that France would undertake the responsibility to increase her ODA.

Related agencies and ministries were no exception. The AFD (Agence Française de Développement), a central development agency in France, did not focus on financing for development, especially not on the target of ODA/GNI. A strategic paper published by the AFD focused mainly on the protection of Global Public Goods, policy coherence for development, aid for trade/investment (with Africa), and aid effectiveness, and failed to prioritize scaling up France’s aid (AFD 2007). In its 2008 annual report, AFD spoke little about financing for development, especially the quantitative target of ODA/GNI (AFD 2008). The AFD and other ministries, such as the Ministry of Foreign Affairs, the Ministry of the Economy, Finance and Industry, and the Treasury Directorate, now seemed to seek alternative financial sources for development. They introduced the concept of Global Public Goods, and attempted to conduct strong diplomatic action towards promote new kinds of financial sources, such as taxes on airline tickets, UNITAID (International Fund for the purchase of drugs against pandemics), and new forms of international taxation.

IV. Concluding Remarks

Although many IOs (the OECD and the EU, in particular) urged France to achieve her ODA/GNI target, their efforts could not coerce France to take action. After the President postponed French ODA/GNI target, the French budgetary and policy process showed that the country had given up prioritizing the scaling up of ODA. Instead, France focused on Global Public Goods and new financing measures for development. In this case, internationally shared goals, as well as pressures from IOs, could not change France’s course of action; France continued to pursue her own policy, with her own purposes.

19 It is symbolic that a working paper which doubts the role of ODA itself (Severino and Ray 2009) is on the website of the AFD.
20 For detailed information of the concept of Global Public Goods, see DGCID and DG Treasury (2002).
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The study determined international policy ideas and tools that have contributed to implementation and tested them with Dutch experts using workshops, serious gaming and design charrettes. Part 2 of the study, such as good actor relationships, the support of the included abstract gaming simulations for four national and national government, the need for a multidisciplinary, governance instruments commonly used in TOD in experimental approach, and active public engagement. TOD policy ideas that had worked in international cases. We now turn to the findings from each of the three could be transferred to Dutch planning practice. study parts. Cases can then be compared national critical success factors, they were applied in the... Citation: United Nations Development Programme. 2016. Promoting Sustainable Development Through More Effective Civil Society Participation in Environmental Governance: A Selection of Country Case Studies from the EU-NGOs Project. UNDP, New York. Cover Photos: EU-NGOs Belarus, Georgia, Jordan, Lebanon, Moldova, Tunisia, and Ukraine. The study explores multiple entry modes as well as various entry theories from the previous work. The analysis is done to find out whether the international market, particularly, the least developed countries in Asia are viable for Arla Food Company, Denmark. From the secondary data, the market has a fair share of weaknesses, but it is very viable from the opportunities it has. The entry mode that is found to be the best for Arla to enter into the market is export. Export is considered effective because it has very low risk and does not require substantial funds. Citation: Azuayi R (2016) Internationalization Strategies for Global Companies: A Case Study of Arla Foods, Denmark. J Account Mark 5: 191. doi:10.4172/2168-9601.1000191.