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REVIEWS

Searching for New Momentum in EU-Russia Relations. Agenda, Tools and Institutions

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Nora Beňáková

SlovakAid – an Unemployed Foreign Policy Tool

Abstract: Slovakia started its ODA program based on her international commitments and membership in international organizations grouping the donor community. It was enlisted into the community of the most developed countries and donors in 2000 by entering the Organization for Economic Cooperation and Development (OECD) and by paying mostly voluntary contributions to international organizations providing humanitarian aid and running the scholarship programs. The fact that Slovakia is one of the countries providing assistance was confirmed in 2008 by the decision of the World Bank who definitely reclassified Slovakia from the countries that receive assistance to the countries that provide it. It should also become evident in the increase of amount and quality of development assistance provided. However, this calls for a change in thinking from the side of politicians, media and public.

The development assistance currently represents an established part of the modern foreign policy of developed countries and expresses their international joint responsibility for development in the global world. As confirmed by the recent global economic crisis, the world nowadays is so interconnected that even issues in the remote parts of the world – not only economic issues, but also, for instance, the impact of climate change, global security or migration – do concern us, and the change for better is also in our own interest.

However, the amount of the official development assistance (ODA) provided by Slovakia and the marginal attention paid to the development assistance on a political level does not, so far, prove that political representation of Slovakia would consider development assistance one of the important priorities of their

Nora Beňáková is the Chairperson of the Slovak Non-Governmental Development Organization Platform.

foreign policy. There are several reasons – one of the most important is the fact that Slovakia is one of the relatively new donors.

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The recent public discussion in relation to Slovakia's refusal to provide a loan to Greece brought up another issue of genuine solidarity. If we do not consider the 'solidarity of the poor with the rich and of the responsible with the irresponsible' then, how can we show solidarity when it comes to our assistance for poor developing countries?

important partners of the Slovak Foreign Ministry in ODA program building were the UNDP, the Austrian Development Agency (ADA) and the Canadian International Development Agency (CIDA). Slovakia began establishing its own mechanism and system of providing development assistance also in relation to her EU accession in 2004, when it volunteered to pledge 0.17% of GNI for development assistance by 2010 and 0.33% of GNI by 2015. In 2003, the government adopted the first *Medium-Term Strategy for ODA: 2003-2008*, and for the first time allocated SKK 160 million from her budget for SlovakAid programs and projects.¹ The only program country of SlovakAid in this period became Serbia and Montenegro, 12 more states became priority countries, which was also related to the main goals of providing development assistance, including not only the transfer of Slovak experience and know-how, the engagement of Slovak experts in international development activities, but also

the assistance for Slovak compatriots. The concept of development assistance trying to find its place in the donor community, or representing a different form of assisting compatriots abroad, has been overcome to a certain level by the *Medium-Term Strategy for Slovak ODA: 2009-2013*², where the basic parameters for Slovak development assistance were set mainly by international commitments

¹ "Medium-Term Strategy for Official Development Assistance. 2003-2008", Ministry of Foreign Affairs of the Slovak Republic (June 2003); http://new.slovakaid.sk/uploads/2010/01/koncepcia_en.pdf.

² "Strednodobá stratégia oficiálnej rozvojovej pomoci SR na roky 2009-2013", Ministry of Foreign Affairs of the Slovak Republic (2009); <http://new.slovakaid.sk/?p=55>.

and rules. Before it was adopted, the legislative and institutional building process of the development assistance system had been completed by passing the law on official development assistance in 2007 and establishing the administrative and contracting authority Slovak Agency for International Development Cooperation (SAIDC).

The fact that Slovakia is one of the countries providing the assistance was confirmed in 2008 by the decision of the World Bank who definitely reclassified Slovakia from the recipient to a donor country. It should also be evident in the increase of the amount and quality of development assistance provided. However, this calls for a change in thinking from the side of politicians, media and public.

The recent public discussion in relation to Slovakia's refusal to provide a loan to Greece brought up another issue of genuine solidarity. If we do not consider the 'solidarity of the poor with the rich and of the responsible with the irresponsible' then, how can we show solidarity when it comes to our assistance for poor developing countries? Will the new government manage to change the development assistance into an even greater priority than it has been before? Will the development assistance and declarations of solidarity become a public and society-wide issue?

Commitments and the Use of Money

Slovak development assistance consists of a multilateral as well as a bilateral component. The main part of the ODA is the multilateral assistance, which represents contributions to international organizations through the UN and its Agencies, the World Bank Group, payments to the EU budget (from 2011 on also a contribution to the European Development Fund), as well as contributions to the European Bank for Reconstruction and Development (EBRD). Despite the fact that this is the main part of the finance accounted for as development assistance, Slovakia has no significant influence on the use of this money (with the exception of the planned and more intensive cooperation with EBRD). According to a comparative analysis of the development policies of the Visegrad Group of countries, the reason – and not only in the case of Slovakia, but also in the case of the other V4 countries – can lie in the relatively weak position of those countries in the area of development assistance and politics on an international level, as well as in the limited capacity to influence it. That is also one reason why with due to limited capacities the key stakeholders in the field of ODA tend to concentrate on the bilateral component of development assistance, which is also a direct tool of foreign policy. At the same time, these countries have a lot to offer in the field of multilateral assistance. The comparative analysis states that 'for example, budget support is a tool of development assistance,

which is used and promoted by some of the multilateral institutions. The experience of V4 countries with the limits of this tool posed by totalitarian governance and later experience in V4 countries with the fight against corruption may help refine this tool and better set its criteria for use'.³

The total amount of the provided development assistance including the bilateral component, but also the several-fold higher multilateral component, significantly increased between 2004 and 2005, especially because of the inclusion of debt relief provided to developing countries (Afghanistan, Sudan, Iraq, Albania, Liberia and Libya). By providing the debt relief, Slovakia increased the accounted volume of

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the option to provide debt relief only for the development assistance purposes, but also as a foreign policy tool and of asserting peaceful solutions to conflicting situations; for instance, the USA did not provide debt relief to Sudan, but it does offer this option in case of a peaceful solution of the Darfur crisis and the political restructuring after the referendum in South Sudan.

Although when entering the EU, Slovakia pledged – together with other new member countries – to gradually increase the amount of assistance to 0.17% of GNI by 2010 and to 0.33 % of GNI by 2015, it is not in fact expected that the amount provided in 2010 will be any different from the amount provided in 2009, i.e. 0.08%. According to the *National Program of Slovak Official Development Assistance, 2010*, it is estimated at 0.07% of GNI.⁵

³ "Least but not Last? Least Developed Countries in ODA of Visegrad Four Countries", People in Need (October 2010); http://www.mvro.sk/phocadownload/Publikacie/Idc_oda_v4.pdf.

⁴ "Development Aid Rose in 2009 and Most Donors will Meet 2010 Aid Targets", *Press release*, OECD (April 14, 2010); http://www.oecd.org/document/11/0,3343,en_2649_34447_44981579_1_1_1_1,00.html.

⁵ "Národný program oficiálnej rozvojovej pomoci SR na rok 2010" (May 2010); <http://new.slovakaid.sk/wp-content/uploads/2010/05/NP-ODA-2010.pdf>.

Table 1. Total Financial Volume of Slovak Official Development Assistance

Year	Euro (million)	%GDP, %GNI (after 2006)
2004	30.2	0.07
2005	57.7	0.12
2006	54.3	0.10
2007	54.8	0.09
2008	65.4	0.10
2009	54.0	0.08

Bilateral is Important

Even though the amount of 54 million euro provided for development assistance in 2009 might not be considered insignificant, the most notable part of the package is the bilateral component administered under the SlovakAid program by the Foreign Ministry. While the multilateral assistance in the eyes of Slovakia stands mainly for ‘obligatory solidarity’ as its major part is composed of the obligatory Slovak payment to the EC budget and the rest are more or less obligatory contributions to international organizations such as the UN agencies or the World Bank, the Slovak ‘mandatory solidarity’ is demonstrated above all by its bilateral component within the SlovakAid Program. Since 2004, it has not shown any remarkable increase; it rates somewhere in between 5.3-5.8 million euro.

Table 2. Budget on Bilateral Assistance⁶

Year	Euro (million)
2004	5.3
2005	5.3
2006	5.3
2007	5.6
2008	5.5
2009	5.8

⁶ “Vytvárajme dobrý obraz Slovenska cez program oficiálnej rozvojovej pomoci SlovakAid”, Slovak NGDO Platform (August 2010); <http://www.mvro.sk/phocadownload/Publikacie/slovakaid%20-%20infomaterial%202009.pdf>.

It is exactly this bilateral assistance that represents the direct foreign policy tool which uses the experience of Slovakia, strengthens the relations with the developing countries and effectively helps Slovak subjects to establish themselves directly in developing countries. At the same time, for the Slovak Republic it also ensures visibility and spreads its good name abroad. As an example, the activities of non-governmental organizations in the Western Balkans, or the long-term presence of Slovak doctors and support of grass-root projects in Kenya or Sudan, greatly appreciated by the local partners international forums should also be noted.

Increasing the budget and more money for effective projects of bilateral assistance could also gain support from the people. To draw a comparison, in 2010 almost 2 million euro was donated in public collections for assistance to Haiti. In the carol fund-raising campaign *Good News* in 2010, the eRko association collected 0.9 million euro to help African countries. St. Elizabeth University College of Health and Social Sciences donates 1 million euro a year from private resources and donations to finance 44 health and social projects mainly in Africa and Asia. If we count only the money from private resources, the outcome is a sum of more than the total volume of bilateral assistance expended by the government from the budget last year. In other words, it seems that Slovak people are not unfamiliar with helping others.

Slovakia and the Other 'New' EU Member States

Until 2008, Slovakia was an average donor in the group of the new EU Member States. We were even in second place among the V4 countries, directly after the Czech Republic. As a result of using the option to also include the debt relief provided, of the absence of a financial plan to gradually increase the development assistance and as a consequence of economic crisis, in 2009, Slovakia found itself at the lower realms of the chart. Moreover, Slovakia as the only country among the new EU Member States accounted for a lowered volume of total aid provided in 2009 in comparison with 2008.⁷

⁷ "EU Donor Profiles 2010" (April 21, 2010); http://ec.europa.eu/development/icenter/repository/eu_donors_profiles_2010.pdf.

Table 3. Comparison of the GNI Share (%) of the ODA of the New EU Member States

2008	% of GNI	2009	% of GNI
Malta	0.20	Malta	0.20
Cyprus	0.17	Cyprus	0.17
Slovenia	0.13	Slovenia	0.15
Czech Republic	0.12	Lithuania	0.14
Lithuania	0.11	Czech Republic	0.12
<i>Slovakia</i> Estonia	<i>0.10</i>	Estonia	0.11
Poland Hungary	0.08	Hungary	0.09
Romania Latvia	0.07	Poland <i>Slovakia</i> Romania Latvia	<i>0.08</i>
Bulgaria	0.04	Bulgaria	0.04

SlovakAid between 2004-2009

Territorial and sectoral priorities of SlovakAid are set in *Medium-Term Strategies for Slovak ODA*; they are elaborated in detail in the annual National ODA Programs. The Foreign Ministry based the territorial priorities on three criteria – political and economic, development, logistic and practical ones, and since 2009 also on a criterion of the success of the already realized assistance.⁸ The selection of priority countries reflects historical and diplomatic relations (especially Serbia), similar historical experience and the possibility of transferring the Slovak experience from the political and economic transformation process and civil society building (the countries of the former Eastern bloc – mainly the Western Balkans and the Eastern Partnership countries), the expansion of activities of Slovak non-governmental organizations, especially to the least developed countries – including not only the countries with the lowest income per capita in Africa and Asia – as well as the economic dimension of foreign policy and the interests of economic governmental departments (Central Asia, Vietnam). The positive aspect of the selection of the program and priority countries for 2009-2013 was the fact that it was based on current development in the world

⁸ "Strednodobá stratégia oficiálnej rozvojovej pomoci SR na roky 2009-2013", Ministry of Foreign Affairs of the Slovak Republic (2009); <http://new.slovakaid.sk/?p=55>.

and on international commitments (e.g. including Afghanistan and Kenya in the program countries and Georgia among the priority countries).

The effort to thematically focus the assistance and to concentrate it on a smaller number of countries with limited financial resources and capacities has not been, however, quite implemented yet. While according to the first *Medium-Term Strategy for Slovak ODA: 2003-2008*, 14 countries were selected, including one program country (Serbia and Montenegro), the second *Medium-Term Strategy for Slovak ODA 2009-2013* extended the priority countries list to 16 plus 3 program countries (Afghanistan, Kenya and Serbia). The Foreign Ministry took measures to reduce the number of priority countries to 11 (apart from the mid-term strategy, Haiti was enlisted within the framework of post-humanitarian aid) only due to the pressure of a lower budget for bilateral assistance.

Western Balkans – Priority No. 1

Serbia has been the priority for Slovak ODA since the very beginning; it became a program country as a result of long-term foreign policy priorities and of the rather significant diplomatic status of Slovakia in the region. 40% of the financial resources (12.7 million euro) destined for development projects were directed to this destination between 2004-2009. Until 2007, this money was administered by the contracting unit named the Bratislava-Belgrade Fund. The first and, so far, the only *Country Strategy Paper for Serbia and Montenegro* was prepared in 2003 with sectoral priorities: supporting civil society, regional development, business development, rehabilitation of infrastructure and, assistance in integrating into international organizations.

94 projects were implemented in Serbia, out of which 34 were targeted at economic infrastructure, bridges, aqua-ducts, water resources purifiers, energy networks, waste management systems, as well as technologies in the earthquake prevention field. 29 projects dealt with building institutions and supporting civil society, especially with the participation of people, integration into the EU, public discussion on the EU, public administration reformation, building local development agencies and self-administration development. 24 projects were solving regional development, especially by means of promoting small enterprises, agriculture and forestry and environmental protection. 7 projects were aimed at the sector of education and social services, including schools reconstruction, education of the sightless and social services for seniors.

In Kosovo (up to now officially not recognized by Slovakia) 3 multi-ethnic projects were implemented for supporting the dialogue of non-governmental organizations from Serbia and Kosovo, supporting multi-ethnic transmission

through a network of local radios and enhancing employment of young people of various ethnicities in Kosovo. Since 2007, only micro grants have been realized through the Liaison Office of Slovakia in Pristina, aimed exclusively at assisting the Serbian community living in Kosovo territory.

The *National Slovak ODA Program 2010* states: 'In general, there is prevailing unity in opinions concerning gradually reducing activities in Serbia, when it comes to providing development assistance, with the exception of Kosovo, where continues the necessity to support especially the return of evacuees and refugees and development of the respective communities. The evaluation of existing infrastructure projects points to the fact that they are not always directed in an effective way [for instance building sewage and aqua-ducts, while the initial position of Serbia in relation to access to drinking water is comparable with Slovakia]. The need for supporting economic and social growth in Serbia is continual, but it has to be aimed at the regions lagging behind the most and the endangered group of inhabitants. A continuing priority of Slovak foreign policy is assistance to Serbia as a program country of the Western Balkans.'⁹ In a practical sphere, it means reducing financial aid to Serbia and the focusing of this aid, mainly, on supporting Serbia in its integration into European structures. Thus this year was the first time that there has been no call on Serbia announced, but rather one for the wider region of the Western Balkans.

In other Western Balkan countries, the greatest attention was paid to Bosnia and Herzegovina (13 projects), then to Montenegro in the second place (11 projects) and to Macedonia (9 projects). However, the sector targeting is heterogeneous due to the absence of broader program strategy. Half of the projects in Bosnia dealt with infrastructure – technology for meteorology, earthquake prevention, de-mining and the energy sector. The other half was targeted socially – school

The selection of priority countries reflects historical and diplomatic relations, similar historical experience and the possibility of transferring the Slovak experience from transformation process, the expansion of activities of Slovak NGOs especially to the least developed countries as well as the economic dimension of foreign policy and the interests of economic governmental departments.

⁹ "Národný program oficiálnej rozvojovej pomoci SR na rok 2010" (May 2010); <http://new.slovakaid.sk/wp-content/uploads/2010/05/NP-ODA-2010.pdf>.

reconstruction, a psychosocial center for women in Srebrenica, assistance to disabled people. Apart from that, a National Convention on the EU was organized, as well as one educational project on European institutions. The vast majority of the projects in Montenegro are aimed at the transfer of the transformational know-how in economic and social reforms, integration etc. into EU, WTO and NATO, building capacities for local self-administration and supporting the development of civil society. In Macedonia, the main target is again small economic infrastructure – technology for meteorology and waste management, and on a smaller scale business and market environment development.

The Fresh Priority: The Eastern Partnership

The countries of the Eastern Partnership belong (EaP) to the priorities of the foreign policy of the current government. The fact that the four out of the six EaP countries – Ukraine, Belarus, Moldova and Georgia – were included among the territorial priorities of the Slovak development assistance is connected with the interest of Slovakia to participate actively in this EU program and the possibility to transfer Slovakia's transformation experience.

A half of the total of 15 projects in Ukraine was aimed at sharing the know-how in the field of economic reforms, at integration into the EU and WTO, at supporting non-governmental organizations and at gaining the experience with the model of general election monitoring. The second part of the projects was represented mainly by supporting business in the sphere of increasing competitiveness and social responsibility of companies and by the development of education.

The majority of the projects in Belarus (10) were aimed at civil society building, supporting analytical community, sharing know-how in economic reforms and at the development of a market environment.

Up to now, the main target of the projects in Georgia (4) were supporting the integration of evacuees and in Moldova (3) the assistance to rural regions after devastating droughts. The projects proposed in 2010 are already more targeted at building democratic institutions, supporting civil society and media.

Afghanistan and Central Asia

Afghanistan became the second program country of Slovakia in 2009 due to our commitments to NATO and the joint responsibility for security in Afghanistan in the form of our military units. The priority sector for Slovak ODA in this country are the law building processes with emphasis on local government, education and healthcare as well as economic development on the level of provinces. Because of the low security level in the country, only 14 projects have been implemented so far by means of lower number of contractors,

some of whom decided for long-term presence in the country. A part of them are members of Afghan diaspora living in Slovakia. Majority of projects were aimed at development of education – building of schools, enhancing literacy and qualification of women and expert cooperation between universities with technical specialization. Other projects support healthcare development, integration of repatriates and development of small enterprises of women in the countryside.

The territory of Central Asia was prevailing especially in the initial period. Since there was no firm program target determined, the contractors chose from the possible sector priorities, valid within the first medium-term strategy, mainly the environment topic, landscape building and tourism development. Most of the projects were realized in Kyrgyzstan (17), Kazakhstan (11) and Uzbekistan (5).

In Kyrgyzstan the support for high-mountain tourism, energy, waste management and social services – assistance to seniors, integration of the disabled and solving social accommodation prevailed.

In Kazakhstan the projects dealing with environmental protection, water and underground water management, ratification of the *Kyoto Protocol* and development of business and market environment dominated.

Environmental management, the agriculture of soil and prevention of land slide prevention were the fields of projects in Uzbekistan.

Interventions in Mongolia (15 projects) were carried out in a similar spirit. The projects mostly resolved landscape building – forestry, agriculture (water sources for herdsman, stock raising, cheese production), geological research, map digitalization and waste management issues.

Cambodia (3 projects) and Vietnam (2) became a domain for organization which help solving issues of combating HIV/AIDS; within reducing priorities, Cambodia was omitted from the list of priority countries after 2009.

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Sub-Saharan Africa with Public Support

Inclusion of the Sub-Saharan Africa was a natural result of prioritization of this region from the European Union, because most of the least developed countries of the world are located in this continent. Slovak organizations had been present in these countries even before the SlovakAid program was established. Directing the assistance to African countries as a priority destination is also supported by 78%

of questioned people within the opinion research realized in 2009 by the Pontis Foundation. Other regions were considered priority by less than 40% inquired.

Kenya is the third program country within Slovak development assistance, and that is also thanks to the presence of the Slovak diplomatic office. A half out of 16 projects implemented in Kenya up to now is aimed at enhancing healthcare, especially at combating HIV/AIDS, and education, aimed at enhancing qualification for socially weak groups of young people. The other half of projects solves development of small enterprises, mainly in the sphere of agriculture, farms and eco-tourism, and providing micro grants for starting business.

An important territory where interest of increasing number of Slovak subjects are declared, is Sudan (11 projects), especially its southern part. For Slovak development assistance, this territory with a low number of other donors can represent an interesting territorial component in the future. Several organizations were solving access to drinking water in their projects. Attention was paid also to basic education and basic healthcare services, as well as to development of small enterprises and food security, which will bring sustenance to communities living in extreme poverty.

Mainly access to sources of drinking water was the target of projects in Mozambique (4), so far the only project in Ethiopia that dealt with enhancing children's health.

Table 4. Territorial Priorities of Slovak Assistance in 2004-2009

The Least Developed and Low-Income Countries *			Medium-Income Countries *		
Kenya	2,177,409	6.9%	<i>Serbia</i>	12,758,354	40.2%
Afghanistan	1,852,230	5.8%	Mongolia	1,695,014	5.3%
Kirgizstan	1,797,202	5.7%	Bosnia and Herzegovina	1,594,568	5.0%
Sudan	1,738,208	5.5%	Ukraine	1,257,015	4.0%
Uzbekistan	563,184	1.8%	Kazakhstan	1,161,286	3.7%
Mozambique	491,693	1.5%	Montenegro	1,123,069	3.5%
Vietnam	273,377	0.9%	Macedonia	910,231	2.9%
Cambodia	255,158	0.8%	Belarus	647,806	2.0%
Kosovo	253,658	0.8%	Georgia	556,984	1.8%
Ethiopia	143,177	0.5%	Moldova	272,126	0.9%
Total	9,545,296	30%	Total	21,976,453	70%

*OECD/DAC Classification of Countries

As the greatest part of Slovak help (40%) was set for Serbia, the poorest and low-income countries received assistance in a rather low amount – only 30%. Within the overall statistics of sectoral orientation of Slovak ODA it can be stated that Slovakia's priority was small economic infrastructure (including water and energy supplies). This is determined mainly by a large number of projects implemented in this sphere in the Western Balkans. The second greatest priority is assistance to the countries with building their institutions on the national as well as local level and supporting civil society. These projects were related above all to sharing Slovakia's experience from the transformation process and they were also aimed at supporting the countries in their effort of integration into the European structures. So far, the smallest part of the projects was included in the sphere of social development – sectors of education, providing healthcare and social services. A greater number of projects aimed at food security/agriculture and economic development would be desirable.

Table 5. Bilateral Projects of Slovak ODA in 2004-2009 according to Sectoral Priorities

Sectoral Priorities (OECD/DAC Classification)	Amount (Euro)	In %
Industry (including energy)	8,101,649	25.5%
Government/institutions and Civil Society (including assistance at integration into the EU)	5,589,854	17.6%
Business and Market	3,545,337	11.2%
Water Supply (infrastructure projects)	2,695,112	8.5%
Education	2,691,989	8.5%
Agriculture	2,533,340	8.0%
Social Services	2,251,861	7.1%
Health	1,927,352	6.1%
Environmental Protection	1,566,616	4.9%
Tourism development	861,725	2.7%
Total	31,764,835	100%

The projects were implemented by various types of Slovak subjects. The greatest part of them were implemented by non-governmental organizations, the second place goes to business subjects.

Table 6. Shares of Projects based on the Types of Contractors in 2004-2009

Implemented by	Number of Projects	In %
Non-Governmental Organizations	122	46.0%
Business Subjects	84	31.7%
Associations of Legal Persons orientated on Business development (chambers of commerce, regional agencies etc.)	15	5.7%
State Institutions	26	9.8%
Academic Institutions	14	5.3%
Self-administration	4	1.5%
Total	265	100%

Challenges for Slovak Official Development Assistance

Development Assistance as a Political Priority

If the solidarity concerning the provision of development assistance is to become a public topic, it is essential to gain greater political support and engagement of politicians, media and public in its basic vision and values. In relation to the development assistance issue, in the manifesto of the Slovak government in 2006 it was stated as a necessity for securing the financial, legislative and organizational conditions for effective ODA in accordance with the foreign policy goals and gradual increase of the development assistance volume to selected Balkan countries and the least developed countries. In the last election period, an Act on development assistance was passed and the Slovak Agency for International Development Cooperation was established; however, the assistance volume has not been successfully increased.

The new government stated in its manifesto that development assistance expressed the character and abilities of Slovakia and its inhabitants to help others. It will put effort into more transparent and more effective assistance based on the knowledge of the needs of developing countries, of the donor environment and it will use especially the transformation experience of Slovakia. It wants to improve program management, results evaluation, communication with the public, dialogue with the Foreign Ministry and it will promote development education in schools and education of young people in the awareness of solidarity and fellowship.

Development assistance is a part of the 'foreign policy decalogue' presented by the new leaders of the Foreign Ministry. It will be possible to objectively evaluate the targets of the new government only at the end of its election period.

However, it would be really contra-productive not to finally use the potential the foreign policy brings – especially since it is interrelated with a number of other global issues and international policies, such as security policy, migration, climate change, food security or global commerce.

If Slovakia is to fulfil its international commitments, it is necessary to approach this task in a responsible way and to set a long-term financial perspective for the gradual increase of financial volume by 2015. Although 2011 is a difficult year with regards to solving the public finance deficit issue, we need to start with a realistic financial projection. Because of the great disproportion between multilateral and bilateral assistance, we need to concentrate on a gradual increase of the bilateral component – the SlovakAid Program, which has been stagnating at the same level of 5 million euro since 2004. The neighboring Czech Republic makes an effort in order to make the amount of their bilateral assistance to reach at least 50% of the total assistance volume, especially because bilateral assistance is a tool by which the donor country influences the destination and the manner in which it will be provided under the national brand.

If Slovakia is to fulfil its international commitments, it is necessary to approach this task in a responsible way and to set a long-term financial perspective for the gradual increase of financial volume by 2015.

Quality and Effectiveness of Development Assistance

In the field of the creation of strategic documents and the annual *National ODA Programs*, there is still a lack of wider discussion of various actors on how and where Slovakia should join in wider international efforts to support economic, social and civil development of poorer countries.

The combination of foreign policy priorities and preceding activities of Slovak subjects, as well as recommendations of other resorts or the regional UNDP Office, led to consensual selection of territorial priorities – 16 countries within the first *Medium-Term Strategy for Slovak Official Development Assistance 2003-2008*. Their number, which in the second *Medium-Term Strategy 2009-2013* increased to 19 (3 program countries – Serbia, Kenya and Afghanistan – and 16 project countries) caused a severe fragmentation of projects with a relatively low amount of financial resources. Thus, we lower our opportunity to intervene effectively somewhere on a larger scale. Therefore it is essential to lead a discussion on reducing the number of territories to be targeted

by SlovakAid. Apart from the current foreign policy priorities, the present results and activities of Slovak subjects should be taken into consideration, as it was long-term and had wider program effects, i.e. these were not one-time projects. Since, up-to-now, the proportion of finance provided was mainly in favor of medium-income countries (70%), several non-governmental organizations hope that there will be a more balanced proportion reached between poor countries and the countries with medium income (transforming countries) in the future.

Sector programming should be strengthened for selected countries or regions, because it is based on developing countries' needs and at the same time on the analysis and evaluation of 'up-to-now' results with regard to the spheres where the Slovak subjects left the most significant traces. Two years after adopting the *Medium-Term Strategy for ODA*, it is also high

Supporting 1-2-year projects should be changed to long-term program support of the groups of subjects who in the past proved their capacity and expertise to implement activities with evincible impact in developing countries.

time to prepare the Country strategy papers for three program countries, Serbia, Kenya and Afghanistan, for the period 2011-2013. Not forgetting program targets for other project countries or regions. In the countries of the Western Balkans and Eastern Partnership, it is appropriate to completely abandon the sector of policy for economic infrastructure and base the assistance programs on Slovakia's transformation and integration experience, which together with the knowledge of the region represent added value for Slovakia in comparison with traditional donors. For Slovakia, it also means an opportunity to establish a stronger position in this region.

In poorer countries, it would seem smart to focus mainly on sector priorities with long-term sustainability – education, enhancing qualification, socio-economic development and building institutions. Slovakia's brand has become known due to its commitment to supporting healthcare – combating HIV/AIDS and other diseases, such as malaria, up to now financed especially from private resources of academic institutions. Supporting 1-2-year projects should be changed to long-term program support of the groups of subjects who in the past proved their capacity and expertise to implement activities with evincible impact in developing countries. Another necessity would be to dispose of financial schemes for smaller projects which can be implemented flexibly throughout the year according to the needs and the situation in the

countries of said destination. So far, the only form of contracting finances for development assistance are grant challenges to apply for projects announced by the Slovak Agency for International Development Cooperation once a year and usually to a certain (and only) date.

Necessity of Project Evaluation

All donors want to know how successfully the activities they supported were implemented. What were the measurable impacts on the local situation? How effectively were the donated finances allocated and used? Where, and in what way exactly, did Slovak subjects contribute to a positive change? Financial investment into assessment and evaluation of development projects is essential for further effective implementation of the SlovakAid Program. Internal as well as external independent evaluators can be included in the evaluation system, which would widen expert capacities and bring new experience and views into the system.

Slovak Capacities and Expertise Building

Slovakia as a new donor struggles also with a lack of know-how and expertise. Up to now, there is no existing study program or development studies major whose graduates would have at least theoretical preparation. The organizations implementing the development projects learn above all from their own mistakes, often there is no cooperation with more experienced partners abroad who have been active in developing countries for a longer time. Due to limited financial resources, they cannot build their own personal capacities based on workers who would deal exclusively with development activities in the terrain. With their limited experience and references, they cannot compete with the organizations from traditional donor countries in acquiring bigger projects from European development funds. Within the preparations of the national strategy for global development education, prepared by the Foreign Ministry in cooperation with non-governmental organizations and academics, it is important to put emphasis and in the future to find financial resources and motivation for universities, so they can deal with the preparation of future graduates and experts in the field of development assistance. One solution would be the initiation and financing of small flexible schemes in support of sending the volunteers – young people and future experts for 1-3-month stays in developing countries in order to increase the number of people experienced in terrain.

In relation to the state administration workers, who change very often due to the rotation system of the Foreign Ministry, it is problematic to maintain institutional memory and to plan strategically. In general, the system lacks people with long-

term terrain experience from developing countries, especially important in the case of the Slovak Agency for International Development Cooperation workers, who evaluate the projects, administrate and monitor them. It is necessary to invest time and money in building expertise, as well as establishing direct contact with the development assistance recipients in the destination countries. It would be appropriate to assert human resources planning within the Foreign Ministry with targeted rotation of employees and diplomats between the department of humanitarian aid and development cooperation and Slovak diplomatic offices in developing countries. Another solution would be the participation of external employees – for instance experts in various sector issues or territories in the framework of expert evaluation of projects.

Conclusions

Over the last decade, Slovakia has definitely joined the most developed countries of the world and begun building a system for providing development assistance; it should confirm the declaration of solidarity with less developed countries by investing into increasing the volume and quality of the assistance provided. However, this presupposes increasing the interest of political elites in this sphere, overcoming the 'feeling' of smallness or of the sense of a weak voice of Slovakia on the international political playing field in the eyes of the public as well as the political elite. It is the effective SlovakAid Program that could help in establishing Slovakia's good name abroad and raise interest in foreign affairs and foreign policy in people, which has decreased since Slovakia entered the EU.

At the same time, Slovakia should gradually increase the volume as well as the quality of the assistance provided. The rule, valid when creating the SlovakAid Program, i.e. that limited resources and capacities mean a need of greater specialization and a smaller number of priority countries, is just as valid nowadays. Therefore the NGDO Platform recommends reducing the number of the countries which are the territorial priorities of Slovakia, and thus using the small financial volume more effectively. With the smaller financial volume, the sector priorities should also be reconsidered, especially in relation to the most developed countries of the Western Balkans, where 39% of all the finance for infrastructure went last year. In the countries of the Western Balkans and Eastern Partnership, the development assistance programs should use the basis we have in relation to transformation and integration experience. In accordance with the international commitments, the assistance should be targeted on the poorest countries, where Slovak organizations established their contacts and background, and on sectors where they have some experience

and that are sustainable in the long run. Long-term donor targets must be elaborated for all countries or regions. In order to increase the efficiency of development assistance provided, it is essential to elaborate on a system and to begin with evaluating projects in countries or regions that have used financial aid.

Last but not least, in order to increase awareness of the issues in developing countries, it is important to include the issues of universal education in the school curricula. The Official Development Assistance is provided from resources coming from tax payers. This makes the communication of positive and clear results to the Slovak public even more important. At the same time, it is also a way to build self-confidence in a small country, whose citizens – doctors, humanitarian workers or experts – are successful in contributing to a positive change in the world. Through the image of Slovakia as a country giving a helping hand to other countries, we establish our good name in the destination – developing and transforming countries, as well as within the community of other donors.

It is necessary to invest time and money in building expertise. It would be appropriate to assert human resources planning within the Foreign Ministry with targeted rotation between the ODA department and embassies in developing countries.

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Daniela Balážová

Slovakia and the UN Millennium Development Goals

Abstract: The adoption of the Millennium Declaration in 2000 by 189 member states of the United Nations, 147 of which were represented by their Heads of State, was a defining moment for global cooperation in the twenty-first century. It was not a vision of an ideal world that the political representatives of the 189 states of the world, including Slovakia, created in September 2000, but they did establish a program of concrete measures in order to at least approach the ideal. A decade after adopting the UN Millennium Development Goals and half a decade spent trying to achieve them signals the right moment for evaluation – and that applies also to the Slovak Official Development Aid.

The adoption of the *Millennium Declaration*¹ in 2000 by 189 member states of the United Nations, 147 of which were represented by their Heads of State, was a defining moment for global cooperation in the twenty-first century.² It was not a vision of an ideal world that the political representatives of the 189 states of the world, including Slovakia, created in September 2000, but they did establish a program of concrete measures in order to at least approach the ideal. A decade after adopting the UN

¹ "United Nations Millennium Declaration", *Resolution adopted by the General Assembly 55/2*; <http://www.un.org/millennium/declaration/ares552e.pdf>.

² "Keeping the Promise: A Forward-Looking Review to Promote an Agreed Action Agenda to Achieve the Millennium Development Goals by 2015", *Report of the Secretary-General A 64/665* (February 12, 2010); http://www.un.org/ga/search/view_doc.asp?symbol=A/64/665.

Daniela Balážová is an editor of the *Zahraničná politika (Foreign Policy)* journal. She also works for the *Slovak Non-Governmental Development Organizations Platform*.

Millennium Development Goals and half a decade spent trying to achieve them signals the right moment for evaluation – and that applies also to the Slovak Official Development Assistance.

Although the world has been concerned with searching for various ways to reduce extreme poverty and to enhance development in less developed countries the Millennium Development Goals are believed to be the most complex plan to eradicate poverty that has been accepted in this area. It consists of eight concrete interrelated goals with a total of 18 specifically assigned targets and 48 moderators to measure their progress in comparison to that of the 1990's.

The goals and targets have been set on the basis of expert analysis concerning issues of developing countries and factors causing or worsening poverty. Seven out of eight goals are related especially to the situation in developing countries: eradicate extreme poverty and hunger; achieve universal primary education, empower women, reduce child mortality rates, improve maternal health, combat HIV/AIDS, malaria, and other diseases and ensure environmental sustainability.

Goal 8 – Develop a Global Partnership for Development – is very specific and largely depends on good governance in developing countries; not only on the political will of developed countries, but also on the willingness of the private sector. This includes development assistance for financing from developed countries – official development assistance (ODA), providing debt relief for developing countries, establishing conditions for their economic growth and enhancement of employment, as well as international finance and trade policy – and access to the developed countries' markets.

Utopia or Real Progress?

Commitments made in 2000 are only partly implemented on a global scale. According to the World Bank's much cited 'dollar-a-day' international poverty line, revised in 2008 to 1.25 dollars a day in 2005 prices, there were still 1.4 billion people living in extreme poverty in 2005 – down from 1.8 billion in 1990. However, as China has accounted for most of this decrease, without China, progress does not look very encouraging; in fact, the number of people living in extreme poverty actually went up between 1990 and 2005 by about 36 million. In Sub-Saharan Africa and parts of Asia, poverty and hunger remain stubbornly high. The number of 'dollar a day poor' went up by 92 million in Sub-Saharan Africa and by 8 million in West Asia during the period 1990 to 2005. The food and fuel crises in 2007-2008 and the global financial and economic

crisis have made the situation worse. The World Bank estimates that 100 million people in low-income countries were pushed deeper into poverty as a result of a doubling of food prices. According to the World Bank's Global Economic Prospects 2010, globally, and notwithstanding upward revisions to growth projections for 2010, the number of people living on 1.25 dollars per day or less is still expected to increase by some 64 million as compared with a no-crisis scenario.³

A similar situation applies to achieving the rest of the goals. Considering overall UN statistics, progress has been made especially regarding primary education in reducing child mortality or expanding access to drinking water. On the other hand, the progress has been slower on maternal health and the general improvement of the situation of women. There is also a lack of access to hygiene, and with regard to the impact of climate change, more attention should be paid to environmental sustainability.⁴

The September UN Summit, evaluating achievement of goals and adopting, with relation to individual goals, the *Action Agenda for achieving them by 2015 (The Way forward – An Action Agenda for Achieving the Millennium Development Goals by 2015)*, formally confirmed that MDGs are achievable and their implementation essential. In the adopted resolution, the leaders 'recognize that progress, including poverty eradication, is being made despite setbacks, including setbacks caused by the financial and economic crisis' but they will be 'deeply concerned that the number of people living in extreme poverty and hunger surpasses 1 billion and that inequalities between and within countries remains a significant challenge'. On the other hand, they were also 'deeply concerned about the alarming global levels of maternal and child mortality' and expressed hope that 'eradication of poverty and hunger, as well

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³ Ibid.

⁴ "The Millennium Development Goals Report 2010" (New York: United Nations, June 23, 2010); <http://www.un.org/millenniumgoals/pdf/MDG%20Report%202010%20En%20r15%20low%20res%2020100615%20.pdf>.

as combating inequality at all levels, would be seen as essential criteria for creating a more prosperous and sustainable future for all'.⁵

The outcome from this document called on the member states to keep their promises to provide financial support they made a decade ago, and the donors to create rolling indicative timetables that illustrate how they aim to reach their goals in accordance with their respective budget allocation process; but also to aim their attention at specific geographical and sector areas. For instance at the needs of the world's least developed countries and the countries in a post-war state at relating to climate change problems and to the situation of women, as well as the need to reform international financial and trading systems, at fighting corruption and civil fraud or illegal cash flow. From the aspect of assistance financing, the importance of increasing resource mobility and the possibilities of additional financial resources through innovative financial mechanisms is emphasized, which, however, should not substitute the traditional ones.⁶

The document reflects the developed countries' effort to engage private sector and direct foreign investments more in the assistance to developing countries, but also to search for ways of financing other than traditional allocation of finance from their own budgets; when it comes to the effectiveness of finance expenditure in developing countries, it puts emphasis on good governance and rule of law. All in all, the outcome document indicates that just as in the case of the *UN Millennium Declaration* in 2000, fulfilling the commitments from the September resolution on accelerating the progress while achieving individual goals, including fulfillment of the aid financing commitments from the donors, is above all a matter of political will and the effort of individual countries.

Slovak Contribution

The UN Summit also presented an opportunity for Slovakia to reflect on the evaluation of its own contribution to achieving the Millennium Goals, and to adopt measures that could significantly help in achieving them.

Firstly, in connection to Goal 8 – Develop a Global Partnership for Development it should be stated that Slovakia has not yet fulfilled the commitment in relation to the financial amounts provided. In the Millennium Declaration, developed countries pledged to donate 0.7% GNP to the ODA, and a commitment to achieve

⁵ "Outcome Document of the High-level Plenary meeting of the 65th of the General Assembly on the Millennium Development Goals", *General Assembly A 65/L1* (September 17, 2010); <http://www.un.org/en/mdg/summit2010/pdf/mdg%20outcome%20document.pdf>.

⁶ Ibid

this goal has been made jointly by the European Union. The joint commitment respects heterogeneous economic levels of individual EU Member States and differentiates between the commitments of new and old Member States. Thus in 2005, Slovakia as a new EU Member State pledged to gradually increase the financial amount for development assistance in order to donate 0.17% of its gross national income in 2010 and to increase the amount up to 0.33% of its GNI in 2015. Slovakia's commitment on the amounts it would donate to development assistance, as is the case of the majority of EU countries, has not been fulfilled yet – the estimated ODA/GNI ratio amounts only 0.07% in 2010.⁷

On the other hand, in relation to Goal 8 Slovakia has largely included debt relief in their ODA. In the period 2004-2009 the country gradually provided debt relief, in total amounting to more than 64.7 million euro to Iraq, Albania, Sudan, Afghanistan and Liberia, and within the Multilateral Debt Relief Initiative also to Libya.⁸

Goal 8 also focuses on global trading and financial processes in order to enhance economic growth in developing countries; from that aspect, there has been no significant exchange of views neither on the EU trade and agricultural policy, nor on their coherence in the interest of development, nor on the positions Slovakia adopts within their forming of such policies. Automatic transposition of business contracts between the EU and African regional groupings, called *Economic Partnership Agreements*, into Slovak legislation is a good example; or the lack of political discussion on abolishing pro-export EU subsidies for agricultural products in order to support agriculture in developing countries. A novelty that appeared in this sphere is an ambiguous remark made in the Manifesto of the Government in July 2010, according to which 'within the joint EU agricultural policy, the Slovak government will assert areal cancellation of agricultural subsidies. Until then, Slovakia will try to achieve non-discriminating conditions in order to maintain competition of Slovak agriculturiers'.⁹

⁷ "Národný program oficiálnej rozvojovej pomoci SR na rok 2010" (May 2010); <http://new.slovakaid.sk/wp-content/uploads/2010/05/NP-ODA-2010.pdf>.

⁸ N. Beňáková, Z. Jezerská, "Príspevok oficiálnej rozvojovej pomoci SR k plneniu Miléniových rozvojových cieľov v projektoch SlovakAid v rokoch 2004 – 2009", Slovak NGDO Platform (September 2010); <http://www.mvro.sk/sk/aktuality/112-prispevok-slovenska-k-mileniovym-rozvojovym-cielom-osn>.

⁹ "Civic Responsibility and Co-operation", The Manifesto of the Government of the Slovak Republic for the Period of 2010-2014 (Bratislava: Government of the Slovak Republic, 2010); <http://www.vlada.gov.sk/data/files/6258.pdf>.

SlovakAid and MDGs

From the point of view of real money, in general the greater part of the financial amount Slovakia has set apart within the ODA framework represents multilateral aid, i.e. payments to the EU budget and contributions to international organizations and UN agencies. Slovak administration does not influence their actual use in any significant way, as they are a part of distinctively greater financial amounts.

The government, on the contrary, does determine the territorial and sector focus in projects of bilateral official development assistance SlovakAid, implemented in developing countries by Slovak subjects. Territorial and sector priorities of the projects are based on foreign policy priorities and strategical documents of the government.

A paper by Nora Beňáková and Zuzana Jezerská, produced by Slovak NGDO Platform presents an analysis of the SlovakAid projects and its program in 2004-2009 from the aspect of achieving MDGs in the period preceding the UN summit in September, when – according to the analysis – a sum of more than 10 million euro went to the projects aimed at achieving the Millennium Development Goals, i.e. almost a third (32%) of all the money assigned for the projects covered by the SlovakAid brand.¹⁰

Territories of SlovakAid and MDGs

As for individual territories, most of the finance for SlovakAid projects related to the Millennium Goals has been directed to Serbia (26%), which is one of the countries with medium income per capita. It is related, above all, to the fact that Serbia had been the only program country over the period 2003-2008, i.e. the main SlovakAid priority. Nevertheless, the Platform's analysis considers it a positive fact that in total, 40% of the sum for projects related to the Millennium Development Goals was expended in Sudan, Kenya and Afghanistan, thus in some of the least developed countries in the world, i.e. the countries with low income per capita.

In this relation, the paper recommends that Slovak official assistance should concentrate more on poor countries of Asia and Sub-Saharan Africa. According

¹⁰ N. Beňáková, Z. Jezerská, "Príspevok oficiálnej rozvojovej pomoci SR k plneniu Miléniových rozvojových cieľov v projektoch SlovakAid v rokoch 2004 – 2009" , Slovak NGDO Platform (September 2010); <http://www.mvro.sk/sk/aktuality/112-prispevok-slovenska-k-mileniovym-rozvojovym-cielom-osn>.

Table 1. Allocation of the Amount of Financial Resources Provided for Development Cooperation Projects (euro)

	Goal 1 Eradicate Poverty	Goal 2 Primary Education	Goal 3 Empower women	Goal 4 Child mortality	Goal 5 Maternal mortality	Goal 6 Combat HIV/AIDS	Goal 7 Environmental sustainability, access to drinking water	Goal 8 Global partnership	Total
Serbia	348,230		109,215				1,959,972	219,199	2,646,616
Kenya	709,422		80,040	189,307		459,905	93,413	133,252	1,665,339
Sudan	386,046	151,387			149,858		733,552		1,420,843
Afghanistan	148,928	245,713	252,782	271,618					919,041
Mongolia	215,055						250,580		465,635
Mozambique			101,172				363,507		464,679
Bosna and Herzegovina			167,333				179,934	181,093	528,360
Kirgizstan	102,894						95,773	75,849	274,516
Moldova	66,386						205,704		272,090
Kazakhstan							247,642		247,642
Cambodia						227,129			227,129
Ukraine							143,632	79,039	222,671
Georgia	149,723							116,744	266,467
Ethiopia				143,177					143,177
Vietnam						142,332			142,332
Kosovo	116,178		9,505				3,262		128,945
Uzbekistan							86,699		86,699
Total	2,242,862	397,100	720,047	604,102	149,858	829,366	4,490,414	688,432	10,122,181

to the findings of the NGDO Platform dealing with general bilateral aid in 2009¹¹, less than 23% of the total amount was directed to the least developed countries and countries with low income per capita. That is also a reason why the non-governmental organizations associated in the NGDO Platform recommend balancing part of the aid for poor countries with another part for transforming countries of Western Balkans and the EU's Eastern Partnership countries.

A modification of the territorial targeting would correspond to the international commitments. Special attention should be paid to the least developed countries of the world also according to the outcome document of the UN September Summit, where the leaders 'acknowledge that the least developed countries face significant constraints and structural impediments in their development efforts'. They also 'express grave concern that the least developed countries are lagging behind in meeting internationally agreed development goals, including the Millennium Development Goals'. In that context, they 'call for continued implementation of the Brussels *Program of Action for the Least Developed Countries for the Decade 2001-2010* and look forward to the *Fourth United Nations Conference on the Least Developed Countries*, to be held in Istanbul in 2011, which would further invigorate the international partnership to address the special needs of these countries'.¹²

SlovakAid Sectors and MDGs

How were SlovakAid projects aimed at individual MDGs and what are the recommendations being prepared for the UN Summit (*The Way Forward – An Action Agenda for Achieving the MDGs by 2015*)?

Despite the fact that in his speech at the UN Summit, the President of the Slovak Republic presented especially the Slovak contribution to achieving the Millennium Goals 2 and 6 namely in the least developed countries¹³, the major part of the finances within the official bilateral program SlovakAid was directed on projects for enhancing access to drinking water (Goal 7), above all in Serbia.

¹¹ "Vytvárajme dobrý obraz Slovenska cez program oficiálnej rozvojovej pomoci SlovakAid", Slovak NGDO Platform (August 2010); <http://www.mvvo.sk/phocadownload/Publikacie/slovakaid%20-%20infomaterial%202009.pdf>.

¹² "Outcome Document of the High-level Plenary meeting of the 65th of the General Assembly on the Millennium Development Goals", *General Assembly A 65/LI* (September 17, 2010); <http://www.un.org/en/mdg/summit2010/pdf/mdg%20outcome%20document.pdf>.

¹³ "Prezident SR Ivan Gašparovič vystúpil v New Yorku na Summitu k Miléniovým rozvojovým cieľom" (September 22, 2010); http://www.prezident.sk/?rok=2010&news_id=12036.

Based also on the results of the UN Summit, it would be appropriate to modify not only the territorial, but also the sector targeting of SlovakAid projects and their targeting in accordance with the individual Millennium Goals.

From the aspect of individual goals, according to the NGDO Platform analysis, the projects aimed at enhancing access to drinking water represented almost a half of the 10 million euro packet (44%). Less than a quarter of the total amount (22%) went to projects aimed at eradication of extreme poverty and hunger. So far, the least money has been invested in projects for reducing maternal mortality (2%).

In relation to Goal 1 – Eradicate Extreme Poverty and Hunger, the analysis states that SlovakAid projects in this area were implemented in Sub-Saharan countries and some countries in Asia, their sector targeting was enhancing qualification, vocational skills, supporting small enterprises, providing micro-credits, enhancing production of agricultural commodities, thus solving income as well as eradication of hunger, several were aimed at entry into the labor market. According to the analysis, a great number of subjects implementing the projects in various countries show a reliable capacity of Slovak organizations to provide long-term interventions directed at larger target groups in the poorest and low-income countries.

Continuing such intervention would follow up on the implementation of the UN *Action Agenda* adopted at the summit in September, which inter alia obligates the states 'to promote full and productive employment and decent work for all, including women, indigenous people, young people, people with disabilities and rural populations; promoting small- and medium sized enterprises through initiatives such as skills enhancement, technical training programs, vocational training and entrepreneurial skills development'. Not forgetting 'promoting inclusive financial services, particularly micro-finance, including affordable and accessible credit, savings, insurance and payments products for all segments of society, especially women, people in vulnerable situations and those who would not normally be served or are under served by traditional financial institutions'. In combating hunger, the *Action Agenda* also

Despite the fact that in his speech at the UN Summit, the President of Slovakia presented especially the Slovak contribution to achieving the Millennium Goals 2 and 6 namely in the least developed countries, the major part of the finances within the SlovakAid was directed on projects for enhancing access to drinking water (Goal 7), above all in Serbia.

predicts 'promoting at all levels a strong enabling environment for enhancing agricultural production, productivity and sustainability in developing countries'.¹⁴

The analysis states that a rather small number of projects dealing with Goal 2 'Achieve Universal Primary Education'. This partly stems from the fact that private resources can be found for educating children (e.g. through projects of distance adoption, public money gatherings). The SlovakAid projects dedicated only to building schools (infrastructure) do not automatically grant that the attendance of children increases; however, they do provide a more appropriate and safer environment. It is therefore important, according to the analysis, to support namely the projects aimed at the education of girls and literacy of women who do not have the possibility to take part in school attendance any more, especially in the countries with a great deal of gender inequality (for instance Afghanistan). The projects for building schools should consider their main target areas places, where the lack of infrastructure results in children not attending school at all. Such projects, at the same time, have to deal with the quality of education – competencies of teachers.

The necessity to enhance the quality of education through increasing the number of teachers, their qualification, building more classes and material equipment for schools, enhancing quality and contents of curricula, as well as teaching aids and using information technologies are all pointed out in the UN Action Agenda. It is also essential to focus more on the 'transition from primary education and access to secondary education, vocational training and non-formal education and entry into the labor market'.¹⁵

The number of SlovakAid projects targeted at Goal 3 – Promote Gender Equality and Empower Women – is not very large, but as the analysis states, the implemented projects are well aimed at achieving the indicators – they solve the education of women and their entry into the labor market (except into agricultural sector). According to the analysis, gender equality should become the cross-sectoral issue within the programming especially in those countries where it is most needed (Afghanistan, Sub-Saharan Africa).

The UN *Action Agenda* obligates all involved to a greater level of attention to the issue of gender equality, combating violence against women and girls and of 'empowering women, in particular women living in poverty, through, inter alia, social and economic policies that guarantee them full and equal access to all levels of quality education and training and vocational training,

¹⁴ "Outcome Document of the High-level Plenary meeting of the 65th of the General Assembly on the Millennium Development Goals", *General Assembly A 65/L1* (September 17, 2010); <http://www.un.org/en/mdg/summit2010/pdf/mdg%20outcome%20document.pdf>.

¹⁵ Ibid.

including technical, managerial and entrepreneurial training, and to affordable and adequate public and social services'.¹⁶

Within the health related Goals of 4 and 5 – Reduce Child Mortality and Improve Maternal Health, only a small number of projects, according to the analysis of SlovakAid projects, have been implemented; however, it was in the countries of great need – Afghanistan, Ethiopia, Sudan and Kenya. The projects were often targeted more widely at providing healthcare for whole communities, including mothers and children; health projects are dealt with also by academic institutions from private resources (St. Elizabeth University of Health and Social Sciences, Trnava University). Also as a consequence of the low global progress in the 'Reduce Maternal Mortality' Goal, the analysis recommends supporting this specific issue more in the future through education of birth assistants, implementation of further education programs etc., in accordance with the adopted UN Action Agenda.

As for Goal 6 – Combat HIV/AIDS, Malaria and Other Diseases, the project analysis states that treating HIV/AIDS and preventing its mother-to-child transmission is becoming an important competence of various organisations in Slovakia with a potential to transfer it and apply in various countries – Kenya, Cambodia, Vietnam, Uganda, Zambia or Haiti. Although these projects have been implemented within the SlovakAid program by a single organization, in Slovakia, this issue (as well as combating other diseases such as malaria) has a strong academic base and the projects are implemented especially through academic institutions financed from private resources.¹⁷

Most of the SlovakAid projects related to the MDGs were dealing with Goal 7 – Ensure Environmental Sustainability – and especially with improving access to drinking water. As the analysis states, the major part of these projects were implemented in Serbia, Moldova or Mongolia, several were realized in

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¹⁶ Ibid.

¹⁷ N. Beňáková, Z. Jezerská, "Príspevok oficiálnej rozvojovej pomoci SR k plneniu Miléniových rozvojových cieľov v projektoch SlovakAid v rokoch 2004 – 2009", Slovak NGDO Platform (September 2010); <http://www.mvro.sk/sk/aktuality/112-prispevok-slovenska-k-mileniovym-rozvojovym-cielom-osn>.

Sudan and Mozambique. The authors of the analysis claim that it provides the implementers of the, up-to-now projects for enhancing access to drinking water in the Western Balkans with space to transfer their know-how to the countries where access to water is a basic vital need. They also point out that a large group of the SlovakAid projects were forming national policies in the area of environmental sustainability especially in the countries of Central Asia. In relation to the Copenhagen commitments of Slovakia to help developing countries in combating climate change, it would be desirable to direct the intervention in this direction in the future.¹⁸

In relation to Goal 8 – Develop a Global Partnership for Development – the authors of the analysis identified the SlovakAid projects aimed at open and non-discriminatory trade development (especially at the entry of developing countries into other markets). A part of the projects related to the harmonization of legislation, tariffs and standards, which would enable transforming countries (Serbia, Ukraine, Central Asia) to enter into the European market, and a part of the projects focused on trade ties of low-income countries mainly in Africa and possible export of, above all, fair trade products.

From the global point of view, in the specific Goal 8 of the Action Agenda the UN inter alia calls on the developed countries to fulfil their commitments to finance the development cooperation (0.7% of GNP to ODA by 2015 and a 0.15-0.20% part of GNP to ODA to least developed countries), to strengthen international cooperation in the matter of taxes and fight against corruption, as well as to the WTO members to keep their promise to eliminate the pro-export agricultural subsidies.¹⁹

Conclusions and Recommendations

Slovakia is still a relatively new member of the donor community and it does not belong to the top new EU Member States in the sphere of development cooperation, either. Nevertheless, despite a not very large number of projects and smaller amounts provided for the bilateral ODA, SlovakAid program managed to implement several projects in the period 2004-2009 which contributed to achieving the UN goals and to starting up the development and eradication of poverty in less developed countries. Thus SlovakAid has a basis that can be built on and developed in the least developed countries and countries with low income per capita.

¹⁸ Ibid.

¹⁹ “Outcome Document of the High-level Plenary meeting of the 65th of the General Assembly on the Millennium Development Goals”, *General Assembly A 65/L.I* (September 17, 2010); <http://www.un.org/en/mdg/summit2010/pdf/mdg%20Outcome%20document.pdf>.

On the basis of Slovakia's up-to-now experience with achieving the MDGs, it is desirable – in order to increase the effectiveness of bilateral ODA – to improve the setting of territorial and sectoral priorities. The Platform Analysis in relation to the Millennium Development Goals recommends focusing – with slight modifications – on the goals where Slovak subjects have the greatest experience, such as access to drinking water, eradication of poverty, combating HIV/AIDS. As for enhancing access to water and environmental sustainability, it suggests transferring attention to poorer countries; focusing on solving problems relating to climate change. In connection with the goal to eradicate poverty, it recommends focusing on projects for supporting small enterprises and enhancing qualification. In relation to eradication of hunger it recommends more investments in projects for development of agriculture and food security.

On the other hand, the analysis suggests focusing more on the goals that were less covered up to now and at the same time represent the least achieved goals on the global scale as well – reducing maternal mortality, but also empowering women – education of girls and women and their entry into the labor market.

The focus on individual goals should also be more significant and concrete at the stage of establishing the program of the aid and grant challenges. The analysis recommends that the sector targeting in relation to the countries where Slovakia explicitly wants to focus on achieving the UN Millennium Development Goals, i.e. in the least developed countries and in countries with low income per capita, should correspond more, not only with the name of the goal, but also with its individual targets and indicators.

'To frame the development aid projects with the Millennium Development Goals is not a matter of form. In order to achieve that the Millennium Goals become reality, that there will be progress, a vision of what has been accepted by the governments of a number of countries, the paper declarations must be projected into deeds – from strategical decisions to everyday practice', concludes the study.²⁰

On the basis of Slovakia's up-to-now experience with achieving the MDGs, it is desirable – in order to increase the effectiveness of bilateral ODA – to improve the setting of territorial and sectoral priorities.

²⁰ Beňáková, N., Jezerská, Z., "Príspevok oficiálnej rozvojovej pomoci SR k plneniu Miléniových rozvojových cieľov v projektoch SlovakAid v rokoch 2004 – 2009", Slovak NGDO Platform (September 2010); <http://www.mvro.sk/sk/aktuality/112-prispevok-slovenska-k-mileniovym-rozvojovym-cielom-osn>.

The UN Summit has started off the last third of the period to fulfill the commitments adopted in 2000. The outcome hints that if the countries really want to keep their own promises, they need to take several measures to enhance the effectiveness of development cooperation and development aid financing. They should also include the specific issue of combating the effects of climate change as well as good governance in their existing development agenda and the agenda to come after 2015.

If Slovakia wants to show its willingness to fulfill its commitments, an immediate challenge after the Summit is to adopt the indicative timetable to increase the ODA volume until 2015. Another challenge for Slovakia for the next five years is more effective territorial and sector targeting of the bilateral official development assistance in order to achieve the goals set. In the future, when developing its own capacities, Slovakia should pay more attention to the effectiveness of its contribution to multilateral aid, the EU development agenda and the coherence of the policies on behalf of development. This would also round off the transformation phase of a country that used to receive assistance to a country which, also thanks to its own experience, can efficiently help others.

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Mats Hårsmar

Swedish Aid – a Multi-Purpose Tool for Globalization?

Abstract: Sweden is an interesting aid donor to study. With a reputation of a committed and trustworthy dialogue partner with a focus on poverty reduction, Sweden is seen to be driven by altruistic motives and is pushing the international donor coordination agenda. However, at a closer look, selectivity and poverty focus in the Swedish partner portfolio is relatively weak; country selections have primarily been based on historical patterns and are often contributing to donor congestion; aid motives are increasingly becoming blurred, while the Swedish aid agencies rapidly are becoming messier from an organizational standpoint. So what is the Swedish aid model, and how is it evolving? Why has Swedish aid become increasingly complex in its content?

Ranked as number one in the Commitment to Development Index 2009¹, Sweden is an interesting aid donor to study. With a reputation of a committed and trustworthy dialogue partner with a focus on poverty reduction, Sweden is seen to be driven by altruistic motives and is pushing the international donor coordination agenda. It ought to be a showcase in development cooperation.

However, at a closer look, selectivity and poverty focus in the Swedish partner portfolio is relatively weak; country selections have primarily been based on historical patterns and are often contributing to donor congestion; aid motives are increasingly becoming blurred, while the Swedish aid agencies rapidly are becoming messier from an organizational standpoint.

¹ "Commitment to Development Index 2009", Center for Global Development (2009); http://www.cgdev.org/section/initiatives/_active/cdi/.

Mats Hårsmar works as a Senior Research Associate in Nordic Africa Institute. Until 2009, he worked as a chief analyst for development issues in the Swedish Foreign Ministry.

So what is the Swedish aid model, and how is it evolving? Why has Swedish aid become increasingly complex in its content?

When the US-based think-tank Center for Global Development ranks OECD countries on their commitment to global development, Sweden has for a number of years been ranked among the highest. Last year, it was even ranked as number one. The most important factor behind this position was its high scores on development aid, where it got 14.3 points out of 16 possible. Second in that line was Norway, with 11.2 points.

A major reason for Sweden's high aid scores is its large per capita amount of ODA, having committed itself to 1% of its GDI in development aid. Furthermore, there are no debt reflows from low-income countries to Sweden, since such debts were written off at an early stage. But besides the high quantity, Sweden is also hailed for good quality aid. The large average size of its aid projects prevents the spreading of aid too thinly; a very low level of ties to commercial interests makes its aid more efficient, since the most efficient implementers may be used; a fairly good focus on needs and good recipient country policies makes for the overall high scores.

A major reason for Sweden's high aid scores is its large per capita amount of ODA, having committed itself to 1% of its GDI in development aid.

The OECD development secretariat (DAC) has on numerous occasions described Sweden as a leader in international development cooperation. Sweden's promotion of the aid effectiveness agenda (including the Paris Declaration in 2005 and the Accra Agenda for Action in 2008), its support for good humanitarian donorship and its ardent support for multilateralism is particularly praised.² Still, as we will see later, everything is not as rosy as it seems. The Swedish aid model is facing increasing challenges.

Support to National Liberation and Development

Swedish aid policies have over the years been characterized more by stability than change. When the Swedish 'bible for development cooperation' – the government bill 100 – was written in 1962, the focus was on poverty alleviation, support for human rights, justice and equality. The main author of

² "Sweden [2009] DAC Peer Review – Main Findings and Recommendations", OECD (2009); <http://www.oecd.org/dac/peerreviews/sweden>.

this bill was a secretary to the Prime Minister who later would become Prime Minister himself – the social democrat Olof Palme. Palme came to be known for his internationalism and his support to ‘third world’ countries struggling for their independent development. This was also the original project for Swedish development aid: newly independent countries were to be supported in their nation-building.

Over time, new objectives were added. In 1978, these objectives were formalized as: 1. promotion of resource growth; 2. promotion of economic and social equality; 3. support to economic and political autonomy; 4. support to democratic development. In 1988, the 5. objective of sustainable use of natural resources was added and in 1996 (7) equality between women and men. A major

An important historical background to the Swedish official development cooperation, which started in the 1960s, was the work that Swedish churches and trade unions already were involved in, mainly in Sub-Saharan Africa.

revision of Swedish development policies took place in 2003. Development cooperation was placed within a wider policy framework of support to equitable and sustainable global development, where policy coherence for development is the overriding principle. However, for development cooperation as a sub-sector in this policy, the primary focus was once again put on poverty alleviation.

Before we take a look at the broader policy on global development (PGD), we should first look at how Sweden has selected its partner countries over the years.

An important historical background to the Swedish official development cooperation, which started in the 1960s, was the work that Swedish churches and trade unions already were involved in, mainly in Sub-Saharan Africa. In the field of development cooperation, as well as in domestic Swedish politics, the involvement of civil society organizations came to influence official policies during much of the 20th century. Some of the countries where churches started their missions back in the 19th century are still central partner countries today, such as Tanzania and Ethiopia. In addition, civil society involvement has remained very strong in Swedish development cooperation, with a budget line for civil society cooperation amounting to between 5-10% of the total aid budget.³ Over the years, a large number of Swedish citizens have been

³ In addition to this, Swedish civil society organizations serve as channels for humanitarian aid as well as some direct support to CSOs in partner countries.

involved in development cooperation, either as technical advisors/collaborators or as opinion makers on the Swedish side. Such personal experience have laid the ground for a continued public pressure to keep aid levels up, also during economic downturns.

At the outset a main motive for the selection of partner countries was their political visions at the time of independence: Tanzania, Mozambique, Vietnam, Nicaragua and Cuba, as well as liberation movements in Southern Africa and Indochina became important partners. A combination of strong involvement from Swedish civil society in the cooperation and a support to left-leaning political projects came to be the dominant selection criteria during a sustained period of time. 'Solidarity' was seen as a major driving motivation behind Swedish development aid. When focus turned to macro balances and structural adjustment programs in the 1980s, this was to a certain extent eroded. In the 1990s, pragmatism had set in and Swedish aid philosophy had shifted more towards the OECD mainstream, with 'enlightened self-interest' playing a larger role. In spite of this, many of the original partner countries remained. An overriding argument for this was to make use of the many investments done in knowledge and capacity both on the Swedish and on the partner sides of the cooperation. Path dependency prevailed.

Swedish development cooperation has over decades enjoyed a broad support in Parliament. There is a widespread acceptance, building on Sweden's own historical experience, that social development requires a combination of state and market. Hence, the role for aid in poor country development has been seen as a natural one. How Swedish aid has manifested itself more in detail has depended on the balance between various interests: political, commercial, security, civil society etc. The influence of civil society has, as already mentioned, been high and the 'solidarity' motive stronger than pressure from most other interest groups. This has not least contributed to the high quantity of aid. This seems to be consistent with the finding⁴ that rich countries with a more equal income distribution tend to give larger per capita shares of ODA.

Concentration – but Still Multiple Objectives

In its bilateral aid relations, Sweden did not, until recently, have any worked-out formula for the selection of partner countries. It still does not have any

⁴ R. Wilkinson, K. Pickett *The Spirit Level – Why More Equal Societies Almost Always Do Better*: (Allen Lane, 2009).

formula for the financial allocation of aid. Political reasons and linkages were at the basis of country selection in the first decades. But as political projects went astray in partner countries, and the original ideological motivations for aid weakened in Sweden, increasing numbers of countries were added on a case-by-case basis. The domestic Swedish policy consensus on foreign aid was eased by the entry of new partner countries with various dominant political leanings.

The implementation of the country focusing process started in 2007 and is planned to be finalized at the end of 2010. However, due to multiple classifications of partner countries, the final outcome of the concentration process remains unclear.

As well, new agencies were established in order to deal with development issues more relevant to middle-income countries. Almost everyone could find countries that fitted their special aid motivations and political leanings. As well, a less formalized decision structure, with the final decision no longer taken by the parliament, contributed to this proliferation of partner countries. 114 countries received Swedish aid in the mid 1990s⁵ and 122 in 2006⁶. Amongst these, Swedish (Sida) personnel were present in some 40-45 countries⁷, and Sweden had collaboration agreements of various kinds with almost 70 countries. A rather large number of countries for a total aid budget of some 3 billion USD annually, it seems. At the turn of the century, it was estimated that 75% of the countries

Sweden collaborated with, received less than 1% of total Swedish aid.⁸ The share of the ten largest recipients of Swedish aid decreased from 45 to 30% of total Swedish aid from 1990 to 2000.⁹ Figures from other OECD countries may have been worse, but these were still measures of highly proliferated aid.

A process of limiting the number of partner countries got started in 2005. It was initiated by the then social democratic government, but was intensified by the center-right alliance government that took office in late 2006. Five types of

⁵ A. Danielson, L. Wohlgemuth, "Swedish Development Co-operation in Perspective", *EADI Studies in Development*, Lund University (2005), p. 21.

⁶ "Sidas årsredovisning 2006" (Stockholm: Sida, 2007).

⁷ Estimates made by Sida staff.

⁸ A. Acharya, A.T. Fuzzo de Lima, M. Moore, "Proliferation and Fragmentation: Transaction Costs and the Value of Aid", *Journal of Development Studies* Vol. 42, No. 1 (2006); pp1-21 (table 1).

⁹ A. Danielson, L. Wohlgemuth, "Swedish Development Co-operation in Perspective", *EADI Studies in Development*, Lund University (2005), p. 25.

motivations for Swedish involvement were established, and partner countries were placed in the following categories:

1. long-term development cooperation (12 countries);
2. conflict and post-conflict countries (12 countries);
3. support to reforming countries in Eastern Europe (9 countries);
4. countries with special democratic challenges (however without any government to government collaboration);
5. selective collaboration with some of the countries where Swedish support were to be discontinued (7 countries).

Through this process, the number of partner countries where Swedish personnel is present is to be reduced from some 45 countries down to 33.¹⁰ The implementation of the country focusing process started in 2007 and is planned to be finalized at the end of 2010. However, due to multiple classifications of partner countries – with collaboration treaties, presence of Swedish personnel, threshold values of aid interchangeably used as partner country criteria – the final outcome of the concentration process remains unclear. The number of countries receiving 75% of all bilateral aid remained the same in 2009 as in 2000 and 2005.¹¹ A general conclusion is that a reduction in the number of partner countries implies a very difficult process, due to all the various variables to consider.

Weak Poverty Focus

The historical processes and criteria for the selection of partner countries, which we have referred to above, provide important explanations as to why Sweden scores surprisingly low in various rankings of poverty- as well as policy selectivity. The debate on 'selectivity' started in the late 1990s with inspiration from studies by Burnside and Dollar¹², and Collier and Dollar¹³. They had found aid to have positive effects on growth in countries that promote 'good' fiscal, monetary and trade policies, but little effect in the presence of 'poor' policies.

¹⁰ The government claimed a reduction from 67 to 33 countries. However, as categories were not comparable, the actual reduction is much less.

¹¹ Own calculations based on the SADEV database (<http://www.sadev.scb.se/sv/Dialog/SaveShow.asp>). In 2000 24 countries received 75% of all bilateral aid, 2005 26 countries and 2009, 25 countries. As well the number of countries receiving more than 10 million SEK in aid remained stable (71, 73 and 72 respectively).

¹² C. Burnside, D. Dollar: "Aid, Policies and Growth", *The American Economic Review* Vol. 90, No. 4 (2000), pp. 847-868.

¹³ P. Collier, D. Dollar, "Aid Allocation and Poverty Reduction", *European Economic Review* Vol. 26 (2002), pp 1475-1500; P. Collier, D. Dollar, "Development Effectiveness – What Have We Learned?", *The Economic Journal* Vol. 114, No. 496 (2004), pp 244-271.

These studies came to be hotly debated and its findings contested. Others claim that we do not know what the exact relationships between policy and growth are.¹⁴ Nevertheless, claiming that aid should be channeled to countries with 'good policies' and with high levels of poverty became more or less an accepted norm in the business.

'Like-minded' countries such as Denmark and to some extent the United Kingdom were found to target its aid quite well according to poverty criteria and political capacity to tackle poverty. However,

One study directly pointed out Sweden as one of the seven most severe 'proliferators' of aid. In this corner it found itself together with some other Northern European countries that like Sweden lacked colonial history, and did not tie its aid to commercial interests.

Nunnenkamp and Thiele¹⁵ found Sweden to beat best in the mid-range amongst bilateral (OECD) donors, and according to some indicators even among the worst performers. Dollar and Levin¹⁶ also found selectivity in Swedish aid to be fairly modest. These estimates refer to the situation prevailing at the turn of the century. With the current increase of conflict and post-conflict countries in the Swedish partner country portfolio, poverty selectivity might have increased somewhat, since some of these countries are quite poor. However, the policy selectivity has not increased with this change. Most conflict and post-conflict countries score very low on the governance indicators, such as the World Bank Country Policy and Institutional Assessments, CPIA. Despite this, the Swedish government explicitly argued that Sweden

should get more involved in these high-risk endeavors, since the potential benefits of aid as well are higher in these countries.

There is a similar story to tell regarding 'donor fragmentation' – the extent to which donors spread their aid on a large number of countries. A high level of donor fragmentation tends to result in certain partner countries receiving aid from many sources, which increase transaction costs tremendously. Even if Sweden was not explicitly mentioned in the study

¹⁴ See, for example, M. McGillivray, "Aid Effectiveness and Selectivity", *Discussion paper 2003/71*, UNU-Wider, Helsinki (2003).

¹⁵ P. Nunnenkamp, R. Thiele, "Targeting Aid to the Needy and Deserving: Nothing But Promises?", *The World Economy* Vol. 29, No. 9 (2006), p. 1190.

¹⁶ D. Dollar, V. Levin, "The Increasing Selectivity of Foreign Aid, 1984-2003", *World Development* Vol. 34, No. 12 (2006), pp. 2034-2046.

of Knack and Rahman¹⁷, they showed that many of the most prominent Swedish partner countries were among those that suffer most from having to deal with a large number of donors. Another study directly pointed out Sweden as one of the seven most severe ‘proliferators’ of aid. In this corner it found itself together with some other Northern European countries that like Sweden lacked colonial history, and did not tie its aid to commercial interests.¹⁸ Another finding in this study was that these proliferators as well contributed most to the ‘fragmentation’ of national systems that occurred on the receiving end.

The proliferation of Swedish aid might have decreased somewhat with the recent country focusing process. However, as shown above, the outcome of the process is far from clear. Furthermore, countries that remain in the Swedish portfolio are still among those that deal with large numbers of donors, and where aid constitutes large shares of their government budgets. Such countries are the ones that suffer most from donor fragmentation. In the Swedish process of limiting the number of partner countries, this latter criterion only played a minor role.

Different Layers of Governance

From our description, it might look like Sweden actually is less concerned with aid effectiveness. Alternatively, it might be that Sweden applies very different criteria for aid effectiveness compared to those that are captured by income per capita or by governance indicators. This is puzzling, since Sweden simultaneously has such a good international reputation of being a donor focusing on poverty reduction and good governance.

One important element explaining this puzzle may be found in the Swedish governance structure. The general system of governance is one of a separation of tasks. Swedish cabinet ministries, which are relatively small in size, are charged with providing general directions and decide on budget allocations, while larger, independent, authorities are charged with the implementation of the policies. In the case of development cooperation, the principal implementing authority is called Sida – Swedish International Development Agency. There are as well minor implementing official bodies like Swedfund, which is dealing

¹⁷ S., Knack, A. Rahman, “Donor Fragmentation and Bureaucratic Quality in Aid Recipients”, *Journal of Development Economics* Vol. 83, No. 1 (2007), pp 176-197.

¹⁸ A. Acharya, A.T. Fuzzo de Lima, M. Moore, “Proliferation and Fragmentation: Transaction Costs and the Value of Aid”, *Journal of Development Studies* Vol. 42, No. 1 (2006), p. 11.

with the promotion of development oriented commercial investments. But Sida channels most of Swedish bilateral aid – around 45% of total Swedish ODA.¹⁹ Up to the early 1990s, Sweden operated with a number of different implementing agencies. However, due to steering difficulties, most of them were merged into one agency – the new Sida – which became the agency in charge of (almost) all thematic areas.

Implementing authorities, such as Sida, have a high degree of delegated responsibilities. Exchange and dialogue are taking place between Sida and the ministry on a day-to-day basis. Country strategies, comprising the selection of sectors, programs and financial allocations are proposed by Sida, and approved and decided by the government. However, the overall directions are given only once a year in a 'letter of appropriation'. The general reporting is also done annually.

In order to enhance aid effectiveness Sweden has increasingly replaced project aid with sector wide approaches or programs, in partner countries, and general budget support.

The fact that country selections and allocation decisions are made basically at a political level, implies that domestic political debates over the years have influenced these heavily. Furthermore, the strong involvement of civil society organizations has

resulted in the formation of interest groups that uphold rather intensive links with constituencies in partner countries. Such interest groups often lobby for retaining specific countries in the Swedish aid portfolio.

As a result, Sida has generally been given a set of countries to work with. These countries have been chosen by other reasons than pure aid effectiveness. Hence, interventions aimed at increasing aid efficiency have mainly entered at the level of implementation. For instance, people from the top echelon of Sida or from non-political positions within the ministry have been the ones at the international forefront, for instance in the OECD/DAC working group on aid effectiveness. In this international process, culminating with the *Paris Agenda* in 2005 and the *Accra Agenda for Action* in 2008, two Swedes in a row served as chairpersons. The background is that Sida representatives have been the ones that over the years have taken part in national dialogues at the partner country level. It is through these dialogues that much insight has been gained about the importance of national ownership and harmonization.

¹⁹ "Förslag till Statsbudget för 2010 – Internationellt bistånd", Government of Sweden, *Prop* Vol. 10, No. 1 (2009).

Representatives of Sida were as well active partners in the 'Nordic-plus'²⁰ discussions that led to proposals for sector concentration in the aid programs. Sector concentration has now become official Swedish policy. It prescribes that Sweden should not be actively involved in more than three different sectors – as defined by the OECD/DAC – in each partner country.²¹ Decisions as to which sectors to focus on should be taken based on the expressed priority of the partner country, and after co-ordination with other donors.

In order to enhance aid effectiveness Sweden has increasingly replaced project aid with sector wide approaches or programs (SWAPs), in partner countries, and general budget support (GBS). Together with the UK, the EU and the World Bank, Sweden has been at the forefront in promoting GBS. Both these approaches (called *modalities* in aid jargon) imply wider use of the national systems of partner countries, and sharply reduced overall administrative and transaction costs. On the GBS efforts there has been close collaboration between Sida and the Ministry for Foreign Affairs. General budget support is only given within a framework of strict regulations. If not properly monitored, these modalities imply an obvious risk for corruption. With increasing amounts, the stakes increase.

The SWAPs are still promoted rather widely, whereas the cases of GBS have decreased in recent years. The reason is increased incidences of corruption, and a subsequent decreased confidence in anti-corruption programs in some of the partner countries. Currently, Sweden gives budget support to only four countries in Sub-Saharan Africa.²²

Progressive, but Increasingly Dispersed

There has been strong continuity both in general Swedish aid policies and in its domestic support for development cooperation. Despite this, the character and content of Swedish bilateral aid interventions has quietly shifted quite substantially over the years. Health, education and other social sectors, as well as support to research, have been promoted throughout. However, support to environmental programs, democracy promotion, gender programs and sexual and reproductive health have all increased over the last two decades. Another change has occurred in reaction to the shifting role given to the state in social

²⁰ Nordic Plus is a constellation of aid officials from the Nordic countries – Finland, Norway, Denmark, Sweden – plus Ireland, the UK and the Netherlands.

²¹ General Budget Support, humanitarian aid, support to research and to civil society are excluded from the sector concentration.

²² "Sidas årsredovisning 2009" (Stockholm, Sida, 2010).

development processes. For instance the large and comprehensive rural development programs of the 1970s and 1980s have, together with support to the agricultural sector, given way to interventions aimed at private sector development, and to programs aimed at improving governance and public sector management. Sweden has been flexible in shifting its programs and interventions according to international debates about the relative role of the market and the state. Furthermore, Sweden has been seen as progressive in pushing a rights based approach in all its programs, and not least in the area of sexual and reproductive health. This has contributed to its international reputation of being a progressive donor. However, the Swedish innovative approach and sensitivity to new trends in development thinking and debates has also led to a mix of programs that point in many directions. Several competing narratives about what brings about development have co-existed within Sida.²³ Similarly, during at least the last decade the government's selection of aid priorities has rarely, if ever, been motivated with reference to central drivers of development. Seen from the angle of its content, Swedish aid has turned increasingly complex and diversified over the years.

It has as well been argued that this increasing complex of factors have led to a weaker focus on poverty reduction. Through a gradually increased influence of security and commercial interests, the poverty focus might have faded.²⁴

From National to Global Development Dynamics

While support to newly independent countries and their nation-building was the primary project at the time when Swedish development cooperation got started, the overall project has changed due to increasing globalization. Development processes, as well as poverty dynamics, are increasingly linked to processes taking place at the international level. Migration flows, increased trade and cross-border investments, human influence on climate, a well integrated and rapidly expanding international financial system, increased importance of knowledge as well as energy issues are all global factors that heavily influence the conditions for local development. As these factors have become increasingly important, Swedish aid has entered a process of change.

²³ K. Havnevik, M. Hårsmar, E. Sandström, "Rural Development and the Private Sector in Sub-Saharan Africa – Sida's Experiences and Approaches in the 1990s", *Sida Evaluations 03/18* (2003).

²⁴ D. Ehrenpreis, "Poverty – What it is and What to Do about it", B. Odén, L. Wohlgemuth (eds) *Where is Swedish Aid Heading?* (Gothenburg: School of Global Studies, Gothenburg University, 2009).

In this changing role of aid, Sweden could link up with another part of its own tradition. Over the years, an important part of Swedish development cooperation has been its support to UN bodies and to international financial institutions. Sweden is, together with other Scandinavian countries, the Netherlands and the UK, among the largest contributors in absolute terms to UN bodies such as UNICEF, UNDP, WHO and others. It is as well contributing large amounts to the World Bank's IDA, the African, Asian and American Development Banks. For many years, a third of Swedish aid was channeled to multilateral organizations. In recent years, this share has increased and amounts to about half of Swedish aid.²⁵

The original motivation for multilateral aid is that it has fewer policy strings attached to it, and therefore can be more efficient in reaching poor people. As well, to support the UN system was seen as a way of strengthening an international rule-based system that also Sweden benefits from. At times when the multilateral system has been under increasing criticism, Sweden has taken a number of initiatives aiming at reforming the system, or discussing its financial basis.²⁶ Sweden has been promoting an international debate on how to provide 'global public goods', as well.²⁷ This was done in the interest of finding international solutions to international problems, and to promote good governance at the global level. In recent years, Sweden has developed assessment tools in order to better allocate funds among different multilateral organizations according to their relevance for Swedish policy priorities, and their effectiveness.²⁸

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²⁵ "Förslag till Statsbudget för 2010 – Internationellt bistånd", Government of Sweden, *Prop* Vol. 10, No. 1 (2009).

²⁶ The Nordic UN project delivered its final report in 1991; The Four nation initiative final report appeared in 2007; The Finance for development initiative of the Swedish MFA resulted in a series of reports before and after the UN FfD conference in Monterrey, Mexico 2002. See for instance F. Sagasti, K. Bezanson, F. Prada *The Future of Development Financing: Challenges and Strategic Choices*. (Basingstoke: Palgrave-McMillan, 2005).

²⁷ The International Task Force on Global Public Goods, initiated by the Swedish and French governments in 2003 and led by the former Mexican president Ernesto Zedillo, delivered its final reports in 2007.

²⁸ A 'multilateral strategy' was launched 2007 (Swedish Government, 2007, UD/2007/7290/MU).

Sweden has often been seen as somewhat idealistic in its multilateralism. But with development challenges becoming increasingly global, multilateralism and international responses have turned increasingly important. As well, such a perspective came to form the Swedish debate in a fundamental way.

Building on the work of a parliamentary committee, a bill establishing a policy for global development (PGD), was passed in 2003.²⁹ Internationally, this was the first policy of its kind, and it calls for a joint government responsibility and coherence

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in all Swedish policies and action with relevance for global development. The government's left hand should not only know what its right hand is doing, but they should preferably work in harmony. Hence, whenever Swedish trade, agricultural, defense or environmental policies are formed the objective of an 'equitable and sustainable global development' applies. This objective is as well valid when Sweden takes part in international negotiations on global financial issues, on international migration etc. In short, the entire Swedish government is bound by this policy. It might perhaps not be realistic for development to have priority in each and every conflict of interest. But at least, such conflicts of interest should be made visible.

In an attempt to make the policy more operational as well as more widely known, the current centre-right government has focused the PGD on six 'global challenges' to be dealt with (oppression, economic exclusion, international migration flows, climate change and environmental issues, conflicts and fragile situations, transmittable diseases and other threats to health).³⁰ Every second year the government reports to parliament on the results of this policy. Underpinning the PGD are two guiding principles: the recognition of a rights perspective, stressing the right of individuals to development; and taking the needs, capacities and interests of poor people as a point of departure in Sweden's development policies.

²⁹ "Shared Responsibility: Sweden's Policy for Global Development", Ministry for Foreign Affairs of Sweden 2002/03:122 (2003).

³⁰ "Sveriges Politik för Global Utveckling", Ministry for Foreign Affairs of Sweden, Skr 2008/09:89 (2008).

A Complex to Steer

The PGD made development cooperation a sub-section, with poverty alleviation as an explicit sub-sector goal. As a policy area or policy tool, aid should contribute to the overriding objective of global development. While the steering of the Swedish aid was a complicated matter already before, the introduction of new layers of policies and objectives made relationships between the Foreign Ministry and Sida even more complex. The PGD has made inroads in some policy areas, but not in others. There has also been a tendency for other policy areas to get access to aid money for other uses than those that are specified in the OECD-DAC regulation. A further difficulty has been how development cooperation should find its proper place within the PGD framework. Misinterpretations have occurred and understanding of the PGD has at times been partial both inside and outside of the aid community. Furthermore, to reform a policy area that has been described in such successful terms as Swedish development cooperation is in many ways difficult. And what should the renewed role of aid be when the global development agenda changes both quickly and fundamentally?

One thing the PGD reorientation calls for is closer links between development cooperation and other policy areas. The PGD rests on the insight that a number of different OECD country policies simultaneously affect development outcomes, some of them possibly more than aid may do. In addition, the calls for linking aid and politics closer also come from other angles. The increased focus on conflict and post-conflict situations implies that security and development need to be dealt with simultaneously. The current governments' focus on democracy promotion in many ways highlights how close development interventions may come to domestic policies in partner countries.

When aid is supposed to link up much more squarely with politics, the relationship between the Ministry for Foreign Affairs and Sida becomes central. The call from the ministry is for greater flexibility and increased receptiveness for political signals, which partly takes the form of increased earmarking of funds for specific purposes. Historically, Swedish development cooperation has – partly for reasons described above – taken on a somewhat non-political approach. The levels of competence and commitment among Sida staff have been very high, and Sida has as well had a large degree of freedom to implement poverty

The policy for global development rests on the insight that a number of different OECD country policies simultaneously affect development outcomes, some of them possibly more than aid may do.

reducing interventions. Decisions on country programs have to a substantial extent been influenced by ongoing dialogues at partner country level, with the involvement of other donors.

In contrast, increased coordination with other policy areas calls for greater coordination from the MFA and the government in Stockholm. In other words the overall influence of the MFA increases, relative to that of Sida. But when trying to answer the new calls, Sida finds that many of the more politically oriented interventions – such as democracy promotion or operations in post-conflict situations – may be very demanding in terms of staff hours. Compared to modalities such as budget support or sector wide approaches interventions become both more numerous and at times more time-consuming.

Dilemmas and Challenges

In combination with the quantitative target of one percentage of GNI, this creates a dilemma: as the Swedish aid budget grows automatically with increasing GNI, administrative costs would easily grow out of hand if no hard budget limit was imposed. Hence such hard budget limits are imposed by the government in order to keep the administrative productivity increasing. But with a constant, or sometimes even decreasing administrative budget, fewer persons in Sida have to channel increasing amounts of money by using increasingly time consuming modalities.

This problem has been noticed by the actors involved, but so far not acted upon. It remains a challenge of increasing importance. In the absence of clear and functional distinctions between ‘administration’ and ‘project management’ measures aimed at improving productivity in the aid administration may result in deteriorated project quality.

Partly because of this, but also for other reasons, Sida currently finds itself in a difficult situation of harsh budget constraints, in combination with shifting signals from outside. How to organize aid administration has become an emerging challenge. As experienced in other policy areas, political reform often faces some of its largest challenges when it comes to the implementation phase. A major factor in this is how big the willing bureaucratic cadres are to change.³¹

There is as well another dilemma that Swedish aid is facing. While it is becoming increasingly *important* to show results from aid, in order to keep aid motivation up among Swedish tax payers, the changing role of aid generally,

³¹ B. Rothstein *Den socialdemokratiska staten – reformer och förvaltning inom svensk arbetsmarknads och skolpolitik*. (Lund: Arkiv förlag, 1986).

as well as in the Swedish portfolio, makes it increasingly *difficult* to show such results. When aid is increasingly supportive of measures that deal with the effects of climate change, with conflict resolution or with various negative consequences of global challenges, the 'results' from aid become increasingly difficult to trace or discern. The *absence* of a catastrophe is obvious less visible than *tangible* signs of increasing prosperity are.

The domestic aid debate in Sweden has shifted over the last few years. It has become more common to question aid results and to fundamentally critique foreign aid. This shift comes after several years of international discussions about the relationship between aid and growth, and more fundamentally, about the drivers of economic growth. During the 1980s and 1990s, when structural adjustment programs were implemented by many African governments on the advice of international financial institutions, the dominant wisdom about economic reforms came to be labeled 'the Washington consensus'. The reform package included macro-economic stability, relatively open trade regimes, and a radically decreased role of the state in the economy. These reforms were hotly debated, but remained relatively unchallenged as a comprehensive recipe for economic growth. However, they did generally not deliver what had been expected in terms of growth. Failures to reach sustained growth led to a period of soul-searching among the major promoters of reform.³² Later, a number of internationally leading economists and development politicians came together in the 'Commission on Growth and Development'. Under the guidance of the Nobel laureate Michael Spence, they reached the conclusion that our common knowledge about how economic growth is created is much more limited than earlier claimed and thought (2008).

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In sum, we have reached a situation where on the one hand there is a need for clearer results from aid, and on the other difficulties in discerning results are increasing. When aid is used as a support mechanism in dealing with global challenges, its results are becoming less visible, and increasingly take the character of hindering catastrophes. When aid is used to support national

³² D. Rodrik, "Goodbye Washington Consensus, Hello Washington Confusion? – A Review of the World Banks Economics in the 1990s: Learning from a Decade of Reform", *Journal of Economic Literature* Vol. XLIV (2006), pp 973-987; "Economics in the 1990s: Learning from a Decade of Reform", World Bank (2005).

development processes, the uncertainty about the causes of economic growth impacts also on aid. Hence, results from aid are becoming more elusive.

Is this parallel to saying that aid is becoming less meaningful or important? Not necessarily. The usefulness of aid might even be increasing, but that is an altogether different story, where our knowledge might be limited. It is merely to say that the Swedish aid model – increasingly built on the motive of enlightened self-interest – may have some inbuilt dilemmas.

Policy Priorities

Originally, Swedish policy priorities seemed simple and straightforward – support to economic growth, democracy and poverty reduction. But reality soon proved more complex. After some time, the number of Swedish aid goals had grown to six, which caused steering to be inefficient. When a revision was made with the introduction of the PGD in 2003, a single overriding objective of reducing poverty was reinstated. However, poverty is nowadays understood as a multidimensional phenomenon, which opens up for multiple interpretations – at least as long as the concept is not clearly defined or operationalized.³³ On top of this, every Swedish government has tried to put some of its own political flavor on Swedish aid. The current government prioritizes climate change and the environment; democracy; and the role of women in development. Working with policy priorities as additions to overall objectives complicates the steering of Swedish aid. This plethora of policy documents and different layers of objectives was as well criticized by the OECD Peer Review in 2009.

Further, with the exception of democracy, these priorities refer to issues on other levels than the national. This is a reflection of an increasingly complex development agenda, where factors both at local, national and international levels influence development outcomes. As a result it seems to have become more difficult to isolate what the central drivers of development are. While Sweden earlier than others recognized this development complexity, and formalized an agenda for policy coherence – the PGD – it has not been able to translate this into any clear-cut operational agenda. Partner countries are placed in multiple categories, which demand very different strategies; aid is being used both as support to national development strategies as well as to tackle global challenges of various sorts. Furthermore, competition for aid money between various policy areas has increased. There is no such thing as

³³ Refer the work of Oxford Poverty and Human Development Initiative, OPHI (www.ophi.org.uk) for a possible operationalization of multidimensional poverty.

a single, overall aid model any longer. As a result of this, it might also be that a clear focus on poverty reduction has become more difficult to uphold.

Concluding Remarks

During almost 50 years Swedish development cooperation has followed a fairly stable path. Overall objectives have remained more or less the same, with poverty reduction as a central theme. Sweden has earned a reputation of not only being strongly committed to aid, but also of undertaking high quality aid. However, with international preconditions for national development in poor countries changing, and with the global poverty map shifting, Swedish aid is facing increasing challenges – as are other OECD donors. The need for political steering of aid has increased, as has the domestic demand for tangible results from aid. However, the move towards a more flexible aid organization is facing problems of various sorts. A multiple – and thereby unclear – set of objectives is a central aspect of these problems. At the same time, results from aid are becoming increasingly elusive as the role of aid is gradually becoming more linked to broader strategies dealing with global challenges.

A reorientation of Swedish aid, with the introduction of the broader Policy for Global Development in 2003, marked an important paradigmatic shift. However, despite this shift no clear and overriding new project where aid can fit in has been established. Sweden is muddling through with reforms and changes that have no obvious end-point. Swedish aid may have turned into a multi-purpose tool that will be used for various different settings and problems. As with all such multi-purpose tools – it may work reasonably well, albeit not with the highest precision.

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Lurie Gotișan

Is the Eastern Partnership a Development Incentive for Moldova?

Abstract: The major event for the European course of Moldova was the launch of negotiations on the Association Agreement between Moldova and the EU. In the context of the Association Agreement the release of a dialogue on three thematically oriented processes has been initiated. These processes include the liberalization of visa regime, creation of the Deep and Comprehensive Free Trade Area, as well as the structured dialogue on human rights. According to the author, Moldova could be the success story that is needed to give viability and credibility of the Eastern Partnership. This explains Brussels' openness to Chisinau in the case of a dialogue on visa liberalization. However, additional efforts are expected from Moldova in terms of ensuring document security, combating illegal migration, improving border management, as well as developing and implementing asylum policies.

European Neighborhood Policy and EU Action Plan for Moldova Relations

The EU aims to anchor Moldova into its political, economic and value system by promising increased integration and cooperation in return for democratic and economic reforms since the launch of the European Neighborhood Policy in 2004. However, Moldova has long been opposed to the idea of being included into a policy framework which does not hold the promise of an eventual accession to the EU. When the 1998-2002 government declared Moldova's integration with the EU as a major strategic objective¹, Moldova had continuously hoped

¹ *Planul de Actiuni Uniunea Europeana – Republica Moldova: Ghid.* [Chisinau, Adept 2006], p. 28; <http://www.e-democracy.md/files/ghid-ue-rm-ro.pdf>.

Lurie Gotișan works as an analyst in Chisinau-based independent think-tank Expert Grup. He is also a free-lancer for Radio Free Europe, Chisinau.

to become an EU associate state², with a view to accession. After Moldova's inclusion into the Stability Pact for South-East Europe, Moldova failed to join the Stabilization and Association Process set up specifically for the Western Balkans. Instead, Moldova received the recognition as a special EU neighbor following the Commission Communication on 'The Wider Europe – The New Neighborhood' in March 2003.³ The existing *Partnership and Cooperation Agreement (PCA)* between the EU and Moldova – which entered into force in 1998 for a period of ten years – continues to exist as the valid basis for EU-Moldova cooperation.⁴

On December 13, 2004 the EU Members' Foreign Ministries, in the meeting of the Council for General Affairs and External Relations, approved the EU/Moldova Action Plan (AP) reaffirming the importance of the European Neighborhood Policy (ENP). Later, on December 30 the Parliament of Moldova ratified the Additional Protocol to the PCA. Consequently, on February 22, 2005 in Brussels, within the Cooperation Council EU-Moldova, the AP was signed, which started a new stage in relations between Moldova and the EU.⁵

Despite the different opinions vis-à-vis the performance of the originally outlined tasks in the AP, most analysts have the opinion that the relationship between Moldova and the EU over a period of 3 years was a success. Generally, the EC appreciated Moldova's progress as a 'good' one; Moldova together with Ukraine, Morocco and Israel form the group of states that registered the main progress within the ENP framework. However, analyzing the Progress Reports of all the countries that have signed the AP with the EU, one can notice that only Morocco and Israel received the qualifying term of 'active partner', while appreciation for Moldova and Ukraine was more reticent.⁶

Eastern Partnership for 'Europeanization' of Moldova

The Eastern Partnership (EaP) seeks to complement the ENP by deepening bilateral relations between the EU and the six 'eastern neighbors' – Belarus (although the

² Moldovan President Petru Lucinschi sent two letters to the President of the European Commission, in 1996 and 1997, requesting associate member status for Moldova. However, the EU has not responded to these requests.

³ "Wider Europe – Neighbourhood: A New Framework for Relations with our Eastern and Southern Neighbours", COM(2003) 104 final (March 11, 2003); http://ec.europa.eu/world/enp/pdf/com03_104_en.pdf.

⁴ "EU/Moldova Action Plan", p. 2; http://ec.europa.eu/world/enp/pdf/action_plans/moldova_enp_ap_final_en.pdf.

⁵ For more see: <http://www.mfa.gov.md/history-rm-eu/>.

⁶ See: <http://www.e-democracy.md/comments/political/200804152/>.

participation of Belarus still remains to be controversial, as the country is not part of the ENP), Ukraine, Moldova, Georgia, Armenia and Azerbaijan. A 'jointly owned' AP is being drawn up for each state, including provisions on cross-border personal mobility and an eventual free trade zone. The EaP has five so-called 'flagship initiatives', covering *border management, small and medium business, promotion of regional electricity market and energy efficiency, the southern energy corridor* and *cooperation on natural and man-made disasters*. The proposed budget is over 600 million euro over four years through ENPI.

The EU has already allocated funding to countries under the EaP through bilateral programs in the ENP. The total amount of financial assistance is increasing gradually for the six partners from 450 million euro in 2008 to 785 million euro in 2013, an increase of almost 75%. This means an increase in funds with 350 million euro planned for 2010-2013. Furthermore, the EU will divert 250 million euro already earmarked for regional initiatives of the ENP to the implementation of the EaP, so the budget of this initiative exceeds 600 euro million over four years.

For the Eastern neighbors with a higher level of ambition, particularly Ukraine and Moldova, the EaP only partly accommodates their European aspirations as it does not provide them with a membership perspective.

The EaP is viewed enthusiastically by those Eastern neighbors who see it as an upgrade of the ENP. For the Eastern neighbors with a higher level of ambition and who have achieved more progress in their relations with the EU, particularly Ukraine and Moldova, the EaP only partly accommodates their European aspirations as it does not provide them with a membership perspective. Even before its launch, the EaP faced criticism and controversy.

It is not enough for countries like Ukraine and Moldova, who covet EU membership. It lumps together six very different states. Russia has attacked it as an attempt to launch an EU 'sphere of influence' in Russia's backyard.⁷ And it has been launched at a time when the EU is increasingly preoccupied with its own economic difficulties.⁸

Moreover, even former President Voronin was against this initiative. In an interview with a Russian newspaper in February 2009, the Moldovan President rejected the country's participation in the EU's proposed EaP program and said Moldova wants to become a fully-fledged EU member. The EU's plan – which offers

⁷ "EU Expanding its 'Sphere of Influence', Russia says", *EU Observer* (March 21, 2009).

⁸ N. Popescu, A. Wilson *The Limits of Enlargement-lite: European and Russian Power in the Troubled Neighbourhood*. (European Council on Foreign Relations, 2009).

economic advantages in exchange for reforms – received its sharpest criticism to date from Voronin, who called it a plot to ‘surround Russia’ and to create ‘a new Commonwealth of Independent States’. Also, while the EU frustrates neighborhood governments with its bureaucracy, Russia offers straightforward benefits such as visa-free travel and cheap energy. And citizens in the neighborhood are starting to notice that Moldova is now the only country in the region in which a clear majority of people are in favor of further integration with the EU.⁹

It is no secret to anyone that the EaP has been criticized in countries (in particular by the authorities) such as Ukraine or Moldova because it offers too little and it would just be a repackaging of the ENP. Even if EaP does not exclude EU membership, some thought the initiative as a prize comfort to countries that will not be offered EU membership.¹⁰ This criticism is reduced to that in the EaP; the EU enlargement is based on the instruments without providing benefits, given that the EU is not offering the prospect of membership for these countries. Moreover, the EU conditionality is not always seen as being applied consistently, which harms the credibility of the EU. For example, regarding the issues of democracy and the rule of law, Belarus is admonished for not being a democracy, while the EU has much more relaxed relations with Azerbaijan, a country rich in energy resources but almost as autocratic.

The views of both Ukraine and Moldova on the EaP have evolved from a rather ideological to a more pragmatic approach. Ukraine is the least enthusiastic about the EaP since it already has an advanced relationship with Brussels. The new Moldovan government established in July 2009 after the parliamentary elections believes that the EaP serves the country’s integration into the EU, although the accession question remains on the agenda. Most political observers believe that Moldova is a candidate for the title of the new success story of the Eastern neighborhood. The government coalition ‘Alliance for European Integration’, formed after the repeated 2009 election, developed an ambitious reform plan to ‘Europeanize’ the country and secured international assistance for this initiative. Moldova is the only country that has developed relations dynamically with the EU since the launch of the EaP.

Reflections on Moldova and the EU’s Bilateral Relations in the EaP

The EU rewarded Moldova with the opening of *Association Agreement* (AA) negotiations, sending high level policy advisors to assist their reforms and

⁹ Ibid.

¹⁰ For more see: <http://www.crpe.ro>.

increasing aid (the EU promised 100 million euro of macro-financial assistance in 2010 and another 223 million euro in technical aid for 2011-2013). The EU has promised to launch DFCTA negotiations and a visa dialogue soon (its two dimensions to which Moldova is making consistent efforts, dimensions that will be analyzed below in greater detail). Moldova is more enthusiastic about the EaP than Ukraine, viewing it as 'the first big step forward towards the EU prospect'. Chisinau hopes that accelerated integration with the EU will also help speed up the resolution of the Transnistrian conflict as Moldova will become more attractive due to people mobility incentives. Some economic analysts are of the opinion that if economic reforms in Moldova do not retard or appear to be doing so, the population of Transnistria has good reasons to behave with a separatist administration, be beguiled by the highest standards of living on the right bank of Dniester.

The new government coalition believes that from a strategic point of view, the EaP will play a role similar to that of the Stabilization and Association Process in the Balkans. The EU leverage in Moldova is high, but Moldova's political future is uncertain: a repeated parliamentary election is envisaged for the end of 2010 due to the fact that Moldova's parliament did not manage to elect a president. The Communists hold 48 out of 101 mandates in the Moldovan parliament and their comeback in 2010 cannot be ruled out.¹¹ If the Communist party were to control the government, backsliding from a more open and free political environment and movement away from the EU integration course are strong possibilities.

In a nutshell, the EaP presents a symbiosis of 'the most generous ENP offer for all' (the bilateral track) and support to regional cooperation (the multilateral track).¹² The bilateral track lies at the heart of the EaP. The main goals of the EaP – *political association* and *economic integration* of the participating countries with the EU – are to be implemented through bilateral instruments such as *Association Agreements (AA)*, *Deep and Comprehensive Free Trade Areas (DCFTA)* and *Visa Liberalization*. The bilateral track is also important in the sense that the more advanced countries of the EaP may serve as stimuli for those lagging behind.

The *Association Agreements* with neighbors are also built on ENP positive conditionality; however their main strength in comparison to the ENP is that a large number of them will be legally binding, with an enhanced system of monitoring

¹¹ On November 28, 2010 parliamentary elections will take place in Moldova; for the third time in a year and a half. There is a hope, however, that the current governing coalition will remain in government to complete their plans.

¹² J. Boonstra, N. Shapovalova, "The EU's Eastern Partnership: One Year Backwards", *FRIDE Working Paper No. 99* (May 2010).

and evaluation that increases the chances of successful implementation. But the implementation costs will still be high¹³, thus it remains uncertain to what extent these agreements will be successful in promoting reforms.

Deep and Comprehensive Free Trade Areas promise Eastern neighbors access to the EU internal market. The offer is generous but vague and too remote for most of the neighbors. Ukraine has been negotiating a FTA with the EU since 2008, Moldova since January 2010; and Moldova appears to be more advanced. Some observers say free trade will not be a real incentive for the EaP countries, but could ultimately prove more of a threat if the EU does not liberalize trade in agricultural products (especially in the cases of countries such as Moldova, Armenia or Georgia).

Human mobility (particularly *visa liberalization*) could be the most tangible incentive for the Eastern neighbors, but the EU is reluctant to fully deploy it. In the short term the EU has promised visa facilitation, more comprehensive consular coverage and common visa application centers.¹⁴ The *quid pro quo* of these incentives for the recipient countries are the adoption of readmission agreements and migration policy reforms. So far Moldova and Ukraine have visa facilitation and readmission agreements with the EU in force. As to the real benefit of a visa free travel regime, the EU members are reluctant to offer the prospect of doing away with visas completely, even in the case of the ENP frontrunners. In the declaration made during the Prague summit, the EU states diluted the Commission's offer of 'visa-free travel to all cooperating partners' to a vague promise of 'visa liberalization'.

The *Comprehensive Institution-Building Program* is a positive EaP innovation, which draws upon the EU's experience of 'Europeanizing' candidate states. However, funding remains modest. Moreover, some partner countries worry that this program will not be 'comprehensive' as it will cover only selected institutions. The EC envisaged 175 million euro to be shared between all partner countries in 2010-2013. According to a rough estimate of capital investment necessary to ensure Moldova's integration into the EU, Moldova needs around 10 billion US dollars from 2006-2015 to comply with EU norms and standards in a number of priority sectors including energy, transport and institutional changes, among others.

¹³ According to a cost assessment of limited institutional harmonization in a number of selected sectors (the case of FTA) in the Eastern neighboring countries, such costs would correspond to about 30-36% of the 2006 GDP of these countries. See A. Kolesnichenko, "Institutional Harmonization and its Costs and Benefits in the Context of EU Cooperation within its Neighbours: An Overview", *CASE Network Studies & Analyses* 387 (2009).

¹⁴ Common Visa Application Centre in Chisinau has been in operation since April 2007.

The EaP has also inherited, from the ENP, a contradiction between principles of joint ownership and conditionality. In the ENP, the idea of joint ownership (partnership) has been neutralized by conditionality. This implies unequal partnership, as one side creates conditions and assesses their implementation by the other side. It seems that in the EaP this problematic coexistence of two principles will be even more exaggerated. While all the partners receive the same offer, some of them are ready to accept EU conditionality, while others insist on the principle of joint ownership in the sense that the EU should not impose any conditions on their participation in the EaP. More than ever before the EU faces the challenge of effective application of conditionality in the EaP. The EU must resolve the ongoing dilemma between consistency in application of conditionality and the leverage it can have regarding partner countries. Otherwise, the EU risks losing its credibility among neighboring states and their populations.

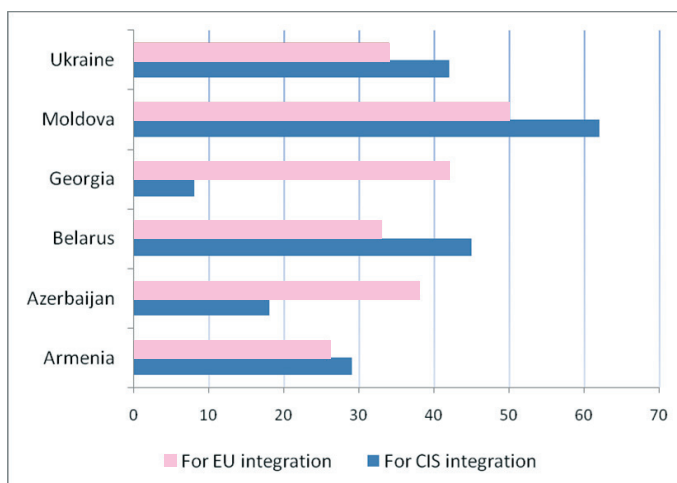
Politicians and citizens alike in the neighborhood are starting to weigh the abstract attraction of the European model against the concrete benefits that Russia promises.

The leverage problem derives from the fact that the EU's offers will not be equally appealing to all partners if conditionality is equally applied. While the EaP promises AA, including the deep free trade section, to all six countries, it seems that at least half of them are unlikely to meet the criteria established for the countries which had this perspective before the EaP was inaugurated. So far, functioning electoral democracy has been a condition for the EU to offer a country an AA. Free and fair parliamentary elections were the main precondition for launching negotiations on a new agreement with

Ukraine in 2007 and will for Moldova, considering the parliamentary elections planned for late November 2010.

The dream of EU accession remains strong in many of the former Soviet countries, but the EU spends more time talking down the prospect than it does emphasizing the European identity it shares with its neighbors. Russia, meanwhile, constantly employs the rhetoric of fraternity and throws its weight behind regional multilateral projects that deliver concrete benefits to neighborhood states. As one Russian expert says: "The EU is a dream, while Russia offers tangible benefits... You can't compare the two".¹⁵ Politicians and citizens alike in the neighborhood are starting to weigh the abstract attraction of the European model against the

¹⁵ N. Popescu, A. Wilson *The Limits of Enlargement-lite: European and Russian Power in the Troubled Neighbourhood*. (European Council on Foreign Relations, 2009).

Figure 1 Support for EU vs. Russia/CIS Integration in the Six Neighborhood States, 2008¹⁶

Source: N. Popescu, A. Wilson *The Limits of Enlargement-lite: European and Russian Power in the Troubled Neighbourhood*. (European Council on Foreign Relations, 2009) and author's update.

concrete benefits that Russia promises. The story the EU likes to present is one of soft power, which is not reflected by public opinion in the neighborhood (see below) – Moldova is the only country in which there is a majority in favor of further integration with the EU.

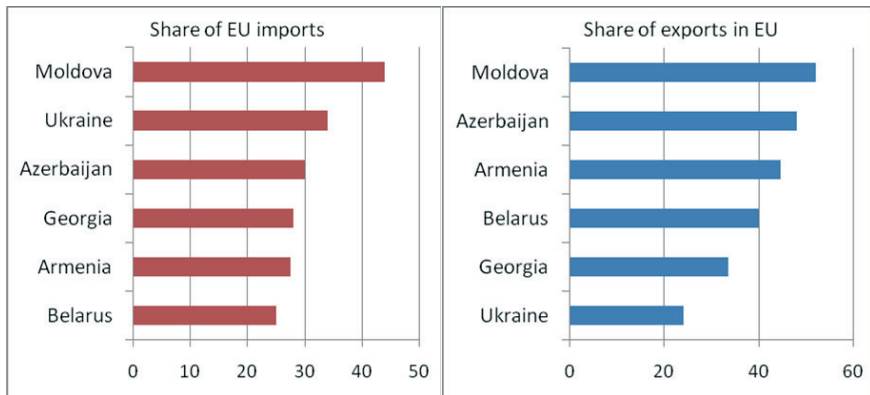
The EU's economic policies are having an effect: all the neighborhood countries; other than Belarus trade more with the EU than with Russia, and the EU enjoys a trade surplus with five of the six (the exception being energy-exporting Azerbaijan). Yet, it is Russia that has managed to use its economic muscle to gain political influence in the neighborhood. Russia focuses its investments in strategic areas like infrastructure and energy: countries can do without IKEA, but not without gas. Until 2009, for example, Russia controlled the supply of gas in Ukraine through the shadowy joint venture Rosukrenergo. In Moldova, the Cuciurgan power plant in Transnistria is owned by the Russian state-owned electricity company Inter RAO, which interrupted the power supply in 2004 and 2005 when Moldovan-Russian relations were at their lowest point in years.¹⁷

¹⁶ Data for Moldova are even for 2010, Barometer of Public Opinion (May 2010), www.ipp.md.

¹⁷ Cuciurgan then supplied about 30% of Moldova's electricity. It has since switched the supplies to Romania.

In terms of economic integration of EaP countries with the EU, it is clear that the free trade agreement (DCFTA) is a very distant goal for some members. Two studies on Feasibility commissioned by the EU for Armenia and Georgia¹⁸ showed that DCFTA could bring significant economic benefits to both countries, but ‘neither of these two countries is currently able to negotiate a trade liberalization as extensive and even less to implement and sustain the necessary commitments’¹⁹. Azerbaijan and Belarus are even further behind, since none of them is a member of the WTO. Moreover, Belarus has recently joined a customs union with Russia and Kazakhstan, which contrary to free trade with the EU, while Ukraine has finally refused to do the same, despite the pressures to which it was submitted. The Republic of Moldova being the only exception in this regard, given that its economic relations with the EU are much more advanced. Moldova’s economy is currently facing the EU in group of EaP states. In 2009, EU exports totaled \$668.5 million and represented circa 52% of the total Moldovan exports (see Fig. 2).

Figure 2. EaP Countries – Share of Imports/Exports with EU (in % from total), 2009

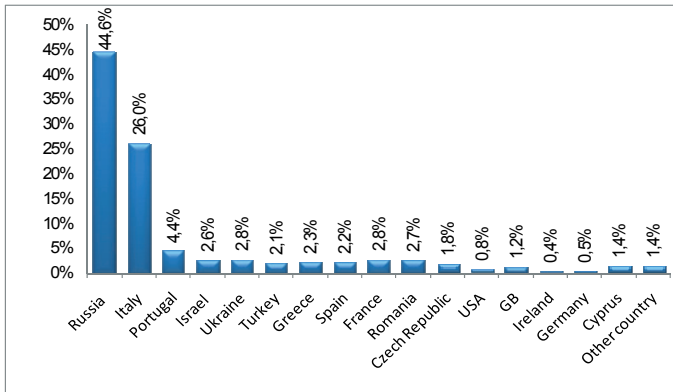


Source: P. Ivan, C. Ghinea, “Parteneriatul Estic – instructiuni de utilizare: Republica Moldova ca o oportunitate” (2010); Moldova’s National Bureau of Statistics data and author’s calculations

¹⁸ M. Maliszewska (ed.), “Economic Feasibility, General Economic Impact and Implications of a Free Trade Agreement Between the European Union and Armenia/Georgia”, *CASE Network Reports* No. 79-80 (2008).

¹⁹ See: <http://ec.europa.eu/trade/creating-opportunities/bilateralrelations/regions/south-caucasus/> (August 1, 2010).

Figure 3. Destination Countries of Moldovan Workers Migrants, 2010



Source: IASCI/CIVIS migrant surveys data, 2010.

Nothing undermines the EU’s soft power in the neighborhood more than the restrictive nature of its visa policies. Conversely, Russia’s most important soft power appeal is the right it grants neighborhood citizens to travel in Russia without visas and to work in what was until recently its fast-growing economy. The vast majority of economic migrants (labor migrants) from the neighborhood work in Russia, sending back billions in remittances every year. In general, Moldovan migrants coming from all walks of life, demonstrate variable levels of educational attainment, and originate from both urban and rural areas. Migrants are the most economically active part of the population, predominantly young, and more educated.

Moldovan migration is primarily directed towards the EU (mainly Italy, Spain and Portugal) and the CIS states (mainly Russia) see Figure 3. CIS has been favored primarily because of its large labor market, freedom of movement, reduced migration costs and socio-cultural proximity. Another defining characteristic of Moldovan migration is the high education and professional level of the migrants when compared to other countries studied. Migrants residing in the EU region have higher educational levels than those in the CIS region. The relatively young age and high level of education show the high potential of Moldovan migrants when compared to other countries studied to date.²⁰

²⁰ N. de Zwager, W. Gressmann, R. Sintov, I. Gotișan, “IASCI/CIVIS DEVINRO Market Analysis: Maximising the Development-Impact of Migration-related Financial Flows and Investment to Moldova”, Draft Report (2010).

The orientation of migrants flowing mainly to CIS countries (predominantly in Russia) is influenced by several factors. One of them refers to the much lower initial cost compared with the EU (according to the IOM the cost of migrating to the EU amounted to almost 3,600 US dollars in 2006, vs. around 100 US dollars for CIS countries and around 880 US dollars for other migrants going to Turkey, Romania, and Cyprus²¹). Travel to the CIS countries (Russia and Ukraine) is visa-free, as such migration to these countries is usually legal.²² At the same time, illegal residence status is more widespread in CIS countries. A 'Schengen Visa' is necessary to enter most EU countries to the west. A limitation (of time, for example²³) in obtaining visas raises the issue of illegality access to EU countries, and also of the increasing informal costs of a journey (they range from between 2,500-3,500 euro). Indeed, according to ETF study mentioned above, the proportion of illegal migration can be as high as half the total number of migrants going to western Europe (according to one of the CBS-AXA studies in 2006 every 4th migrant to western Europe went abroad illegally).

As noted by many studies, illegal residence status impacts negatively on the character and working conditions, labor remuneration and capacity of migrants' remittances²⁴, on social and legal protection, and the social status of the migrant. The average time to achieve regularization is 1.5 years for an EU/other countries region, and 2.3 for CIS regions.

This shows that while many Moldovans may initially migrate in an irregular manner, on average, most respondents managed to regularize their status in the place of migration within very few years. Today, nothing undermines the EU's soft power in the neighborhood more than the restrictive nature of its visa policies. The damage has been compounded by the EU's handling of visa issues since enlargement. In late 2008, for example, the EU made a vague promise to Ukraine and Moldova of visa-free travel in the long term, but the pledge fell a long way short of the type of road map the EU had granted to countries in the west Balkans earlier in the year. The EU's attitude has not gone unnoticed in

²¹ "The Quality of Economic Growth and its Impact on Human Development", *The Republic of Moldova- National Human Development Report*. (Expert-Grup, ADET, 2006), p. 10.

²² "Moldova Country Report", *Black Sea Labour Market Reviews*. (European Training Foundation, 2009).

²³ Visa application procedure, besides requiring some financial resources, is a lengthy procedure. To speed up the issuance of a visa, people often use the services of some intermediaries – individuals or 'tourist' companies (some of them without legal license) who specialized in obtaining Schengen visas.

²⁴ "In EU Remittances by Regular Migrants Exceed Those from Irregular Migrants by More than 30 percent", M. Luecke, T.O. Mahmoud, A. Steinmayr, "Labour Migration and Remittances in Moldova: Is the Boom Over?", *IOM, CBSAXA Survey 2006-2008* (2009).

the neighborhood.²⁵ Thus the liberalization of the visa regime with the EU is one of the main priorities of the Moldovan authorities, but also the population that shares values and desire for European integration.

Current Relations of Moldova and EU under EaP

Political Dialogue and EU Association Agreement

Over the last year, the Government of Moldova has managed to boost relations with the EU and to accelerate the process of European integration. They have made efforts for a more active involvement of our country in the EU cooperation with both the EaP, as well as on a bilateral and multilateral dimension. A major event for the European course of the country was the launch of negotiations on the *Association Agreement*²⁶ between Moldova and the EU. In this context the AA has put forward the release of three processes of dialogue – on visa liberalization regime (a process which started on June 15), creating DCFTA and the structured dialogue on human rights.

Both the authorities and Moldovan society feels that Moldova has returned to the political map of Europe. It was expressed by a very active diplomacy towards Europe, aimed at overcoming the handicap of external isolation during the Communist rule. As regards to high-level contacts between Moldova and the EU, our country has enjoyed unprecedented political attention from European partners. Following the meeting between Chancellor Angela Merkel and Prime Minister Filat in Berlin in May 2010, Moldova was visited by the Vice-Chancellor and German Foreign Minister, Guido Westerwelle.

In June 2010, Angela Merkel made a joint statement with Russian President Dmitry Medvedev, which positioned the Transnistrian settlement as one of the priorities of EU-Russia relations. Only in the first half of 2010, Moldova was visited by three European Commissioners: Ștefan Füle, Commissioner for Enlargement and European Neighborhood Policy, Dacian Cioloș, Commissioner for Agriculture, and Johannes Hahn, Commissioner for Regional Policy. Many analysts think this very active diplomacy has firmly placed Moldova on the political agenda of

²⁵ N. Popescu, A. Wilson *The Limits of Enlargement-lite: European and Russian Power in the Troubled Neighbourhood*. (European Council on Foreign Relations, 2009).

²⁶ On January 12, 2010, Moldova has launched negotiations on the AA. Signing this agreement will allow the gradual integration of Moldova into the EU. Besides the actual negotiations, Moldova launched a dialogue on human rights, providing a common working platform for Moldovan democracy, ensuring respect for human rights, rule of law and reforming the judiciary system.

the EU, positioning it as the closest partner of the EU's eastern neighbors and the undisputed leader under the reforms within EaP.²⁷

However, the main efforts of the Moldovan approximation to the EU has primarily related to its internal transformations. These transformations are possible only if the state institutions will transform into institutions that match the best European practices. To benefit from European experience in transforming domestic institutions, the Moldovan authorities requested the European Delegation in Moldova for a team of senior advisers from the EU for several state institutions. Since April 2010, there have been nine EU advisors in Moldova²⁸, dispatched to the: Prime Minister's Office, State Chancellery, Ministries of Economy, Finance, Justice, Interior, Agriculture and Food Industry, the State Tax Inspectorate and the Public Procurement Agency.

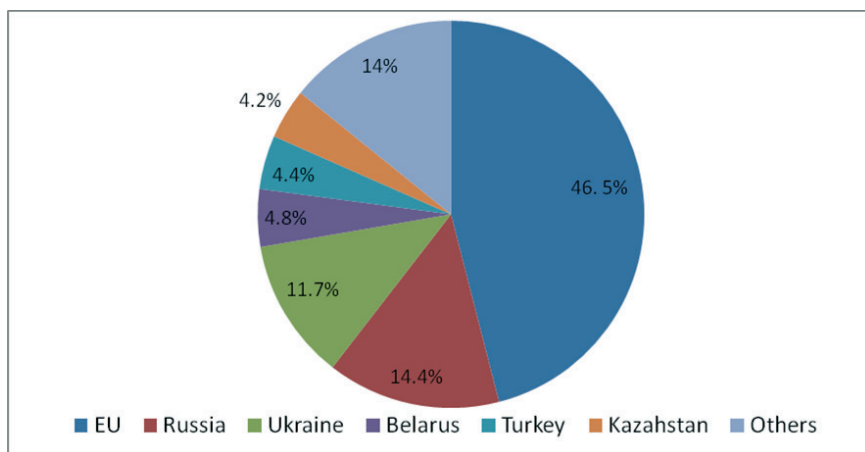
Since the cooperation practice with EU advisers was successful, the Prime Minister of Moldova has requested to supplement the team with a series of expert advisers to the Ministry of Transportation and Roads Infrastructure, Migration and Asylum Office, Customs Service, the Center for Combating Economic Crimes and Corruption, Border Guard Service, General Prosecutor's Office and the Moldovan Investment and Export Promotion Organization in (MIEPO), organization subordinated to the Ministry of Economy. It is the first time when state institutions in Moldova have shown such openness towards the EU. This will allow their transformation into European-type institutions.

Economic Integration in Context of the Deep and Comprehensive Free Trade Agreement (DCFTA)

Besides the political dialogue, Moldova has made progress towards strengthening the economic EU integration processes. There was progress towards negotiating with the EU a *Deep and Comprehensive Free Trade Agreement* (DCFTA), the signing of which will facilitate Moldovan exports to the EU. In parallel, following a demarche of Prime Minister Filat, Moldova and the EU have launched a round of consultation on Moldova's accession to the European Common Aviation Area (ECAA) in 2011. Accessing ECAA will facilitate the European Airlines access, including low-cost airlines, to the air market of Moldova and will also facilitate the access of the national company 'Air Moldova' to the European market. Inevitably, joining the ECAA will lead to lower prices for airline tickets, which will bring substantial benefits to the Moldovan citizens.

²⁷ See: <http://www.e-democracy.md/publications/guvernare-democratie/>.

²⁸ At the request of Prime Minister from early November another six consultants will come to Moldova.

Figure 4. Moldova's Main Trading Partners (in % on export/import data), 2009

Source: NBS data and author's calculations

The EU's trade with Moldova improved with increasing volume of trade and EU enlargement towards the east. The EU offered Moldova more unilateral trade preferences, a generalized system of preferences (GSP) until January 2006 and an extensive system (GSP+) after some time. This has allowed duty-free exports of almost 22% of Moldovan agricultural products and 55% of its non-agricultural products. In March 2008 the EU unilaterally granted Moldova with Autonomous Trade Preferences (ATP), a system that allows duty free access to EU markets for all products originating in Moldova with the exception of agricultural products for which maintain certain quotas. Some of these restrictions relate to products that are important for the Moldovan economy, such as wine.

In addition, if we take into account both the Moldovan exports in the EU, as well as imports from that, i.e. all foreign trade with EU, Moldova is also tops among EAP countries – with over 46% share of total trade (see Fig. 4).

The DCFTA with the EU would affect the Moldovan economy in two major ways. First, the EU would eliminate tariffs and quotas on its imports from Moldova, improving the competitiveness of Moldovan exports in the EU market. In practice, this would have little immediate effect as import tariffs have already been suspended under the EU's present regime of ATP for imports from Moldova; the benefits would be concentrated on sectors whose exports to the

EU are currently constrained by quotas. Second, Moldova would eliminate its own tariffs on imports from the EU. While this move would put imports from the EU on an equal footing with imports from CIS countries, it would also reduce government tariff revenue unless compensatory measures are taken.

When unified, these measures would cause the Moldovan economy to become more integrated with the rest of the world. Total exports and imports would tend to grow, while (correspondingly) local production for the domestic market would tend to decline. Export growth would be concentrated in a small number of sectors that are already strong exporters. Furthermore, a Moldova-EU DCFTA would promote and sustain economic growth in Moldova through several channels of impact. Enhanced specialization of the Moldovan economy would promote economic efficiency and strengthen incentives for investment; lower tariffs would enhance competition among foreign and domestic suppliers in Moldova and reduce prices; and a formal agreement with the European Union would help to strengthen economic institutions in Moldova and improve the business climate.²⁹

Despite strong positive developments in goods' trade between the EU and Moldova, the trade and cooperation in the energy sector has lagged behind.

In order to benefit from an FTA with the EU Moldova needs to ensure full implementation of WTO Agreement on Sanitary and Phytosanitary (SPS) Measures. With its accession to the WTO in 2001, Moldova committed itself to applying these standards. Moldova also pledged to harmonize its standards with those of the EU, however; thus far these commitments have not materialized. In many commodities,

non-compliance with international food and animal safety standards has been a major obstacle on Moldovan agricultural exports to the EU. In meat products, dairy products, poultry and live animals, Moldova is far away from European SPS standards and cannot export to the EU unless it fulfils them.

Moldova has ideal land and climate conditions for producing high-quality animal and dairy products, and adjusting the sector to European standards would open the EU market to Moldovan exporters. In this respect, Moldova should fully implement the requirements of the WTO Agreement on SPS measures, and urgently take necessary steps in order to converge to the EU standards in animal welfare, food safety, hygiene in food processing and

²⁹ "A Free Trade Area between the Republic of Moldova and the European Union: Feasibility, Perspectives and Potential Impact" (Chisinau: Expert-Grup, 2009).

labeling requirements. Moldova should also actively participate in the World Organization for Animal Health, International Plant Protection Convention and Codex Alimentarius.

Despite strong positive developments in goods' trade between the EU and Moldova, the trade and cooperation in the energy sector has lagged behind. Obviously, the historical legacy exerts much stronger influence in the case of energy trade than in the case of trade in goods. However, given the huge dependence on energy imports and rocketing prices, the role of the euro-integration of the Moldovan energy sector is of paramount importance for the stable development and modernization of Moldova. During recent years the cooperation between Moldova and EU in the energy sector has been developing more dynamically, nonetheless, the most daunting tasks lie ahead.

Approximation with the EU energy market is a goal that is officially stipulated in the national Energy Strategy (2007-2020). Among the Strategy's aims is accession to UCTE (in 2006 Moldova and Ukraine applied for full membership in this organization) and *Energy Community Treaty* (since end of 2006 Moldova has an observer status). It is widely believed that acceding to the common energy market will help Moldova to secure and diversify energy supply, attract FDI in the sector as well as gain from the transit opportunities. Thus, the Energy Strategy also envisages a series of actions regarding energy sector: Most relevant are the following actions: Preparation of an updated energy policy converging towards EU energy policy objectives; Gradual convergence towards the principles of the EU internal electricity and gas markets, progress regarding energy networks; Improve transparency, reliability and safety of the gas transit network; and Progress on energy efficiency and the use of renewable energy sources.

The progress across these areas was quite uneven³⁰. Among the most significant drawbacks are: lack of funds to support the implementation of many infrastructure and legislative actions, tariff distortions have been reduced but still persist, efforts on energy efficiency and renewable energy have been absent and need to be scaled up, privatization in the sector stagnated while the situation in thermal energy area has been notoriously dismal, and liberalization of the sector (especially gas) remains a distant prospect.

Free Movement of Persons and Visa Liberalization

Unlike Ukraine and Russia, who have waited before concrete promises to engage in technical reforms required for the lifting of visa limitations, the Moldovan

³⁰ See for more details: "EU-Moldova Action Plan as capacity test for Moldovan Government: Screening implementation of the Plan's economic provisions" (Expert-Grup, 2008).

government adopted a proactive position. Visa liberalization is a priority of the current government, which started to implement reforms before being required to by the EU. One of the greatest achievements of the last year falls under the launch of the dialogue between the EU and Moldova on visa liberalization. The event took place within the EU-Moldova Cooperation Council, held on June 15, 2010, in Luxembourg. The successful completion of this process will allow Moldovan citizens to travel visa-free to Schengen zone. For this purpose, Moldova shall take concrete steps to implement the requirements of the EU. Moldova already meets many conditions necessary to obtain this regime.

From January 1, 2011, Moldova will proceed to issue biometric passports alone, which is one of the most important conditions for Moldovan citizens to travel visa-free to the EU. Other reforms, pertaining to the management of migration flows, border management, MIA reforms etc., are underway. Besides the efforts of facilitating the travel within the EU, Moldova and Romania have signed the agreement on local border traffic. Since March 2010, Moldovan citizens residing in a radius of 30 km from the border with Romania, can travel visa-free to the border zone in Romania based on local traffic permits. The opening of two new Romanian Consulates – in Cahul and Balti – has also facilitated the issuance of permits for local border traffic and visas for Romania.

But at the last meeting of the Governmental Committee for European Integration which questioned the AP for the liberalization of the visa regime in the EU Iurie Leanca, Foreign and European Integration Minister, said that the last two EU documentary missions in the dialogue on liberalization has identified weaknesses in ensuring document security, combating illegal migration, border management and migration, development and implementation of asylum policies in Moldova. Among other things he said that “we have to prove that not only political will but also the skills and human resources necessary to eliminate these deficiencies”.³¹ In this context, a policies matrix to be undertaken in the context of EU-Moldova cooperation and institutions responsible for implementation and timelines was approved.

As a result of the evaluation missions, the Moldovan government is expected to receive by this autumn a clear road map for liberalization of visa regulations, but the EU will not perhaps provide it until after the expected elections in November 2010. While the Prime Minister of Moldova Filat said that Moldova could get a free-visa regime in about 18 months of receiving the road map, the expectations are realistic that it be done in about three years³² and according

³¹ For more see: <http://unimedia.md/?mod=news&id=24596>.

³² Ivan & Ghenea, *Centrul Roman de Politici Europene* (2010).

to experts at the Association of Foreign Policy the road map is not ultimately a guarantee of a liberalized visa regime.³³

Conclusions

A major event for the European course of the country was the launch of negotiations on the Association Agreement between Moldova and the EU. In the context of the AA – the release of three processes of dialogue have been set in motion – on the visa liberalization regime (a process which started on June 15), creating a Deep and Comprehensive Free Trade Area and the structured dialogue on human rights. The bilateral EU-Moldova dialogue has been boosted by a visit of the Moldovan Government delegation to Brussels, on March 23-28, 2010, and the participation to the Donor Consultative Group meeting of March 24, 2010. During the meeting, the development partners have pledged to help Moldova with financial assistance in the amount of 2.6 billion US dollars.

The pro-European message of the new government, supported by the diplomatic offensive of Moldova in EU countries has led to the recovery of political dialogue with the Union, following the resumed dialogue in January 2010 on the process of negotiations on the new Association Agreement. Adoption of the strategic document 'Rethink Moldova' setting development priorities of Moldova for 2011-2013 reiterated for the EU Moldova's European choice and commitment of implementing the necessary political and economic reforms. This document highlights the reform priorities for Moldova and the financing needs for the period 2010-2013, based on the five pillars: European integration, economic recovery, rule of law, administrative and fiscal decentralization and country reintegration.

Also, in accordance with agreements reached at the meeting, the European Community was willing to provide assistance worth 550 million euro, EU countries – 187.6 million euro (including 100 million euro: a grant from Romania), USA – 227.4 million euro, international financial institutions (IMF, World Bank, UN, EBRD and European Investment Bank) – 957.5 million euro. Financial assistance provided by donors shall be used to implement projects in the following sectors: road rehabilitation, agriculture, water supply and sanitation, health, energy, efficient public service, regional development, social protection, education, decentralization reform, business development, e-Government. The Government has committed to effectively and transparently

³³ APE Press Club Conference; <http://www.info-prim.md/?x=&y=33916>.

implement the assistance offered to Moldova for economic recovery, political and social modernization.

Moldova could be the success story that is needed to give viability and credibility to the EaP. This explains Brussels' embracing Chisinau in the dialogue on visa liberalization. For it is needed for further implementation of actions on ensuring document security, combating illegal migration, border management and migration, development and implementation of asylum policies in Moldova. Opening up visa policy would also provide economic benefits to the EU by encouraging seasonal workers and, when economic growth resumes, filling short-term labor demands.

It should offer Moldova macroeconomic assistance to help with its ballooning budget deficit and a road map for visa-free travel, but couple this aid with much tougher conditionality, especially on media freedom and police reform. To ensure coordination of its political and economic levers, the EU should merge the post of special representative to Moldova with the head of the European Commission delegation, in what is known in EU-speak as 'double-hatting'. At the moment, the Commission wields the economic incentives but is not empowered to use them for political purposes, while the special representative, who has a political role, cannot provide economic incentives since they are a Commission prerogative.

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Anton Bebler

A Unique Problem?

Abstract: Conquered by Serbia in 1912 Kosovo became a controversial international problem in 1997, six years after the breakdown of the SFR of Yugoslavia. Unique in some respects, Kosovo's case is also similar to many other political conflicts within multinational states related to ethnic, cultural and religious divides. De facto separated from Serbia by a NATO 'humanitarian intervention' in 1999 Kosovo became, in 2008, an example of a successful 'remedial secession', arguably concluding Yugoslavia's dissolution into seven independent states. Kosovo's declaration of independence divided however the international community and EU and NATO members. The ICJ's advisory opinion although favorable to Kosovo's cause did not legalize all secessions. In order to solidify peace and stability in the Western Balkans the international community will have to be, for quite some time attentive to and actively involved in assisting the youngest European state and in helping Kosovo and Serbia to normalize their relations.

A hundred years ago very few, even among the best educated people in Europe had never heard of Kosova, the name of an obscure Ottoman vilayet (province) in the Balkans. The province included then not only today's Kosovo but also Sandzhak (later partitioned between Serbia and Montenegro) and most of Vardar Macedonia (today's Republic of Macedonia). In those days Kosovo constituted only a minor subchapter in the wider Albanian national question within the decaying Ottoman Empire. As a separate and volatile issue it was created in 1912 by the Kingdom of Serbia.¹ Its aggressive expansion into the neighboring countries, with little or no Serbian population had been for decades actively encouraged and supported, for its own geopolitical reasons by the Russian

¹ D. Tucović, "Serbia and Albania" (in Serbian) (Belgrade, Zagreb: Kultura, 1945), pp. 7, 13-14.

Anton Bebler is a professor at the Faculty of Social Sciences of the University of Ljubljana, Slovenia.

Empire.² Other European powers (Great Britain, Austro-Hungary, Germany, France and Italy) also contributed to producing another colonial problem by allowing Serbia to keep occupied Kosovo as war booty. The great colonial powers did so knowingly against the wishes of Kosovo's majority population. Between 1918 and 1999 Kosovo remained part of three multinational Yugoslavias, mostly as a non-self-governing territory subordinate to Serbian officialdom in Belgrade. During the Second World War most of Kosovo, under Italian occupation was incorporated into the 'Kingdom of Albania', while the rest was occupied by the Third Reich and annexed by Bulgaria. As local cancer and a constant source of political and security troubles, Kosovo, in 1941, 1991 and 2003 contributed to ruining all three Yugoslavias – the Kingdom, the Socialist Federal Republic of Yugoslavia (SFRY) and the Federal Republic of Yugoslavia (FRY).

The wave of democratization in Eastern Europe in the late 1980's – early 1990's led to the collapse of the Soviet empire in Eastern Europe, of its supreme expression the Warsaw Pact and to the breakdown of the Soviet Union itself. The bloody disintegration of SFRY attracted then the international community's particular attention. Due to exaggerated worries among the Western powers about its domino effect on the ex-Soviet space the Balkan drama catapulted Yugoslavia into the top rank of acute and potentially very dangerous international problems. Several unique developments followed, inter alia, the first and by far the largest UN peace-keeping operation in Europe and the first NATO 'out-of-area' peace-enforcement action. After SFRY's demise in 1991-1992 its Kosovo aspect had been for several years almost totally overlooked by the international community. Kosovo reappeared as an acute international problem when, primarily the USA realized that the business of pacifying the Balkans would remain incomplete without resolving also this problem and stopping brutal Serbian repression. In the spring of 1997 this issue was finally raised in international fora. However several attempts to resolve the problem peacefully through negotiations with the Federal Republic of Yugoslavia (FRY) and Serbia's obstinate regime, by diplomatic pressures

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² I.V. Anufrieva et. al. "The Albanian Factor in the Crisis Development on the Territory of Former Yugoslavia" (in Russian), *Documents* Vol. 1 (1978-1997). (Moscow: Indrik, 2006), pp. 57, 59-60.

and military threats, did not bring a solution. These unsuccessful efforts were followed in March 1999 by the first NATO armed attack against a European UN member state. This intervention, undertaken without a UN Security Council's authorization, resulted in NATO's second occupation, after Bosnia & Herzegovina, of a part of ex-SFRY's territory. Since then Kosovo has remained a controversial international issue.

Historical Background in Brief

Located in the center of the Balkans the land-locked country Kosovo, with its around 2.2 million inhabitants has had in the historical past no tradition of indigenous statehood. Dismembered, carved out and joined many times with parts of neighboring lands, divided into several occupation zones, partly or totally annexed by foreign conquerors Kosovo in its roughly present shape became a single administrative unit only in 1945. In Communist-ruled Yugoslavia Kosovo was made, again contrary to the wishes of its majority Albanian population, 'an autonomous district' within unitary Serbia. It was given then the official name Kosovo & Metohia [K&M]. As the Albanian Kosovars reject the double, for them colonial-smacking name the single word designation was introduced, together with an enhanced autonomy status only in 1963. When in 1989 Kosovo's autonomy was *de facto* abolished by Slobodan Milošević's regime the double-word name was reinstated and has since remained the official Serbian designation. The double name is being used today inter alia by the Serbia's Ministry for K&M, by the transplanted K&M municipal administrations on the territory of 'Serbia proper' and by defiant members and organizations of the Serbian minority in Kosovo who still refuse to recognize Kosovo's independence from Serbia and Pristina's authority.

For most of its known past, Kosovo's territory has been controlled by alien rulers from distant capitals.³ Although the wider area had had under the Romans, Byzantine Greeks and Bulgarians several older designations, the Slavic name Kosovo was given to the area by ancestors of today's Serbs. They gradually colonized and settled in its fertile plains in XI-XII centuries. Contrary to often repeated claims by Serbian official propaganda, the Serbs were not the oldest population and not even the oldest Slavic settlers in the land. Contrary again to still another Serbian propaganda slogan, Kosovo was not 'the cradle' of the medieval Serbian state. The first 'Serbian' *Banovina* was established and

³ A general overview of Kosovo's political history could be found, i.a., in N. Malcolm *Kosovo: A Short History*. (London: Macmillan, 1998), pp. 47-49.

the oldest churches were built in Raška (in today's Sandzhak). Serbian feudal lords conquered Kosovo more than a century later. By 1216, profiting from the treacherous capture of Constantinople by the Crusaders they pushed out the Byzantine provincial officialdom. For roughly 250 years, Kosovo remained a crown land of the medieval 'Serbian' Kingdom. At the acme of its prominence and power the mightiest among 'Serbian' monarchs, Dušan, was crowned in 1347 as 'Emperor of the Serbs, Greeks, Bulgarians and Albanians'. Notably, his capital was not in Kosovo but in Skopje, in today's Republic of Macedonia.⁴

The most traumatic event in Serbia's medieval history did however take place in Kosovo. The historic defeat at Kosovo Polje (Gazimegdan) in 1389 ushered the destruction of the Serbian state by the Ottomans and cemented their rule in the Balkans for more than 450 years. The painful memory of the Kosovo battle became a central piece of the Serbian national identity. It has been nurtured for centuries by the Serbian Orthodox Church who persistently and quite successfully enticed its believers for revenge against the Moslems (Turks, Islamized Slavs and Albanians). The mass murders even as late as in 1990's in Srebrenica and in many other places in Bosnia, Kosovo and Serbia could not be explained without this generations-long indoctrination of hatred, magnified by modern mass media. The Kosovo myth has been widely exploited by Serbian nationalists of all ideological colors as a convenient political tool and by Serbian elites as a useful cover for their hegemonial ambitions in the Balkans.

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From 1459 until 1912 the territory of today's Kosovo had been ruled by the Ottomans who left a strong Oriental imprint on its culture, social and religious life. The ethnic Serbs became a minority in Kosovo already in the first half of the XIX century, due to the Ottoman repression after each Serbian uprising, to the mass exodus in the 18th century led by the Serbian Orthodox Church, to the colonization from Northern Albania and to much higher fertility rates among the Albanians. As the Serbs massively migrated to the North and the West, Kosovo's role in their religious, cultural and political life became correspondingly marginal while the reverse was true on the Albanian side. One of the most important Albanian political organizations (League of Prizren) was established in Kosovo and the Kosovars were prominent among the founders of independent Albania in November 1912.⁵

⁴ Ibid, pp. 47-49.

⁵ P. Kola *The Search for Greater Albania*. (London: Hurst & Company, 2003), pp. 18-19.

Aware of and hostile to Albanian national emancipation Serbia, Greece, and Montenegro conspired with Russia to occupy and partition the Ottomans possessions with the predominantly or entirely Albanian population. They intended thus to pre-empt the birth of an independent Albanian state. In October 1912, according to synchronized war plans, the Serbian army invaded Kosovo on its way to conquer entire Northern Albania. The occupation of Kosovo served then only as a collateral objective and its 'liberation' as a convenient propaganda slogan to dupe the Serbian and international public. Serbia's main geostrategic plan was in fact to obtain by force a permanent territorial access to the Mediterranean through the sea port of Durrës.⁶ This design was foiled by Austro-Hungary who resisted Russia's and its Serbian proxy's inroads into the Adriatic. In 1913 having bowed to an Austro-Hungarian war ultimatum the Serbian Army was compelled to withdraw from Northern Albania. Subsequently the newly acquired Serbian colonial possessions, including Kosovo, were incorporated in 1918-1919 into the Kingdom of the Serbs, Croats and Slovenes (later renamed into the Kingdom of Yugoslavia). From 1945 until 1999 they made integral parts of the two next Yugoslavias.

In the 20th century Kosovo remained under Serbian rule, with two war interruptions, for less than 80 years. In spite all efforts, including terror, outright discrimination, police repression, intentional impoverishment of the Kosovar Albanians, pressures on them to emigrate and state-financed implantation of about 40 thousand Slavic 'colonists' the ethnic Serbs remained a distinct minority in Kosovo. Their share in Kosovo's population has progressively declined from about twenty to about 10% by 1999 and 5% in 2010. On the other hand the share and the absolute size of the Kosovar Albanian population grew in spite their very considerable emigration, for economic and political reasons to Turkey and Western Europe. By late 1980's the Kosovar Albanians became the third largest nation in Yugoslavia (after the Serbs and Croats) which made untenable their position as unequal in rights with an even several times smaller Slavic nation (the Montenegrins).

The Kosovo problem has contained at its kernel a political conflict between the Kosovar Albanians' desire for equality, national emancipation and self-determination⁷ and, on the other hand, Serbia's endeavors to continue ruling them from Belgrade. For Serbian cultural and political elites and for a considerable part of the Serbian public Kosovo has remained a cherished

⁶ D. Tucović, "Serbia and Albania" (in Serbian) (Belgrade, Zagreb: Kultura, 1945), pp. 94-110, 119.

⁷ B. Rrecaj, "The Right to Self-Determination and Statehood: The Case of Kosovo", *Bepress Legal Series, Paper 1541* (2006), pp. 41-50.

symbol of Serbia's past glory and of Serbhood.⁸ Since 1945 several models of Serbian-Kosovo relations were tried, ranging from outright military occupation and brutal police repression to rather benign autonomy. They all failed to bring lasting peaceful coexistence between the two communities in Kosovo itself and between the Albanian Kosovars and Serbia. An unusual and incoherent solution in the form of Kosovo's extensive self-governance with the dual status as an autonomous part of Serbia and simultaneously as an integral member of the Yugoslav federation was introduced by the last SFRY constitution of 1974. It fell short of the Kosovars' desire for equality with the Slavs and, on the other hand, had been virulently attacked by Serbian nationalists. This historic compromise was finally annulled in 1989 by Belgrade. The adoption of Serbian constitutional amendments was accompanied by brutal police intimidation of the Kosovar deputies buttressed by the presence of JNA tanks in the streets of Pristina. By its unilateral action Serbia gravely undermined the Yugoslav constitutional order, its relations with Croatia and Slovenia and very unwisely unleashed a chain of events which in two years brought down the second Yugoslavia.

Serbia lost its rights as legitimate ruler of Kosovo in 1989 when it, in disregard of the still valid Yugoslav constitution, rescinded the application of fundamental freedoms in Kosovo, subjugated its majority population to a regime of arbitrary and harsh police oppression and excluded the Kosovar Albanians from all state and public institutions. Moreover in 1998-1999 the FRY/Serbian authorities set out to uproot and expel from Kosovo its almost entire Albanian population, which was tantamount to an act of genocide. Serbian crimes then included i.a. summary executions and murders of several thousand Kosovars whose mass graves were discovered later in Kosovo and Serbia. According to UNHCR in 1998 about 350.000 Kosovars and Turks were forced by the Serbian authorities, on a short notice and often at gun point, to leave their homes. In 1999 about 800,000

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⁸ S. Biserko, "Serbia's Perception of the Kosovo Problem", *A Decade of International Peacekeeping and Stabilization in Kosovo - Accomplishments, Problems, Prospects*. (Ljubljana: Premiere, 2010), pp. 23-24.

Kosovars and Turks were expelled from FRY and most of their identity papers destroyed at the border. Serbia never apologized and no high Serbian official was ever brought to trial in Serbia for committing these crimes. The change of the regime did not absolve the Republic of Serbia of its responsibility for these grave and massive human rights violations and of FRY's obligations as member of the Council of Europe and of the United Nations. These violations provided legitimacy to NATO's 'humanitarian intervention' in 1999⁹ and fully justified Kosovo's subsequent detachment from Serbia as a 'remedial secession'.

The almost two decades' long dissolution of SFR Yugoslavia has been presumably completed with three last proclamations of independence – by Montenegro, Serbia (2006) and by Kosovo (2008). Thus all other former Yugoslav republics but Serbia and one former autonomous province abandoned

Having lost four wars of Yugoslav succession between 1991 and 1999 Serbia, in February 2008, did not dare to use its armed force again.

SFRY and FRY, some with huge losses in life and property. Serbia had resisted four out of these six secessions. It gradually and grudgingly recognized the independence of and eventually established diplomatic relations with all other former parts of SFRY but with Kosovo. Serbia was the last and the only ex-Yugoslav republic which became sovereign (again) contrary to its will. Although all seceding parts of SFRY did it for basically the same reasons Kosovo has been in many respects a very special case. This former Serbian province was, inter alia, the

only part of ex-SFRY which was liberated of Serbia's rule and occupied by foreign international forces. Like in Bosnia & Herzegovina the Kosovo problem would not have been even half-resolved without a determined military action by USA and NATO. In 1999 Kosovo was placed under temporary UN administration (UNMIK) while various security, surveillance, control, assistance and other roles have been since played by other international organizations (NATO, OSCE, EU, Council of Europe, World Bank etc.), cooperating with provisional local authorities.

A complicated and awkward system of criss-crossing international protectorate was thus created, combined with limited provisional self-governance and extensive informal rule among the Kosovars.¹⁰ This situation

⁹ K. Simonen *Operation Allied Force: A Case of Humanitarian Intervention*. (Rome: NATO Defense College, 2000), pp. 115-128.

¹⁰ N. Jolyon, "International Peacekeeping in Kosovo: Origins and Lessons", *A Decade of International Peacekeeping and Stabilization in Kosovo – Accomplishments, Problems, Prospects*. (Ljubljana: Premiere, 2010).

produced a legal limbo in most of Kosovo in which all Serbian and former Yugoslav laws became invalid, most legal archives and other administrative documentation have been missing (evacuated to Serbia proper) and the UNMIK legislation widely incomplete. By 2007 the continuation of Kosovo's unclear legal status became politically and security-wise untenable due to the Kosovars' growing impatience and deadlocked negotiations with Serbia. The adoption of a 'Comprehensive proposal for the Kosovo status settlement' submitted to the UN Security Council in March 2007 was blocked by the Russian Federation and China. The Comprehensive proposal had been prepared upon the request of the UN Secretary General by Martti Ahtisaari, former president of Finland. It recommended as the only viable solution would be Kosovo's independence supervised by the international community. The Ahtisaari report stated: "Kosovo is a unique case that demands a unique solution. It does not create a precedent for other unresolved conflicts."¹¹

After considerable vacillation the Western members of the Contact group concluded that Kosovo's extensive autonomy under even only formal Serbian sovereignty would be totally unacceptable to its majority population. The acute problem was only formally resolved in February 2008 by allowing Kosovo's declaration of independence. Although the action was carried out without an appropriate resolution of the UN Security Council this body did not subsequently annul Kosovo's independence, as Serbia demanded. Similarly as Albania in 1912-1913 Kosovo emancipated itself, to a degree with the support of Western powers and against the stiff opposition by Serbia (supported by Russia). Having lost four wars of Yugoslav succession between 1991 and 1999, Serbia in February 2008 did not dare to use again its armed force. Its government responded at first by closing its borders to direct trade with Kosovo, by more than tolerating mob violence against several foreign embassies in Belgrade and by temporarily recalling Serbian ambassadors from the states which recognized Kosovo. The latter was a mild Serbian version of the Hallstein doctrine used in the past by the Federal Republic of Germany.

Kosovo's Case at the International Court of Justice (ICJ)

In order to mollify its public opinion, to gain time and slow down the process of Kosovo's recognition the Serbian government started soon what looked as

¹¹ "Report of the Special Envoy of the Secretary-General in Kosovo's Future Status" (New York: United Nations. The Secretary-General, 2007), pp. 4.

a shrewd diplomatic maneuver. In early October 2008 the Serbian delegation succeeded in obtaining a UN General Assembly's resolution demanding ICJ's advisory opinion on the accordence of Kosovo's 'unilateral declaration of independence' with international law.¹² The Serbian authors however unwisely formulated the request. Namely declarations of independence are facts concerning internal constitutional and political orders of states while international law is mute on this subject, neither permitting nor prohibiting such declarations. In addition, Kosovo's declaration was not really unilateral as its substance, wording and timing were coordinated with five Western powers including three permanent members of the UN Security Council. By adopting this document Kosovo declared the intention but voluntarily accepted numerous limitations of its sovereignty and did not in fact become an independent state.

According to the submitted Serbian statement¹³ the illegality of the Kosovo declaration stemmed presumably from:

1. its violation of the principle of the respect for the territorial integrity of states;
2. the inapplicability of the principle of self-determination to Kosovo; and
3. its violation of the UN Security Council Resolution 1244 (which presumably affirmed Serbia's continuous sovereignty over Kosovo).

Concerning the first point three observations are relevant. Firstly, Serbia itself grossly violated the principle of territorial integrity of a neighboring state (Ottoman Empire) when its armed forces in 1912 attacked and occupied Kosovo. The Subleme Porte and its legal successor the Republic of Turkey never recognized the cession of Kosovo and no corresponding international treaty was concluded. Thus Serbia's possession of Kosovo was in itself illegal. It was also illegitimate since Serbia carried out the conquest against the will of its majority Albanian population. The conquest was accompanied by mass massacres of the Kosovars and by grave violations of international humanitarian law. These atrocities against the civilian population were vividly described by Leon Trotsky (then a Russian correspondent in the Balkans) and were thoroughly documented by the Carnegie Endowment.¹⁴ Kosovo was not even properly legally annexed to Serbia, according to the valid Serbian constitution of 1903 and later to the Kingdom of Serbs, Croats and Slovenes according to its 'Vidovdan' constitution. The third conquest ('liberation') of Kosovo in 1944 was again accompanied by

¹² "UN General Assembly Resolution 63/03" (October 8, 2008).

¹³ "Written Statement of the Government of the Republic of Serbia", International Court of Justice, The Hague (April 15, 2009).

¹⁴ "Report of the International Commission to Inquire into the Causes and Conduct of the Balkan Wars", Carnegie Endowment for International Peace (Washington 1914).

armed violence against the Kosovars. The act of annexation was passed in April 1945 under the conditions of martial law, by an appointed 'Kosmet Regional People's Assembly', by acclamation, without a vote and a single speech (let alone a debate). The composition of the Assembly was utterly unrepresentative (142 appointed members, among them only 33 Kosovar Albanians). All appointed deputies were Communists and mostly Serbs, representing then only about 20% of Kosovo's population. There was no preceding election or a referendum in Kosovo.¹⁵ This Stalinist parody of legality thus totally lacked democratic legitimacy.

Secondly, the real and gross violation of Serbia's territorial integrity did not occur in February 2008 but almost nine years earlier when in March 1999 NATO started its armed intervention. FRY filed then an application, against the NATO members' 'illegal use of force'. The Court rejected the motion and declined to examine the legality of NATO's 'humanitarian-intervention'. Under the terms of the Kumanovo protocol signed with NATO in June 1999 FRY/Serbia removed from Kosovo its army, police and civilian administration. Thus in summer 1999 FRY/Serbia lost three elements of sovereignty: the control over Kosovo's territory, population and borders. The declaration of February 18, 2008 only *ex-post facto* legalized, by an internal act Kosovo's detachment from Serbia.

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Thirdly, reflecting the process of decolonization modern international law has relativized the validity of the principle of territorial integrity. When in collision with the right to self-determination of peoples the latter has been accorded primacy. This evolution has been expressed in a number of international legal documents including the International Covenant on Civil and Political Rights and the UN General Assembly Declaration on granting independence to colonial peoples. In its VIII principle, the Helsinki Final Act also allowed for a peaceful change of state borders on the basis of democratically expressed self-determination. The Kosovo proclamation was indeed carried out in a peaceful, orderly and civilized manner. The only acts of violence were committed then by the Serbs, mostly in Serbia.

¹⁵ N. Malcolm *Kosovo: A Short History*. (London: Macmillan, 1998), pp. 315-316.

The Autonomous Province of Kosovo had been, according to the last SFRY constitution of 1974 an integral part of the Yugoslav federation. It was represented in its collective Presidency on equal footing and in many respects enjoyed equal rights with the six republics, including Serbia. The Badinter Arbitration Commission made a (very questionable) distinction between the republics and two autonomous provinces as subjects to which the right of self-determination could be applied. The Serbian statement used this distinction to make the point that Kosovo was not entitled to enjoying the right of (external) self-determination, including secession, due to its somewhat lower federal status in ex-Yugoslavia.¹⁶ Its authors have conveniently forgotten that the FRY and Serbian governments previously, for many years denied this rights (also) to the ex-Yugoslav republics. The Serbian statement furthermore contended that there was 'no evidence ... that Kosovo ever constituted a self-determination unit recognized as a non-self-governing territory' (p.588). This assertion stood in a glaring contradiction with well-known facts. For most of the XX. century and particularly in 1989 -1999 Kosovo had been a non-self governing territory, whose majority population had been subjected, in some respects to worse treatment than that exercised by European colonial powers in Africa and Asia.

The International Court of Justice delivered its non-binding advisory opinion on July 22, 2010.¹⁷ The Court avoided dealing with most issues raised in Serbia's submission and in comments by Kosovo and almost three dozen other states. ICJ limited its task to a narrow consideration of the submitted request. It was widely expected that the ICJ opinion would fall somewhere between two opposite sets of arguments satisfying fully neither of the two sides. The Court surprised many by its straightforward conclusion that the declaration of Kosovo's independence did not violate the norms of general international law, the UNSC Resolution 1244 and the Constitutional Framework enacted by the UN Interim Administration. Also surprising was the strong majority of ten to four votes of the judges with which the opinion was adopted. The political effect of the ICJ decision was immediately clear – a defeat for Serbian diplomacy and a vindication of Kosovo's position. The ICJ opinion did not make or imply the legality and legitimacy of all other declarations of independence. Very importantly

¹⁶ "Written Statement of the Government of the Republic of Serbia", International Court of Justice, The Hague (April 15, 2009), pp. 203-214.

¹⁷ "Advisory Opinion on the Accordance with International Law of the Declaration of Independence in Respect of Kosovo", International Court of Justice, The Hague (July 22, 2010).

ICJ did not base its opinion on the right for self-determination and did not at all deal with the question of Kosovo's recognition.

Independent Kosovo and the International Community

Since summer 1999, Kosovo has been legally an international protectorate under a UN mandate being guarded today by about ten thousand US, German, French, Italian, Turkish et.al. soldiers in the NATO-led peace-keeping KFOR. Supervised and assisted by about 2,500 UN and EU international civilian personnel in the UNMIK and EULEX missions Kosovo has been since 1999 fully separate from, and independent of Serbia. It developed a separate parliamentary political system, free market economy and adopted a different currency (the Euro). The economic, social and political situation in Kosovo has since significantly improved. The progress has been largely due to international assistance (around 21% GNP) and the Kosovars' remittances from abroad (roughly 15% of GNP). Statistically the gross national product in Kosovo has increased by more than six times to around 1,760 euro p.c. It is however much lower than in the neighboring Balkans states.

As of July 2010 Kosovo has been recognized by 69 states, including three permanent members of the UN Security Council, more than two thirds of the Council of Europe' membership, all Kosovo's immediate neighbors and all former Yugoslav republics with the exceptions of Serbia and Bosnia and Herzegovina. Following the ICJ decision this number did not dramatically increase but might in 2011 come close to a half of the UN membership. Although Kosovo's existence has been protected by international forces, the survival of this youngest European state remains an incomplete structure lacking control over its entire territory and population, with deficient self-sustaining economic viability and excessive external financial dependence, burdened by the region-wide problems of corruption, illegal trafficking and organized crime. A number of Kosovo's burning political and social have

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been unresolved. Poverty (about 45% of the population) and very high unemployment (about 45% generally and about 75% among the females and the young)¹⁸, poor governance, malfunctioning rule of law and the obstacles to free travel pose daunting problems to Kosovo's majority population. It is also a thorny psychological, political and existential trauma for the Serbian minority in Kosovo and for Serbian and Roma refugees in Serbia proper.

Since 1216 the Serbian rulers have conquered Kosovo five times and five times their troops and officials vacated the country under foreign military pressure (Ottoman, Austro-Hungarian, Bulgarian, German, Italian, again Bulgarian and NATO). Today, almost a hundred years since the conquest of 1912 it is clear that the military adventure in North Albania and Kosovo did not pay off to Serbia. Without the Kosovo burden, Serbia would be today no doubt a more developed, prosperous and stronger country. In his rise to power Slobodan Milošević skillfully exploited the national obsession with Serbia's historic glory, with possessing Kosovo and with the idea of having all ethnic Serbs living in one state. This platform had indeed for many years enjoyed wide public support among all Serbs. Under Milošević's rule Serbia however, due to a large extent to his policy in Kosovo, destroyed its greatest national achievement (most Serbs living in Yugoslavia) and suffered huge economic, human and intellectual losses. Serbian rule over the entirety of Kosovo was terminated for good in July 1999 and the possession of Kosovo can be never peacefully reestablished in whatever form. Even if it were possible it would, in several decades endanger the Serbs' majority on the territory of Serbia in its pre-1999 borders and, undermine its present unitary political system. There are indications that the Serbian government's real objective has been not to regain its sovereignty over the former province but to redraw the present interstate border with Kosovo, perhaps by swapping territories and minority populations on both sides. This solution, which has been advocated by a number of prominent Serbs, is however very unlikely to be accepted by Kosovo's authorities and by the international community.

For Serbia today Kosovo represents primarily a problem of psychological readjustment. Its rejectionist and obstructionist policy has done a disservice to Serbia's real economic and political interests, to the Serbian minority in Kosovo, Serbian and Roma refugees and to the Albanian minority in Serbia. It is in the Serbian people's and the Serbian minority's in Kosovo objective interest to acknowledge and to come to terms with the irreversible reality. The UN

¹⁸ L. Montanaro, "On Kosovo State-Building" and L. Koro, "A Decade of Socio-Economic Change in Kosovo", *A Decade of International Peacekeeping and Stabilization in Kosovo – Accomplishments, Problems, Prospects*. (Ljubljana: Premiere, 2010).

General Assembly's resolution of September 2010, sponsored jointly by Serbia and the 27 EU members paves the way to contacts between Belgrade and Pristina under the auspices of the European Union¹⁹. There is also a proposal that Serbia and Kosovo regulate their bilateral relations similarly as used to be done for 18 years, between the Federal Republic of Germany and the German Democratic Republic. At least *de facto* normalized coexistence of Serbia and Kosovo, without Kosovo's formal recognition would also have positive effects on internal political climate in neighboring Macedonia, Bosnia and Herzegovina and in Montenegro. By its reasonable and constructive behavior Serbia could tangibly contribute to regional stability, security and prosperity. The sooner this normalization happens the better it would be for the region and for Europe.

The main co-creator of the Kosovo problem – imperial Russia paid dearly for its support to Serbia's policies in the Balkans. In 1913 it did not get what it wanted – i.a. a military base in the Mediterranean from where the Russian Navy could operate unconstrained by the Ottoman control of the Dardanelles. In 1914 following the Sarajevo assassination, it allowed itself to be dragged, while insufficiently prepared into the First World War. Russia subsequently suffered huge losses, experienced two revolutions and a breakdown of its empire. In 1999 the Russian leaders did not repeat the mistake. They rebuffed Slobodan Milošević's begging for military support and his proposal to create a tripartite federation with Belarus. At the height of the Kosovo campaign the Russian Federation refused to be drawn into a war with NATO and left Serbia alone in the military confrontation Slobodan Milošević intentionally provoked. The Russian military's gamble in an attempt to occupy the Pristina airport before the arrival of NATO troops failed flatly. The Russian Federation later disengaged itself militarily from Kosovo. It also excluded practically itself from pragmatically resolving the Kosovo problem by one-sidedly supporting Serbia's intransigence.²⁰ The Russians have however well exploited the opportunity to regain their political influence in Serbia and to put under Russian control Serbia's energy sector.

Kosovo has for decades represented only one of the numerous political conflicts in the world which have been closely related to ethnic, national, linguistic, cultural and religious divides within states.

¹⁹ "UN General Assembly Resolution" 10980 (September, 2010).

²⁰ Y. Davidov, "The Kosovo Problem in Russian Domestic Context", D. Trenin, E. Stepanova (eds) *Kosovo: International Aspects of the Crisis*. (in Russian) (Moscow: Carnegie Endowment for Peace, 1999).

Serbia's dependence on Russian support in the UN Security Council has been used as a leverage to prevent Serbia's very close relations with the Western powers, particularly with USA and NATO.

Since 1998-1999 the Kosovo issue has split the international community, cutting across the former East-West divide. It posed a serious challenge to NATO's inner political cohesion and worsened its relations with the Russian Federation. The Alliance was able then to soften the differences among its members and to reach a consensus concerning the pending military action against FRY and the KFOR's subsequent deployment. The international community has helped Kosovo greatly, spending about 2 billion euro annually. Only a fraction of international funds however has flown directly into Kosovo's economy as most of the funds have been spent on providing security and maintaining international personnel. The effectiveness of international assistance could be certainly improved through streamlining the system, drawing clearer mandates of international actors and achieving their better coordination region-wide.

Eight years after the establishment of the protectorate the problem of Kosovo has again divided the EU and NATO members. In 2007 a strong majority of EU and NATO members accepted the former Finnish President Martti Ahtisaari's recommendations which were commissioned by the UN Secretary General. The proposed limited sovereignty of Kosovo combined with decentralization and strong protection of minorities was deemed by the leading Western powers and by the biggest contributors to KFOR as the least bad among all available alternatives. Subsequently twenty-two EU and NATO Member States recognized Kosovo's independence. A minority of members, notably Greece, Cyprus, Spain, Slovakia and Romania have however followed, for their own reasons, Serbia's rejectionist position. The disagreements among the EU members on this issue have been more visible in 2008 than were the discords among the EEC members in 1991 concerning the recognition of Slovenia's and Croatia's independence. This comparison did not speak well about the coherence of the EU Common Foreign and Security Policy fifteen years after its official launching in November 1993.

Kosovo has for decades represented only one of the numerous political conflicts in the world which have been closely related to ethnic, national, linguistic, cultural and religious divides within states. In the Euro-Atlantic area alone their geography spans from Quebec, Greenland, Scotland, Ulster, Catalunya and Basque country in Spain, Flandria in Belgium, Corsica in France, to Slovakia, Estonia, Western Ukraine, Bosnia and Herzegovina, Western Macedonia, Eastern Moldova, Southern Russia and Cyprus. Further to the South-East and East similar trouble spots stretch from Palestine and Northern Iraq all the

way to Tibet, Taiwan, Sri Lanka, Philippines and Indonesia. The total number of problems threatening the internal stability of many multiethnic and multireligious states in Africa is also high. Each of these secessions has been dealt with, or, more often simply observed and taken notice of by the international community individually. In the past many conflicts of this nature have been resolved by successful secessions accompanied by unilateral proclamations or other similar gestures or symbolic acts. Among nations which unilaterally broke away from larger states and empires were also the Serbs, before and after them the Swiss, Russians, Portuguese, North and South Americans, Belgians, Czechs and Slovaks, Poles, Finns, Estonians, Latvians, Lithuanians, Indonesians, Vietnamese, Slovenians, Croats et. al. In addition, since the end of the 'Cold War' there have also been close to two dozen changes of internationally recognized borders in the Euro-Atlantic area, mostly without a UN Security Council authorization. Each of these changes – in Germany, former Yugoslavia, Czechoslovakia and the Soviet Union took its own course. Hence the resolution of the Kosovo problem, in a number of respects *sui generis*, does not have to be replicated elsewhere. It was quite unnecessary for the Russian Federation to cite the recognition of Kosovo by the West as justification for its own recognizing Abkhazia's and Southern Osetia's independence. In these three, in many respects similar developments most EU and NATO member states and the Russian Federation used double standards when they honored the right to self-determination by one case and disregarded in the other(s).

Twelve years after it resurfaced in international politics Kosovo remains a controversial problem. It requires attention of and assistance by the international community in order to assure that its considerable pacifying efforts since 1992 in the Western Balkans will have contributed to the cause of free, democratic and prosperous Europe to which all Balkan countries, including Kosovo rightfully belong.

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Searching for New Momentum in EU-Russia Relations. Agenda, Tools and Institutions

By Alexander Duleba (ed). Bratislava: Research Center of the Slovak Foreign Policy Association, 2009.

Russia and the European Union consider themselves exceptionally important partners. Their relation has been marked as 'the strategic partnership'. According to the 2009 data of the European Commission, Russia is the EU's third most important trading partner following the US and China. In 2008, it ranked third among the EU's import partners after the USA and China with 11.3% share, while it accounted for the second place in exports with 8% share (following the USA). Concerning the imports of goods and services into the EU, it was third with 9.4% share (following the USA and China) and the second among the EU's trading partners-6.9% following the USA. The EU is, on the other hand, Russia's most important trading partner and represents almost 52% of the country's entire foreign trade. More than 55% of Russia's exports flow into the EU Member States. These are responsible for more than 45% of Russia's imports. Even Russia's other strategic partners such China or Ukraine participate with the lower share. In addition, the evolution of trading relations is exceptionally dynamic and virtually tripled between 2001 and 2008.

Despite the high volume of mutual trade, however, the two economic powers exchange a relatively low volume of foreign direct investment (even though between 2002 and 2007 it increased seven times). Additionally, a significant asymmetry can be observed in this area. While the volume of the EU's foreign direct investment into Russia reached 25 billion euro in 2008, the volume of Russia's investment into the EU represents only a fragment of the aforementioned amount (2 billion euro).

This paradox shows the very nature of the EU-Russia relations or the relations between Europe and Russia in a wider context. The turnover volume proves a strong interest as well as a need to develop the closest possible cooperation. The relations are also marked by a high level of institutionalization having a multi-dimensional character: Having interstate relations with the EU Member States, Russia develops also a bilateral relation with the EU per se being amplified by ambitious cooperation projects. In addition to projects in economic cooperation, Russia participates in several EU's regional initiatives (the Northern Dimension, Black Sea Synergy). Russia is also the EU's key partner in its energy projects. Finally, EU-

Russia relations are indirectly influenced by the third actors (the USA, the Western Balkan countries, and the states of the Eastern Partnership).

The reviewed publication *Searching for New Momentum in EU-Russia Relations. Agenda, Tools and Institutions* was edited by the Bratislava-based Research Center of the Slovak Foreign Policy Association. Its contribution is that – in contrast to the traditional synoptic views on the EU's relations with Russia or analyses focused on a narrowly defined partial issue – this book focuses on the analysis of the policy implementation of the very specific policy of four 'Common Spaces' between the EU and Russia resulting from the 2003 EU-Russia Summit in Saint Petersburg focusing on the following areas: Economy and Environment; Freedom, Security, and Justice; External Security; and Research, Education, and Culture.

The fact that the book brings together the opinions of Slovak experts from the RC SFFPA, i.e. experts from an EU Member State, with the opinions of analysts from prestigious and representative analytical centers in Russia (Andrei Zagorski – leading expert of the Center for War and Peace Studies at the Moscow Institute of International Relations; Elena Klitsounova – Center for International and Regional Policy, Saint Petersburg) makes the publication all the more interesting. The variety of opinions is completed by the one of Iryna Solonenko from the Kiev-based International Renaissance Foundation.

The publication is introduced by Alexander Duleba's comprehensive

analysis of EU-Russia relations starting with the dissolution of the USSR and characterized with a skeptic view on their present, but also future state. According to Duleba, both parties lack a long-term vision of cooperation. The author goes on to indicate the shared interests, but also different perceptions by both actors. The different opinions that the author sees as significant barriers to closer cooperation are on the issues of international security, energy security, and development in the countries of the EU's Eastern Partnership.. However, the analysis of both actors can be simultaneously confronted with the dynamics of the international environment. While in 2009 it was still possible to talk about the disintegration of the East and integration of the West, in 2010 – after the presidential election in Ukraine, coup d'état in Kyrgyzstan, and the signing of a Customs Union Treaty between Russia, Kazakhstan, and Belarus – it seems that the creation of more stable integration structures in the post-Soviet space is much more likely than it seemed a year ago. In contrast, the thesis on Western integration seems to be questioned in the light of the Greek crisis which has shaken the principle of European solidarity. The author observed that "Russia lacks a positive agenda it can offer to its post-Soviet neighbors" (p. 26). However, today it seems that Russia's offer is more understandable and acceptable to post-Soviet countries than the EU's offer.

Russia and the EU's different views on the nature of future cooperation are

indicated also by Vladimír Benč in his chapter analyzing the formation of the Common Economic Space (p. 27-47). He, also, offers a skeptical perception on the emergence of a free trade zone in the foreseeable future (p. 30). Benč considers the EU's request of Russia's entry into the WTO – Russia is currently not interested in – one of the key obstacles to the deepening of the bilateral EU-Russia economic cooperation. The author believes that if Russia's WTO membership was not a condition for the creation of Common Economic Space, it would be a positive step in the current situation (p. 31). He analyzes the evolution of economic cooperation in the wider context of decline in mutual trust after 2007, and questions some theses (e.g. the opinion that the EU is too optimistic if it believes that Russia needs her; even though, when it comes to investment or modern technologies on the Russian market, it has to face the strong competition of China, the USA, or the rich 'oil states' (p. 32). The author points to the structural differences between the two partners. While the EU prefers the liberal-democratic model of development, the government of Prime Minister Vladimir Putin sticks to the course of a stronger direct and indirect state control over economy, monopolization, and protectionism. In Russia's case, business becomes an instrument of foreign policy (p. 31).

A very positive aspect of the reviewed publication's chapters is that they are concluded with the recommendations. Moreover, the various authors managed

to agree not only in the overall analysis of the general status quo, but also in some of the recommendations. That is the case, for example, of the request for higher flexibility of the European institutions and the instruments of EU's policy towards Russia. This view was shared, for example, by the Slovak authors Vladimír Benč and Vladimír Bilčík (in the chapter dedicated to the Common Space of Freedom, Security, and Justice), and the Slovak as well as Russian authors agree on the need for a dialogue. The publication makes it obvious that Russia is interested in several elements of Europe's management and entrepreneurial 'culture' and in the development of mutual trade, but, at the same time, it makes it obvious, that it is not interested in the EU more actively reforming Russia 'into its image'. That is indicated not only by Vladimír Benč (p. 32), when he stresses that Russia does not show an effort to include its internal reforms in such important areas such as the rule of law and corruption into the political dialogue with the EU, but it is substantially more resolutely acknowledged also by the Russian authors.

Andrei Zagorski, for example, points to the difference of today's Russia compared to 1994 when it signed the Partnership and Cooperation Agreement (PCA) with the EU. He confirms the low probability of Russia's entry into the WTO requested by the EU to deepen mutual cooperation, particularly in relation to the creation of the Customs Union with Belarus

and Kazakhstan [p. 114]. He stresses that Russia wants to be accepted as a 'sovereign democracy' and act as the EU's equal partner who does not want to be committed with the implementing of the European acquis. The analyses by A. Zagorski and E. Klitsounova introducing the Russian view of the four EU-Russia Common Spaces imply that Russia does not even ponder EU membership and thus has no interest in the kind of relation with the EU, in which it would have to commit to changing its own domestic politics stressing the the EU should therefore resign on reforming Russia towards accepting its standards. On the other hand, V. Benč points to the need for a progressive Europeanization of Russia at least in the area of business environment.

The Russian experts, similarly to the Slovak authors (e.g. in the chapter dedicated to the Common Space in External Security by Lucia Najšlová), identify also the points of contention in the area of external security. These are the European countries' relations with the U.S. and their unwillingness to accept the 'concert of powers' model in the spirit of the proposal of a new European security architecture introduced by the Russian President Dmitry Medvedev. In addition, Lucia Najšlová stresses the fact that the EU should not give up on its standards and values (p. 68), which necessarily leads to conflicts with Russia, for example on the issue of Eastern Partnership. The book implies, however, that it is now the EU's turn to define its priorities not only towards Russia, but

also towards other European ex-USSR countries. The question by Russian foreign minister Sergey Lavrov whether, for example, the Eastern Partnership does not represent the EU's building of a sphere of influence (p. 76), would perhaps be answered differently by different actors of the 'Eastern' policy.

On the other hand, the analysis of the Common Space on Research and Education, in which the cooperation develops most successfully with Russia being the most successful 'third' country participating on the common projects with the EU in research, confirms that Russia as well as the EU are interested in developing mutual cooperation as long as it does not concern the 'complicated' issues, i.e. aspects intervening with Russia's national and state interests.

The contribution by Ukrainian expert Iryna Solonenko reminds of the need to include in the EU-Russia dialogue also the issue of Eastern Partnership. It draws attention particularly to the need of 'EU-ization' of Ukraine-Russia relations. The analysis also pinpoints to the concern by the EU's eastern neighbors that they will be marginalized, when such substantive instruments as visa regime facilitation are first applied towards Russia and only then towards countries such as Ukraine. The author points to the illegibility of the EU's policy towards Ukraine. The question is, however, to what extent the administration of Ukraine's new president Viktor Yanukovich will be interested in the engagement of third actors (in this case the EU) in the bilateral Ukraine-Russia relations.

The book is concluded with the set of recommendations prepared by the editor. One cannot but agree with his opinion that Russia's interests in the region of the EU's eastern partners have been articulated clearly and it is now the EU's turn to send the signal that it, too, has strategic interests in this space. As he proposes to resolve the issues of European security on the basis of NATO or the OSCE, which Russia denies, we can hardly speak about creating a common vision of Europe.

Even though Russia, similarly to the EU's eastern neighbors, belongs to European countries, the unification of Europe on the basis of common values could be hardly achieved in the short- or mid-term perspective. As long as Russia's political elite stresses the first component of the concept of 'sovereign democracy' and understands under the term 'sovereignty' foremost an exclusive dominance in the region of the former USSR or minimizing international and public control of human rights commitments it accepted voluntarily, we cannot talk about 'Europe of democracies' (pp. 214-215). Preserving the primacy of bilateral relations between the EU and Eastern Partnership countries matches the needs and expectations of the EU's eastern partners. It is, however, questionable if and how it is possible to link Eastern Partnership and the agenda of the four EU-Russia Common Spaces so that it neither marginalizes entirely the eastern partners' integration ambitions, nor does it lead to a conflict with Russia. Russia's unspoken concern about the Eastern Partnership is, in fact, that the

EU's cooperation with Ukraine, Belarus, Moldova, and the Southern Caucasus countries will be closer than the EU's cooperation with Russia, which will weaken Russian influence in the region. The above-mentioned issues are so serious that they could be a subject of a separate analysis.

After reading the book, one gets a rather skeptical view on meeting the ambitious goals of the four EU-Russia Common Spaces. Regardless, it can be stated that both parties are interested in developing cooperation, but Russia prefers choosing 'à la carte' from the EU's menu. Still, the issues of external security, Eastern Partnership, or sharing common values will divide the EU and Russia for a long time.

The publication, however, provides an important message – the EU must clearly define its interests in relation to Russia and to the region of the former USSR and, simultaneously, has to be capable of speaking with one voice. The capability gap in articulating one political line suggests, by the way, that the publication should include a section on analyzing the various EU states' progress in fulfilling the four EU-Russia Common Spaces. Tackling external security provokes, in turn, interest in the view of the U.S. as a key military security actor on the European continent. Regardless of the above-mentioned critique, the book remains an interesting reading that deserves attention.

Juraj Marušiak
Institute of Political Sciences
Slovak Academy of Science,
Bratislava

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Hviezdoslavovo nám. 14
811 02 Bratislava 1
Slovak Republic
Tel: +421 2 5443 31 57
Fax: +421 2 5443 31 61
E-mail: brezani@sfpa.sk
strazay@sfpa.sk