

UNIVERSITY OF GOTHENBURG
Department of Political Science

A Free Lunch or Lunch for Free?

A Study of EC's Reasons behind Foreign Aid
to the African, Caribbean and Pacific States

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Abstract

A never ending debate in both public and academic literature is the debate about why states or other actors interact with each other in international relations. One of the latest upcoming actors in international relations is the European Community (EC) and the purpose for this thesis is to study from which school of thoughts – realism or liberalism – does it base its actions. EC derives its power mostly from “soft-power” instruments and foreign aid is usually seen as a typical one. EC allocates more than half of its annual foreign aid budget to African, Caribbean and Pacific (ACP) states and is therefore of importance for EC’s role in the world.

With the aim to clarify the European Community’s (EC) reasons behind foreign aid vis-à-vis the ACP-states this study use regression analysis. The allocation of EC’s foreign aid to each state is used as dependent variable. The receiving country’s characterizations and, sometimes, the connections towards Europe make the independent variables. The main findings for the study are that EC allocates foreign aid after the level of need and European values, but not always in the supposed direction. The concludes that EC is an actor basing its action more, but not entirely, on the assumptions made by liberalism than other school of thoughts.

Key words: *European Community, African, Caribbean and Pacific (ACP) states, foreign aid*

Abbreviations

ACP = African, Caribbean and Pacific

CFSP = Common Foreign and Security Policy

DAC = Development Assistance Committee

EC = European Community

EDF = European Development Fund

EU = European Union

EU27 = Austria, Belgium, Bulgaria, Cyprus, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Poland, Portugal, Romania, the Slovak Republic, Slovenia, Spain, Sweden and the United Kingdom

GDP = Gross Domestic Product

HDI = Human Development Index

LDC = Least developed countries

MDG(s) = Millennium Development Goal(s)

OECD = Organization for Economic Co-operation and Development

UN = United Nations

UNDP = United Nations Development Program

WFP = World Food Program

QoG = Quality of Government Institute

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1 Introduction

- *There is no such thing as free lunch*

The above phrase is an English saying pointing to that things that, at the first glance, seem to be free are given with unobvious or ulterior motives. Behind the word “free” is a wish from the donor to affect the receiver in one or another direction. The developed world is in some cases literally spoken annually sending away free lunches for over \$120 billion to the developing world (DAC 2010). Money that is transferred as foreign aid by a wide and increasing range of donors. Usually this is defended and/or promoted by altruistic reasons and surveillance shows that the most popular view on foreign aid is just that it is a free lunch to people in need (Riddell 2007, ch.1, 7). Is this the truth or is it not a free lunch, but a lunch for free where the donor expects to have something in return?

Foreign aid is typically seen as one of the most powerful “soft-power” instruments in international relations. In contrast to “hard-power”, that focuses on military strength and often seen as a stick, “soft-power” emphasizes (economical) encouragements and works mainly in the other direction as a carrot. During the latest decade foreign aid has had a strong upswing and thereby the possibility to work as a foreign policy instrument. The total amount reported to the Development Assistance Committee (DAC) at the Organization for Economical Co-operation and Development (OECD) has increased 157 % (from \$47 582 millions to \$122 520) between the years 1995-2005. The foreign aid upswing in general has followed by “propositions in favor of a ‘big push’, [...] especially for the African continent” (Mold 2007 (ed), 6). Not only has the amount transferred increased but also the rhetorical commitments. In 2000 next to all states agreed on the Millennium Development Goals (MDGs). The document explains the main global objectives for foreign aid and focus on poverty alleviation, healthcare and food supply (MDG homepage). Being united around the goals the next step was to agree how to make the aid given more efficient, and five years later, in 2005, the OECD-states signed the Paris Declaration with that aim.

In 1993 the European Community changed name to the European Union and deepened its co-operation from mainly containing trade related issues to several other policy areas, for this thesis – most notably – a Common Foreign and Security Policy (CFSP). This event is by many seen as the starting point of EU as a serious and officially pronounced foreign policy actor (Cameron 2007, ch.1). Others have argued that EU is not *one* foreign policy actor due to its lack of common objectives (Hoffmann 1966). If there were common objectives the Member States willingness to give away power over foreign policy is very small – if not un-existent (Gordon 97-98; Hill 1993). Even when EU is considered as one foreign policy actor skepticism has been shown to its ability to have any power on

the international stage without having a strong and powerful military force (Cooper 2003; Kagan 2004; Hoffmann 2000) and others are denying EU as a foreign policy actor entirely on the notion that it is not a state (Zielonka 1998 (ed), ch. 2; Hill 1996 (ed), introduction and conclusion). More correctly, Hazel Smith in the book *European Union Foreign Policy* (2002) points to the fact that EU is not an ordinary foreign policy actor, but rather an odd one. Several of the characterizations usually associated with a foreign policy actor are missing but EU is by the outside world seen as a foreign policy actor. This may be socially constructed but, nonetheless, the policies adopted by EU and the actions taken have consequences for international relations and therefore it has to be seen as a foreign policy actor (Smith 2008, ch.1). Agreeing that EU as one unit lacks traditional military capacity in big scale the power it has derives mostly from “soft-power” and the economical muscles the worlds’ largest single market possesses (Smith 2008, ch. 3). Between 1995 and 2005 foreign aid coming from EU institutions has increased even more than for OECD countries in total (224 %) to be the second largest donor, after USA, with an annual amount of \$11 355 millions (DAC homepage). For EU, “the big push” in foreign aid has been obvious in the increased sized of the European Development Fund (EDF), from which foreign aid to African, Caribbean and Pacific (ACP) states is transferred. The 10th and present EDF is two-third-time bigger than the 9th EDF and includes €22,5 billion (approximately \$28,5 billion) divided in five years (Cameron 2007, ch. 10; Smith 2008, ch. 3). More recently, the question has changed from: is EU a foreign policy actor? to: what kind of foreign policy actor is EU?

During the two latest decades both the amount of foreign aid transferred and the willingness from Europe to take part in the international relations have increased. Foreign aid is an important foreign policy instrument for Europe, but, what are the reasons behind? Is it directed to the people most in need or are there other motives behind? By performing statistical analysis over the foreign aid flows and the characterizations of the receiving countries this thesis aims to go beyond the rhetorical speech, clarify the real motives and argue for that the present studies have focused too much on the Member States’ action and by that missed to evaluate the institutions of EU.

2 Purpose

Despite the fact that EU is an increasing factor in international relations and that foreign aid has grown remarkable in size only during the last decade the academic literature on EU institutions and its development and foreign aid policy is scant (Carbone 2007, 1). The existing literature focus mainly on specific case studies (see Mold 2007 (ed), ch. 9; Crawford 2001) or gives most attention to the Member States' policies (see Grilli 1993; Brown 2002; Holland 2002) rather than the actions taken by the Commission and the Community. Foreign aid studies focusing on the entire EU which includes the Member States and the institutions of EU is very interesting in itself, but by doing so economically big donors gives big influence over the result and there is in some cases big differences between the economical and the political power (e.g. in 2006 Sweden was the fourth biggest donor inside EU but only had ten out of 321 votes in the council) (DAC 2010, EU-upplysningen 2009). By making a distinction between EU and the institutions of EU, often and henceforth called the European Community (EC), this thesis' purpose is to further develop the understanding of EC as a foreign policy actor.

Beside that the economical and political power are different there are at least four more reasons to do this distinction. For the *first*, it's not clear that the Member States affects the policy from EC, but rather there is a mutual influence from both on each other and the policy adopted by EC affects therefore the policy by Member States (Carbone 2007). *Secondly*, EC's history as a foreign policy actor is, compared to others, very short and the cultural and historical heritage are less likely to affect the adopted policies. *Thirdly*, EC has no legal territory or monopoly of violence to protect and the securitization dimension from foreign aid can be downplayed. *Fourth*, The European Coal and Steel Community – the precursor to EC – was in 1968 founded on the principles of liberalism, the Democratic Peace Theory¹ and the notion to prevent future war between its members through co-operation (EU-upplysningen 2009) and the positive experiences may result in a foreign aid policy influenced by the liberalism paradigm (see below).

At the same time, some argue, EC's power originates from EU and cannot exceed the power the Member States transfer. The policies adopted are similar to the lowest common denominator of the Member States (Haukkala 2008). In some cases, most profoundly in cases where the stakes are high and the third part is an important and powerful global actor, this can be hold for truth but, in other cases, with less importance EC's power is constantly developing in a supranational direction.

One of the relationships with least concerns for the Member States and therefore with most supranational element is the one *vis-à-vis* the ACP-states (Holland 2002; Smith 2008; Cameron 2007). This fact reduces the risk for divergence between the policies adopted by individual Member States

¹ For information about The Democratic Peace Theory see for example Baylis et al. p. 233

and the EC. Foreign relations between Europe and ACP-states are mainly canalized through EC, which make the EC and the foreign policies implemented to an important source for the developing future of the receiving countries.

In difference from earlier studies focusing on the European neighborhood with the conclusion that geo-strategical reason is the main force behind EC's foreign aid (Smith 2008, ch. 3) the ACP-states' prerequisites differs in everything from the importance it has for EC to the challenged faced. The near abroad states are future realistical Membership applicants, something that never will be a pressing issue for the ACP-states. Many of the ACP-states belong to the least developed countries (LDC) in the world and – of course – that can have significant consequences for the reasons behind foreign aid. Furthermore, all ACP-states have signed the Cotonou Agreement and are therefore under the same frame-work for the foreign aid allocation. The Cotonou Agreement serves as a document with guidelines for the relationship between EU, EC and the ACP-states in general and the foreign aid allocation in particular and is revised every fifth year (Holland 2002, ch. 1). It was signed in 2000 (and went into force 2003) as an extension to the expired Lomé IV Convention. The same allocation principles are or should be valid for all partners and, even though, each single country has its own characterizations there are many similarities, not at least in the relationships vis-à-vis Europe and the importance the countries have for Europe. Last but not least, the ACP-states are prioritized by EC with more than half of its annual foreign aid budget spend on the concerned states (Cotonou agreement, foreword).

By focusing the study on the ACP-states the thesis will examine an area different from the neighborhood and develop the understanding for the reasons behind EC's foreign aid beyond the existing studies on the near abroad.

2.1 Why states interacts

At least since Thucydides wrote *The Peloponnesian War* and argued for that the two polis Sparta and Athen went into war to secure their own security interests (Baylis et al. 2008, 96ff; Blanco 1998) there has been, and still is, an ongoing debate about why actors (often states) act as they do in the relations with other actors. The foreign aid aspect of international relations is no exception from that and from traditional international relations theory Schraeder, Hook and Taylor (1998) indentify three different schools of thought in foreign aid theory. This thesis will use the two first ones, realism and liberalism, which also equals the historical most influential to deepen the understanding about the driven force behind foreign aid.

The first one originates from the view Thucydides presented in his book. It is referred to as the realist paradigm and assumes that states (or other actors) are acting in a way to maximize its security and, in the original form, it emphasize the military dimension of security. Later, neo-realism has

developed. In difference to realism, neo-realists sees the military security secondarily and highlights the economical dimension as a precondition to be able to contain the original military dimension. Both realists and neo-realists characterized the world order by anarchy and actors are acting exclusively by self-interest to secure its sovereignty. In lack of any superior body it is up to each actor to have enough power to survive. The most important thing in international relations is to pursue the power hold. Following from these assumptions foreign aid is given as a way for the donor to gain or keep its power in the anarchy world order. To just transfer money without self-interest is, in the long run, contra dictionary to uphold the power balance on the global stage.

The second school of thought, dated back to the Enlightenment and the book *The Perpetual Peace: A Philosophical Sketch* written by Immanuel Kant (Baylis et al. 2008, 112) has a much more optimistic view on the world order and disagree with the core assumptions made by realists. This school of thought is often called liberalism or idealism and has a positive attitude towards co-operation between states not only based on self-interests. Idealists agree that there is no “world police” and the international system is based on an anarchy order, but, instead of seeing every single actor as only concerned about their own self-interest, they emphasize co-operation and partnership. The core idea was collectively security where all actors guarantee the others’ security. The anarchy order is not a state of nature and by different arrangements (e.g. United Nations and International Criminal Court of Justice) the world can escape the present order. Foreign aid is given mainly by altruistically reasons, such as prevent poverty and dividing the resources in a more even way and as a way to encourage co-operation and partnership agreement, which, in the end, takes the world order away from its anarchy aspects. Liberalism is also tightly connected to domestic political system based on democracy, human rights and market liberalization. These values are, by liberalists seen as, preconditions to a prosperous world and in the ultimate form a way to have perpetual peace.

What are the assumptions made by EC? Is the history as an organization founded on liberal assumptions affecting the view on the international system and the behavior? Or, has the will of receiving more power on the global stage taken advantage?

2.2 Earlier studies

Why different donors are giving aid is an area of vast academic literature. During the Cold War the two superpowers USA and Soviet were supporting their own “backyard” by military resources as well as money. The main purpose of foreign aid was to secure the military balance in the world and, by that, its own security (Hook, 117ff 1995; Schraeder et al. 1998). For France the historical heritage as one of the major colonial power has more or less decided the allocation of foreign aid. The *francophone* sphere has been and still is the major concern for the French aid (Hook 1995; Alisine et al. 2000; Lumsdaine 1993; Grilli 1993). Economical interests are the main purpose behind the

distribution of Japan's foreign aid. Japan also strongly concentrates its foreign aid to Asia where the country works as an engine for economic growth (Hook 1995; Schraeder et al. 1998). Sweden, Norway, Finland, Denmark and the Netherlands are often pin pointed as the most altruistical, where the need determines the distribution. The relatively small size of their foreign aid (calculated as a percentage of world total) makes regional concentration necessary and it is not free from political interests, such as Sweden's willingness to give to socialist states (Alesina et al 2000.; Riddell 2007, 96; Lumsdaine 1993).

It is impossible in a short summary as above to give a complete picture about why donors are giving foreign aid, and that is not the intention, nor the most important thing. Instead, the main point is that the reasons are diverse and comes from the different schools of thought described above. To which of the above countries are EC most similar? Is there only one reason or could it be several? What are the reason for EC's foreign aid?

2.3 Research question

In sum, EC is increasing its power as a foreign policy actor; the annual amount of foreign aid is increasing in a stumbling pace; the foreign aid is seen as a typical "soft-power", which upon EC derives the majority of its power; over half of EC's annual foreign aid budget is allocated to the ACP-states; the relationship to these states are mostly supranational and; there are good reasons to believe that there can be other motives than to the European neighborhood. With all this in mind, there is of significant importance to ask the following question:

- What are the reasons behind EC's foreign aid vis-à-vis ACP-states?

3 Theory

With the end of World War II and the following Marshall Plan there was a massive increase in foreign aid. To give away money was already then defended as a moral obligation and an action taken to increase the living standards in a way stressed by liberal advocacies. Very soon, alternative theories, inspired by other school of thoughts, were presented and the theories behind foreign aid have since then been challenged and contested both in theory and empirical studies.

Even though, the vast literature on the subject there is no consensus on the reasons, but, rather, there is a consensus that the reasons vary between donors. In the overlook of the empirical literature on the subject I have found that the theories can be grouped into four different categories – need, values, history and economy. Next to all categories are historically stressed from one, or in some cases both, of the two schools of thought (liberalism and realism) presented in the introduction. A discussion about each category and the origins are presented below and are also summarized in table 4.1.

3.1 Need – poverty alleviation

Most important in the MDGs 189 countries united around during the UN Millennium Conference in 2000 (Cameron 2007, 162f), stemming from the notions of liberalism and the most frequently used and associated with foreign aid is the need category. The developed worlds' help should be guided by the receiving countries different needs. Foreign aid is one important way for the developed world to help the developing countries to escape poverty, under nutrition and a life in misery. The number of people living chronically undernourished is over one billion and the numbers are increasing (WFP 2009) and the economical gap between the rich developed world and the developing world has since the beginning of the 80's widen (Scholte 2005, ch. 10). The reasons to this discrepancy in living standards are many but one of the reasons is the uneven distribution of the world's resources between the developed and the developing world. It is not the uneven distribution in itself that is the reason for the willingness to give foreign aid, but it is rather the attention to the fact that meanwhile the rich and developed world has resources exceeding all human need, the basal needs, such as water and food, cannot be fulfilled in the poor and developing world. It is not only a moral obligation and a way for the rich and welfare world to help the most vulnerable people, but also a way to correct for the uneven distribution. To help the poorest and most vulnerable persons in the world would result in a more equal world that in a better way takes care of all people's equal and unique value stipulated in international agreements such as "UN Declaration for Human Rights".

Clearly the need category is heavily influenced by the liberal school of thoughts and the willingness to transfer money from the rich to the poor without any ulterior and self-interested motive. Robert

Kagan (2004) points that ultimately everything, even this category, can be argued to be self-interested and thereby moving towards the realism school of thoughts. Following his argumentation a more even distributed world could, among other things, be seen as a way to reduce the risk for terrorism and organized crime and therefore be of donors' self-interests. He makes a good point, but this is valid in far from all cases and is a very far-fetched strategy and more of an (good) unintentional affect from the more altruistically reason I will place this category under.

3.2 Values

Democracy, human rights and market economy are cornerstones in the political life in the Western and European world and values loudly defended by the leaders as universal. Economical development and democratical governments are tightly correlated and many of the poorest countries are the least democratical (Bunce 2000, 5f). External relations have always been a way to promote the "best" way of organizing social life. The most extreme time for this was during the Cold War when the iron curtain divided the world into two zones and all foreign policy was influenced by the closeness to one of the super powers – USA or Soviet. In the relationship *vis-à-vis* EC's neighborhood values are often mentioned as a condition for assistance (Barysch 2004, notably 13f; Averre 2005).

Promoting different values can be made by two reasons. The values can have (a) intrinsical value, where the value has a worth and is seen as an end by itself or; (b) instrumental value, where its rather is seen as a way to promote something else and a tool to reach that goal. The former form is stressed by liberalists that support certain values because the supremacy they have shown as fundamental cornerstones in good life. By promoting democracy and human rights the developed world hope that international declarations can be better fulfilled and practical extend to include more people and, by that, maximizes the benefits for the people of the receiving country. Collective security will be easier to uphold in a world united around certain values. It is not impossible to argue this for being an instrument value due to the desired outcome is higher living standards and a better society to live in, rather than "only" democracy and human rights. But, one important difference compared to the instrument value (see below) is the view of which side – the donor or receiving country – that is the main goal for the instrument value.

Another reason, leaning towards an instrument value, to promote European values is the knowledge that foreign aid objectives are more successful in receiving countries with higher levels of good governance (Ehrenpreis et al. 2003, 15). This cannot be seen as a notion pinpointed either by liberalists or realists, but as a desire to have efficient foreign aid, no matter what the reason behind the aid is.

Realists, on the other hand, give European values an instrument value based on donor's self-interest. The relations are often rhetorically explained by values but in the end these are promoted as a way to reach something else to fulfill the donor's self-interest. In the case of foreign aid one frequently used argument for value-based aid is to promote trade. Market economy and democracy are tightly connected and by promoting the later the former is successfully reached. Market economy makes it easier for trade and foreign investments and in the end increasing economical muscles for the donor country (Mold 2007 (ed), ch. 9).

3.3 History

Historical ties, such as colonial past, are common in foreign aid, most commonly because; the moral obligation the colonial power has to the country it once ruled (and explored) and; the cultural understanding between donor and receiving country (Schraeder et al. 1998, 13). Even though, there were several decades since colonization was of major concerns the once colonial ruled countries have historical and cultural similarities to the colonizer, which simplifies the allocation and implementation of foreign aid. The higher moral obligation derives from the knowledge that the colonial ruler once explored the resources in the particular country and therefore are more explicit responsible for the present situation.

Another historical connected reason, fully separately from the first one, is the conflict history. Military conflicts destroy the life, infra-structure and the society life is more or less impossible. As a consequence the economical development slows down or even reverses and by that the need for humanitarian assistance and foreign aid arise during and after the conflict. More interesting in this case is not the consequences in the conflict country but the affect it can have on the donor country. Media starts reporting about the situation in conflict zones and the situation gets public attention. Pictures of suffering and dejected people are broadcasted and to be aware of the situation is the first step to consider action against it. Despite the need can be the same or even larger in other countries a conflict presents a picture of urgent need which can affect the allocation of foreign aid.

The historical dimension is not emphasized by any of the two schools of thought, but earlier studies on EU and specially France (Carbone 2007; Grilli 1993) give high explanatory effect to the colonial history. For that reason it is necessary to have the category included.

3.4 Economy

Economical relations are important in the connections between actors on the global stage. Trade and investments are essential for having economic growth and in the end increased living standards or – for the developing world – the ability to escape poverty. The economical reasons behind foreign aid are predominant in the realism school of thought and are seen as a way for the donor to promote self-interests. Foremost, this is made by using the foreign aid as stimulation to the donor's domestic

industry and by that the economical muscles and the ability to use “soft-power”. For the donor countries foreign aid is known as a way to promote the domestic industry by stimulating trade but also by making it easier for investments in the receiving country. It is not unusual that aid contracts are connected to suppliers from the donor country. Foreign aid opens for contacts between the partners and necessarily it has to be a relationship when money is transferred. The relationship can be the starting point for further co-operation and cultural understandings to simplify investments and other economical agreements (Schraeder et al. 1998).

Besides promoting the industry foreign aid is also a way to promote the policies adopted in the receiving country and the region. By connecting foreign aid to policies objectives or by adding conditionality to the agreements, donors try to influence the receiving country (Ridell 2007, ch. 14). The chances to succeed in a bigger scale increases if the most influent country/countries in a specific region is/are primarily in focus. The policies implemented in the most powerful country/countries will continue to spread in the region, because the affected country/countries reproduce the policy/policies the donor promoted. Not only will the spread continue; there will also be less tug-of-war between ideas when the major powers are holding coherent policies. Profoundly often, big economies in the world or in a certain region are also the most influential political powers. By directing the aid flows to countries with big economical power the donor will also affect policies adopted in entire regions.

4 Hypothesis

From the above general theories eight different hypotheses can be drawn for the allocation of EC's foreign aid. In the table presented the origin is included. Of course, the lines are not so sharp that this classification presents, but, in the end, this is my grouping.

Table 4.1

Category	Realism	Liberalism	Hypothesis
Need	No, could be but will not be considered so here	Yes	H ₁ : The greater need the greater allocation of foreign aid
Values	Yes, as an instrument value for something else, most probably economical self-interests	Yes, as a more intrinsikalt value (comparing to realist) and as a way to help the receiving country	H ₂ : Countries with high levels of European values will receive more aid (liberal). H ₃ : European values will have bigger effect when the trade flows are big between Europe and the receiving country (realism).
History	This category stands besides both realism and liberalism and is only valid for the European colonial history	This category stands besides both realism and liberalism and is only valid for the European colonial history	H ₄ : The sooner a conflict occurred in the receiving country, the more aid H ₅ : Countries colonized by a European country will have higher aid allocation.
Economy	Yes	No	H ₆ : Important trading partners will have more aid H ₇ : EC allocates more aid to bigger regional (economical) power

5 EC's rhetorical commitments to foreign aid

Interesting for the above theory chapter and hypothesis are EC's rhetorical commitments and foreign aid policies objectives. For what reasons are EC rhetorical explaining its foreign aid? EC's objectives are well documented, even down to country specific papers, but, for this thesis a more overall picture is enough and from that point of view a brief summary of the subject is in place.

Already in the late 50's when the Treaty of Rome went into force the former co-operation on the European continent started with foreign aid. The main concern was the *francophone* states and the amount transferred was very small compared to today (Cameron 2007, ch.10; Carbone 2007). Today, EU's Member States and the EC together are the biggest foreign aid donor in the world, the European single market is the most important for the developing world and the European concerns have widen(Cotonou Agreement, foreword). To increase the coherence in Europe and the ability to speak with one voice the Council, the European Parliament, the Commission and the Member States in 2005 adopted the European Consensus on Development (ECoD). The document works as a framework for the allocation of the foreign aid given by the Member States as well as EC. In the case of EC it stipulates that: "[t]he Community development policy will have as its primary objective the eradication of poverty...including the pursuit of the Millennium Development Goals [MDGs]" (ECoD, article 42). EC is one of the biggest, if not the biggest, promoter of the MDGs the world united around in 2000 and that is something seen in ECoD (Cameron 2007). Besides poverty eradication the EC will promote "Democracy, Good Governance, Human rights and the rights of children... in partnership with all countries receiving Community development assistance" (ECoD, article 103). European values, as the ones mentioned above, rather than interests, are something EC often promote in their external relationship (Barysch 2004, 12; Averre 2005 15ff)

For the ACP-states the co-operation has developed even more and resulted in the Cotonou Agreement between EC and the Member States on the one hand and each country in the region on the other hand. The first article in the agreement says that "[t]he partnership shall be centred on the objective of reducing and eventually eradicating poverty consistent with the objectives of sustainable development and the gradual integration of the ACP countries into the world economy" (Cotonou Agreement). What is to be considered as the main objective is similar between ECoD and the Cotonou Agreement. When it comes to European values, such as democracy, human rights and good governance the Cotonou Agreement and ECoD are also coherent when it stipulates that "[t]he Partnership shall actively support the promotion of human rights, processes of democratisation, consolidation of the rule of law, and good governance" (Cotonou Agreement, article 9(4)). A big difference between the two documents is the possible actions against "value crimes". If one part of the agreement does not fulfill its obligation to these values the other parties have, in accordance to article 96, the right to immediately suspend the agreement (Cameron 2007, 163ff) and this stresses values dimension one step more than ECoD.

6 Method

With the aim to clarify the main reasons behind the foreign aid given by EC vis-à-vis the African, Caribbean and Pacific (ACP) states the study will use ordinal least square regression analysis based on the foreign aid allocation to 75 of the 77 countries that are considered as ACP-states (full length list in Appendix I). Cook-Island and Niue are missing because they are not sovereign states and are for that reason missing dependent variable data. By doing analyses with the characterizations of the receiving countries as independent variables the results will go beyond the rhetorical reason and be able to find the real reasons. Regression analysis is a powerful instrument, both estimating the strength as well as the direction of a relation and has the possibility to control for many variables in one calculation. In the benefit of having aggregated results the validity is in some aspects not perfect. The study focuses on the allocation of foreign aid and gives no attention to what kind of objectives that is behind any specific aid program. The foreign aid flow is seen as one big transfer and from this follows that there is not possible to actually see if the money spent are directed to the aim assumed from the receiving country's characterizations. As an example, the allocation can be high to countries with big need but no money necessarily has to be spent to prevent poverty or in other way decrease the need. It can be a difference between what the money *should* be spent on according to the receiving countries characterizations and the *actual* spending, something this study put no attention to. To correct for this shortcoming special studies on one country or a smaller group of countries and an in-depth analysis of the objectives for each aid program must be performed. But, the advantages of the performed design is that it includes next to all analysis units (two missing) and gives the total picture of the reasons for EC's foreign aid vis-à-vis ACP-states. The high proportion of analysis units makes the selection process unnecessary, and from that there is no difficulty to draw general conclusions, something that is much harder with case studies.

6.1 Dependent variable

The dependent variable consists of the foreign aid given by EC to each individual ACP-state for a three year period. Foreign aid is operationalized as the official development assistance (ODA) reported by each donor to DAC at OECD. In the data-set from DAC EC is already registered as a donor. ODA is well defined² by DAC and are the only statistical source that contains annual data for

² The full definition is : “[g]rants or loans to countries and territories on the DAC List of ODA Recipients (developing countries) and to multilateral agencies which are: (a) undertaken by the official sector; (b) with promotion of economic development and welfare as the main objective; (c) at concessional financial terms (if a loan, having a grant element of at least 25 per cent). In addition to financial flows, technical co-operation is included in aid. Grants, loans and credits for military purposes are excluded. Transfer payments to private individuals (e.g. pensions, reparations or insurance payouts) are in general not counted” (DAC homepage)

all receiving countries and every single OECD donor's aid allocation. The average ODA in fixed USD is calculated for every single receiving country for the three years period of 2005-2007.

By having the average rate the risk is minimized for strong annual fluctuation. The years chosen are the three latest years for the first Cotonou Agreement. By choosing the last three the policies adopted in the agreement (poverty eradication, promoting European values) have had a fair chance to come in to reality and when including that the agreement was signed already in 2000 the chance is very good. In 2005 EU agreed on the European Consensus on Development and by choosing the mentioned years even that document can function as a guide to the reasons behind EC's foreign aid. One more benefit by choosing these years are that they all are after the big European Union enlargement in 2004. Fully aware of that there was an enlargement even in 2007 this latest only included two more members comparing to ten in 2004. Excluding the biggest enlargement makes it much easier to have fair and correct independent variables in the cases where the connection (trade) to and from EU constitute the variable base.

6.2 Independent variables

As in the theory chapter (see above) the independent variables are categorized into four different categories. The period for the independent variables will be one year lagged and cover the years 2004-2006 when average is used. To lag the independent variable is a normal procedure in this type of studies as a way to increase the chances to have the right casual chain (see Alesina et al. 2002; Easterly 2003). In the case of values based on the relationship between EU and the receiving country EU will always be seen as EU27. The enlargement that resulted in 27 Member States occurred in 2007 and by that the latest year for this study. Although, this precedior simplifies the data search to that extend that this shortcoming is accepted. Some of the variables are coded as an average over all (lagged) three years. Others, often slow moved, will only have one point of measure and the year will change with the data availability³. A methodological discussion in length about each sub-category will be further presented below.

6.2.1 Need – poverty alleviation

The receiving countries' need can be measured in many ways. One way to evaluate need is by estimating the number of persons living below \$1,25/day, which equals the poverty line used in Human Development Report by United Nations Development Program (UNDP). Even though UN has put significant amount of resources into better figures on people living below the poverty line the figures are estimation, but in the end it gives the big picture. The data from 2005 is limited and

³ Lagged average variables over all three years are: democracy, GDP/cap and trade
Variables with only one point of measurement: HDI (2002), people below poverty line (different years) and human rights (2004)

therefore the latest available will be used and varies with different countries. Another frequently used measure is GDP per capita. The big disadvantage with this measurement is that it does not give any idea about the resource distribution inside a specific country and by that the need. For that reason GDP/cap will be excluded under need category, but will be found under the economical for other reasons (see below).

UNDP has also created an index, called Human Development Index (HDI), including several measurements (e.g. people below poverty line, life expectancy and literacy rate) as a way to measure the develop status for the people of each individual country. The index range from 0 to 1, with an index close to one indicating high standard of development. Except the benefit from measuring need in another way than people below poverty line HDI covers more countries. People below poverty line is difficult to estimate and the numbers missing are relatively big (see Appendix II) and for that reason HDI will be used as control variable for the need category when that is needed.

6.2.2 Values

Democracy will be operationalized by indexes presented by Freedom House and Polity. Freedom House focuses the index on personal freedom and rights meanwhile Polity has a focus on the institutions connected to democracy. The two are connected and despite the difference in measurement there is a strong correlation between the two (-.85). By adding the two into one variable, as done by Hadenius and Teorell, the variable will cover as many aspects as possible of democracy.

What to be seen as human rights are contestable issues. UN adopted a declaration for human rights in 1948 and from that Cingranelli and Richards has evaluated nine measurements to give a correct picture about the human rights in a country. Each measure is then put into two different indexes – the first one indicating positive (freedom to) and the second negative (freedom from) – and by adding the two into one this thesis will encompass as many indicators as possible.

Common for the two above used variables in the political category are that they are slow moving and therefore not necessary to have an average rate of. The Freedom House/Polity index contains data from 2002-2005 and differ between countries. Where data is missing from Polity a calculated regression value will be used, which has shown to increase the validity and reliability (Teorell et al. 2009, 43). The Cingranelli and Richards data are collected from the year before the dependent variable time, namely 2004.

6.2.3 History

Teorell and Hadenius have developed a tenfold classification of the colonial ruler since 1700.

In the cases with two or more colonial rulers the last one, if it lasts for at least ten years, is counted. Out of the tenfold classification I have made three dummy-variables. The first one indicating former European colony (or not) and the second and third indicating former France or British colony (or not). By using data from Uppsala Conflict Data Program (UCDP) the latest year of conflict will be seen. A problem with the used information is that it does not contain information about what kind of conflict (between states or inter-state) and the size of it (numbers of combats). A relatively small armed conflict (25 dead per year) is enough to be seen as a state in conflict. Of course, the seriousness of a conflict is important but that aspect will, rather, be covered in the need category and, at the main purpose here is to measure how the attention and public awareness in the donor sphere affect the allocation. Countries that have been seen as a conflict zone at least one of the three years (2005-2007) will be coded as "present conflict zone" (variable value 0) and number of year since last conflict will be calculated from 2005. The memory is short and the measured affect is considered as diminishing and because of that conflicts later than 1981 will not be considered. States that have not been seen as a conflict zone from 1981 to 2005 will have the maximal value of 25.

6.2.4 Economy

Import and export from every single country to and from EU27 are collected by UN Comtrade. The statistics available includes all merchandise exported and imported to and from EU27. Worth noting is that there exist differences between EU export statistic and import statistic from the reported export country. This is normal due to different threshold for statistical reporting. In this particular case, it is not a problem due to the thresholds is the same for all countries and the interest is not to the actual values but the relation between countries. By adding the two variables from each country into one and divide with the number of years (3) the average total trade flows are registered.

To measure a country's regional power can be made in different ways. Military expenditure as percentage of GDP is one common way, but that emphasizes the military dimension and gives unreasonable attention to realism assumptions. To broaden the conception of power I use GDP/cap as an indicator of the power held by the country. GDP/cap measures a more modern form of power and especially the form EC posses. This conception can also indirectly include the military dimension by assuming that big economical power is a necessary precondition for military strength, even though this is more doubtful and not the main purpose. The GDP/cap variable is logged to have a less spread normal distribution. High GDP/cap implies big economical power and from that high regional power.

7 Results

The results chapter exams each of the four categories – need, values, history and economy – introduced above one by one. In the end there will be a sum up where all are discussed together and the sub-categories are compared and the mutual affect is explored.

7.1 Need – poverty alleviation

For the need category the expectations are the higher need the more foreign aid. HDI is coded so that countries with high living standard have high HDI and, because of that, the expectation is a negative regression line. For the other need variable – people living below poverty line – the line should be positive to hold the hypotheses for truth.

Table 7.1 The effects of the need category on the foreign aid level

	Model 1	Model 2	Model 3
HDI	-244,281 *** (41,118)		-158,908 * (61,239)
People below poverty line (thousands)		0,003 *** (0,001)	0,002 *** (0,001)
Interceptet	206,179 *** (23,947)	69,387 *** (9,599)	149,44 *** (32,106)
<i>Adjusted R²</i>	0,342	0,291	0,371
<i>N</i>	67	47	46

Notes: Ordinal least square (OLS) regression analysis. Dependent variable: Average ODA for the period 2005-2007 (fixed USD millions).*** = p > 99,9%; ** = p > 99%; * = p > 95% (Source: DAC and QoG, see also Appendix II)

The results from the bivariate analyses indicates, as expected, that countries with bigger need receive more aid. HDI is an index ranging from 0 to 1 and gives by the low interval a steep (negative) coefficient (model 1). At the same time, numbers of people have a flat estimated line because every step on the x-axis indicates only thousands more people living below poverty line (model 2). In sum, the first performed analyses indicates that hypothesis one (H₁) is correct.

7.2 Values

As a strong defender and promoter of European values such as democracy and human rights EC is expected to allocate more aid to countries that have incorporated such values. Earlier studies (Bunce 2000) have shown a correlation between democracy and economical development and from that it

probably derives a conflict between need and values. Focusing on poverty eradication that category is expected to be prioritized before values, but when controlling for need countries with European values will have more aid.

	Model 1	Model 2	Model 3	Model 4	Model 5
Democracy	-8,567 ** (2,715)		1,372 (3,065)		
Human Rights		-9,725 *** (1,440)		-6,147 *** (1,741)	
People below poverty line					
HDI			-255,904 *** (48,851)	-161,869 *** (44,521)	
Democracy (dummy)					-52,051 (20,473)
Total trade					0,000 (0,010)
Trade * Democracy (dummy)					0,004 (0,010)
Intercept	121,379 *** (19,456)	173,767 *** (17,332)	203,921 *** (24,618)	227,146 *** (22,864)	95,899 *** (18,348)
<i>Adjusted R²</i>	0,108	0,376	0,334	0,441	0,157
<i>N</i>	75	75	67	67	75

Notes: Ordinal least square (OLS) regression analysis. Dependent variable: Average ODA for the period 2005-2007 (fixed USD millions).*** = p > 99,9%; ** = p > 99%; * = p > 95% (Source: DAC and QoG, see also Appendix II)

In opposite to the expected, the results show that both democracy and human rights are affecting the allocation of foreign aid negative (model 1 and 2). Indeed, the results are not that surprisingly due to the fact that European values and economic development are correlated and by that there is an opposition between the assumed results in the value and need category. By performing the same analysis again, and this time controlling for need, there should be a switch in the coefficient direction. But, in control for HDI the result for democracy becomes insignificant, even though with a positive coefficient (model 3). Even more surprisingly, the negative and significant result for Human Rights lasts, although with a decreased coefficient, when controlling for HDI (model 4). In sum, the

results are clear; EC as a donor intrinsically supporting and promoting European values by the allocation of foreign to a third country (H_2) is falsified.

Still, there could be an instrumental value for EC in promoting especially democracy as a way to (economical) benefit from the correlation between market economy and democracy. To study this assumed connection I make the “democracy variable” into a dummy. Countries’ scoring 4,5 or less on the ten-point scale used for democracy variable are seen as not democracy and are coded as zero (0), all other countries are scored as democracy (1). The dummy variable is multiplied with the “total trade” variable to have an interaction variable. If democracy is seen as an instrumental value for market liberalization democracy will have a positive (or less negative) affect on the foreign aid allocation in the top trading partners and the opposite with less important partners. Unfortunately and problematically for a result, both trade and the interaction variable is insignificant (model 5) and a trusty result cannot be presented. One probably reason can be that the ACP-states is too small and not (economical) important enough to be considered as interesting for promoting democracy and by that benefit from increased market liberalization. EC does not care about a democratically development intrinsically and the instrumental value for the ACP-states are not big enough. An alternative explanation can be that the instrumental value does not derive from economical purposes, but something else, and by this unknown. No matter the reason, hypothesis three (H_3) is not verified.

7.3 History

Before taking action against something there has to be awareness. Conflict is highlighting the situation in the current country and for that reason increase the probability to have aid.

Several of the Member States (e.g. France, Portugal, Netherlands and the United Kingdom) have a history as colonial powers. Even though, EC is a unique and self-determined foreign policy actor the decisions are influenced on the will of the Member States and the chances are even bigger when some of the former colonial power are the most influenced ones in EC. The expected is that more aid should be given to countries that have a history as colonized by a European state compared to countries missing that history.

	Model 1	Model 2	Model 3	Model 4	Model 5
Years since conflict	-2,285 *	-0,930			
	(0,864)	(0,993)			
HDI		-192,563 **	-233,736 ***	-279,728 ***	-268,531 ***
		(67,275)	(39,940)	(44,730)	(46,634)
Former European colony			-95,363 *		
			(39,821)		
Former France colony				-31,542	
				(17,121)	
Former British colony					17,365
					(15,840)
Interceptet	114,102 ***	195,799 ***	292,820 ***	234,401 ***	210,617 ***
	(14,618)	(30,912)	(42,935)	(28,067)	(24,250)
<i>Adjusted R²</i>	0,100	0,220	0,387	0,365	0,344
<i>N</i>	55	53	67	67	67

Notes: Ordinal least square (OLS) regression analysis. Dependent variable: Average ODA for the period 2005-2007 (fixed USD millions).*** = p > 99,9%; ** = p > 99%; * = p > 95% (Source: DAC and QoG, see also Appendix II)

The number of years since the country was a conflict zone has a negative impact on EC's foreign aid allocation (model 1). In short, the longer time since a conflict the lesser aid. It seems like the awareness of the situation in a country increases the foreign aid allocated and the hypothesis (H₄) can be verified. With conflict come misery, injured people and difficulties to uphold normal life. In the end, all this increases the need category, which makes it necessary to control for that category. This is done by adding HDI in the analysis and when doing so the result is insignificant (model 2). It is not possible to say that the originally affect years since conflict had on foreign aid is not spurious and actually comes from the connection between conflict and increased need.

In the question about how historical ties, in form of former colony, affect the foreign aid the control for need is always performed. By doing so the result cannot be affected that one country's former colonies are less developed. There is a significant result for former European colony. In opposite to the expected, the result is negative (controlling for HDI) and with a high explanation level (0,387). It falsifies hypothesis five and implies that countries that have been colonized by European countries receive less aid compared to a non European colonized country (model 3). The political and economical power is unevenly distributed between the Member States and several of the most influenced Member States (notably France and the United Kingdom) has a history as colonial ruler. In

total, the *francophone* states have disproportionately high levels of foreign aid from EU (Member States and the Community). To see if that is true even for EC's aid, analysis is performed on former British and France colonies. The result is positive for former British colonies and negative for former France, but insignificant for both (model 4 and 5).

7.4 Economy

EC power on the global stage stems from the economical muscles it receives from being the worlds' largest single market. Without the economic preconditions the international power will start to decrease slowly. For that reason EC will use the foreign aid as a way to encourage trade and investment from domestic industries and already big trading partners will have disproportional level of foreign aid to secure a dominant position in the international system.

EC is also interested in affecting policies around the world. By giving more aid to the most regional influent countries and hope they in their turn will affect the other countries in that particular region.

Table 7.4 The effect of the economy category on the foreign aid level

	Model 1	Model 2	Model 3	Model 4
GDP per capita (logged)	-31,229 *** (5,807)		-10,05 -11,778	
Total trade		0,004 ** (0,001)		0,004 *** (0,001)
HDI			-185,328 * (80,444)	-248,527 *** (38,192)
Intercept	278,238 *** (40,279)	58,188 *** (8,027)	242,277 *** (48,638)	201,406 *** (22,276)
Adjusted R²	0,274	0,079	0,339	0,433
N	75	75	67	67

Notes: Ordinal least square (OLS) regression analysis. Dependent variable: Average ODA for the period 2005-2007 (fixed USD millions).*** = p > 99,9%; ** = p > 99%; * = p > 95% (Source: DAC, UN Comtrade and QoG, see also Appendix II)

For trade there is a small (0,004) positive effect on EC's allocation of foreign aid supporting hypothesis six (H₆), but with a very low r-square value (0,079). Once again, thinking that economical interests are secondary to the need category the trade variable is tested under control for HDI in the fourth and last model. The result for trade is unchanged but the explanation power for the model in total increases dramatically (from 0,079 to 0,433). The increased R²-value stresses the importance EC puts to poverty alleviation.

The results for trying to affect policies (H₇) are very clear and do strongly oppose the notion of foreign aid based on policies-strategically reasons. GDP per capita has a strong negative effect on the aid allocation (model 1 and 3). Many studies puts, in difference from this one and not incorrectly,

GDP per capita under need category with the assumption that high GDP indicates less need. If that is true the result here supports the hypothesis of EC as a need based donor.

At a first glance it is surprising that an up-coming foreign policy actor as EC, mainly basing its power from economical muscles, does not try to grow bigger (and more powerful) by stimulating big trading partners via foreign aid. With a second thought this reasoning is not that obvious and the explanation can be as simple as there is nothing or next to nothing for EC to gain from the ACP-states. As an example, all 77 ACP-states counted for only almost 5 % of EU27's total import during the years 2004 to 2006 (UN Comtrade) which clearly states how small they are for EC's totally economical muscles. The potential economical gain for EC is simply too small to affect the allocation decisions.

8 Conclusions

Next to always there is no deterministic connection or answer to reasons behind one actor's behavior and EC is no exception. Clearly, the most important reason behind EC's allocation of foreign aid is the need category. Most of the concerned states are very low developed countries and the need is in general high. The resources transferred from EC to ACP-states are far from enough to fulfill only the most basic needs in all the receiving countries. When the need exceeds the resources one can assume that the need aspect will be downplayed in the allocation of foreign aid because the need can never be fulfilled. But, even in this segment of low developed countries the need affect the allocation of foreign aid and the liberal assumptions that actors on the global stage can co-operate not only with self-interests as the driven force but also as a way to help vulnerable people find heavily support.

On the other hand, and something that makes EC as an actor not notorious incorporating liberal assumptions, is the absence of connection between foreign aid and democracy as an intrinsic value. In the case of human rights the result points to that EC is supporting countries violating human rights. Of course, this scenario is not probably and highlights the problem previously discussed in the method chapter; namely that the study focuses on the allocation of foreign aid and not the objectives for individual programs. There is a possibility that it is a better idea to give more to countries with low human rights score if the aim is to improve the situation. If the foreign aid objectives are to support human rights it is probably better to allocate more to countries with less human right as a way to help the receiving country to improve. From this point of view, it is very surprising that democracy and human rights not have the same result or coefficient direction. In their own documents EC emphasizes democracy and human rights and the allocation should be affected by these values. To fully understand the reasons behind the allocation, studies considering the objectives are necessary.

It is important to say that European values as an instrumental value for economical benefits, emphasized by realism school of thought, do not find support. The study fails to give an answer to what – if any – democracy is an instrumental value for. Furthermore, the core (neo-)realist assumption that self-interest is the driven force behind foreign policy actor cannot fully be falsified, even though the effect is very small. One reason to the small effect can be that EC has nothing or very little to gain from the region and when the stakes are higher EC emphasizes self-interest more intense. The realism aspect in EC's foreign aid policy is something not mentioned in EC's own rhetorical commitments. Indeed, this is not very surprising thinking about the public support for foreign aid coming from the altruistically dimension and the contrast Europe tries to be to other more realistic foreign policy actors in international relations.

To further deepen the understanding of the assumptions EC bases its foreign aid policy on and the role it would like to have in the relations to the developing world studies over time is necessary. This study has only one measure point for the dependent variable and there is not possible to say if any change in an independent variable changes the dependent variable, and if so, in what direction. In the case of EC, time studies can be even more interesting adding that it is an upcoming foreign policy actor and the school of thought upon which it base its relation can change with the power EC posses at the present time.

In the end, this study concludes that self-interest driven policies presented by realists, as the main objective, is hard to find and when it is found the effect is rather low. The evidence for EC as a foreign aid policy actor driven by liberalism assumptions is stronger, even though, all liberalism assumptions do not find strong support. Or, to put in other words; in the case of EC's foreign aid policy, apparently, there are – at least to some extent – free lunches.

Appendix

Appendix I

List of the 75 African, Caribbean and Pacific states concerned in this study and the average amount of official development assistance (ODA) allocated by EC to each individual country for the years 2005 to 2007 in fixed USD millions.

Angola	47,9	Mali	98,79
Antigua and Barbuda	1,34	Mauritania	60,26
Bahamas	0	Mauritius	61,17
Barbados	6,18	Mozambique	196,34
Botswana	29,78	Namibia	8,54
Belize	12,93	Nauru	1,08
Solomon Islands	9,64	Vanuatu	3,88
Burundi	115,6	Niger	139,7
Cameroon	117,17	Nigeria	136,13
Cape Verde	26,19	Micronesia	2,91
Central African Republic	57,72	Marshall Islands	2,15
Chad	132,17	Palau	1,22
Comoros	17,87	Papua New Guinea	47,25
Congo	59,9	Guinea-Bissau	33,61
Congo, Democratic Republic	269,95	Rwanda	68,89
Benin	92,51	St Kitts and Nevis	7,28
Dominica	13,04	St Lucia	19,12
Dominican Republic	70,41	St Vincent and the Grenadines	11,13
Equatorial Guinea	4,09	Sao Tome and Principe	2,49
Ethiopia	327,79	Senegal	104,95
Eritrea	61,39	Seychelles	3,67
Fiji	4,76	Sierra Leone	65,71
Djibouti	15,17	Somalia	82,73
Gabon	13,41	South Africa	202,11
Gambia	27,13	Zimbabwe	69,16
Ghana	116,09	Sudan	225,82
Kiribati	1,07	Suriname	8,65
Grenada	15,69	Swaziland	24,86
Guinea	57,63	Togo	30,8
Guyana	32,75	Tonga	1,79
Haiti	115,64	Trinidad and Tobago	28,46
Cote d'Ivoire	91,76	Tuvalu	0,56
Jamaica	34,09	Uganda	176,02
Kenya	108,54	Tanzania	154,62
Lesotho	47,13	Burkina Faso	116,32
Liberia	66,75	Samoa	10,23
Madagascar	130,77	Zambia	162,41
Malawi	131,15		

Appendix II

A full length list of the variables used and the sources

Variable	Max	Min	Average	N	Source(s)
Human Development Index (HDI)*	0,89	0,27	0,56	67	http://hdr.undp.org
Average Official Development Assistance (fixed USD millions)	327,79	0	64,72	75	DAC Committee at http://www.oecd.org
Freedom House and Polity Index (range 0 to 10)*	10	1,08	6,6072	75	http://freedomhouse.org and http://www.cidcm.umd.edu/inscr/polity/index.htm
GDP per capita (fixed USD millions)*	13078,91	106,47	1827,18	75	United Nations Statistics Division
Total trade (fixed USD millions)	43748	1	1687,58	75	UN Comtrade (http://comtrade.un.org/)
People living on less than 1,25\$ per day (thousands)	84580	32	7470	47	Human Development Report 2009 table I
Human Rights Index (range 0 to 18)*	17	2	11,21	75	Cingranelli and Richards dataset (http://www.humanrightsdata.org)
Years since last conflict (max 25)*	25	0	13,33	55	UCDP/PRIO Conflict database (http://www.prio.no/cwp/armedconflict)
Former British colony*	Dummy				Hadenius and Teorell
Former European colony*	Dummy				Hadenius and Teorell
Former France colony*	Dummy				Hadenius and Teorell

Variables indicated with a * are from the Quality of Government Institute (QoG) (www.qog.pol.gu.se) dataset and in the source column the source(s) reported by QoG is/are mentioned.

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