NEW DONORS, SAME OLD PRACTICES?
Development Cooperation Policies of Middle-Income Countries

Carmen Robledo-López

A thesis submitted for the degree of Doctor of Philosophy of The Australian National University

Submitted for examination on 6 June 2018

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Carmen Robledo-López
On 6 of June of 2018
ABSTRACT
This thesis offers a framework to analyse the international action and the domestic repercussions caused by the engagement of middle-income countries (MICs) in global governance. Building from the cases of Mexican and Brazilian development assistance policies, this research analyses the motivations driving MICs to act as providers of development assistance. The thesis argues that MICs are increasingly using development assistance as a foreign policy tool in a similar manner to traditional donors. The key difference is MICs’ focus on becoming a donor as a way to increase international reputation, prestige, image and respect, elements that in their perception are crucial to gain influence and to actively participate in global decision-making.

A desire for improved reputation pushes MICs to pursue domestic transformations. By mirroring international standards MICs get approval from the North and the success of their development models produces the admiration of the South, transforming MICs into bridging actors with the capability to collect consensus from the North and from the South. Conversely, when MICs aim to build consensus around their own initiatives, they actively resist attempts to implement standards that may imply transformation of
institutional settings, bureaucratic structures and practices along the lines of Western regimes. Consensus builders bet on the success of their public policy models to gain admiration and support from less developed countries. Support that provides consensus builders leverage to contest Western hegemony and to challenge established regimes.

Given the limited works on the motivations driving ODA (official development assistance) and few studies on emerging donors, this thesis presents a theoretical framework based on North-South ODA. The practices of ten traditional donors are analysed by breaking down the interplay of four policy-making variables (institutions, bureaucracy, interest groups and non-material factors). This framework is further developed for the analysis of the two case-studies, Mexico and Brazil. Empirical research is supported with evidence collected through 43 semi-structured interviews. The choice of within case-analysis and process tracing as methods of enquiry relies on the advantages offered for small-n research.

The thesis concludes that the methodological tools developed in these pages can also be used to analyse other domains of global governance. While the main objective of this research is to better understand the underlining motivations of South-South Cooperation and its use as a foreign policy tool. This study opens avenues for further examination on the aspirations of MICs in global politics beyond the development-aid agenda.
ACKNOWLEDGEMENTS
This thesis has been a long journey that would not have been possible without the support of many individuals. Firstly, I would like to thank the chair of my panel and main supervisor, Dr Sean Burges, whose continuous support, guidance, comments and patience were invaluable for the progress of my research. His feedback challenged my thinking and helped me to ‘put the pieces together’ into a ‘big picture’ and gave me confidence that I could finish this project. I would also like to thank the other members of my panel, Dr April Biccum and Dr Stephen Howes, for their feedback on my project.

I am also grateful to Prof. Carlos Pio who during the early stages guided me on the organisation of the research and introduced me to interesting pieces of literature, and to Dr Zuleika Arashiro who invited me to collaborate as a tutor in one of the courses she taught and helped me to narrow my focus onto relevant theoretical materials related to the case studies of my research. A sincere thank you to Mike Wilkins for his diligent proofreading of this dissertation.

My academic endeavour was enriched by participation in academic conferences where I received feedback from organisers, panellists and participants. This research is based on a series of interviews with experts from the case study
countries and with representatives from international organisations based in several cities around the world. I thank all the interviewees, for sharing their insights and experience on policy-making processes subject of this analysis, and all those who recommended additional contacts and opened other doors to deepen my research.

I offer my special thanks to the School of Politics and International Relations of the ANU, that not only offered a suitable environment for academic discussion, but also provided resources to conduct field research and to participate in academic conferences. Also, I thank the College of Arts and Social Science for the opportunity to attend the Institute for Qualitative Research Methods at the University of Syracuse, where I gained further understanding of the methodology for social science research. Finally, this project would not have been possible without the invaluable financial support offered by the ANU through the Australian Postgraduate Award (APA) that I was granted.

One of the biggest rewards of this journey has been the friendships that I was able to forge with fellow PhD candidates at the ANU. Thank you Jo, Steve, Cara, James, Carlos, Nikola and Ben for those insightful discussions and feedback on my progress and for your support and understanding during the ‘ups and downs’ along the way.

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I dedicate this thesis to my family,
Steven and Emilia, the sunshine of my days.
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<tbody>
<tr>
<td>AAA</td>
<td>Accra Action Agenda</td>
</tr>
<tr>
<td>ABC</td>
<td>Agência Brasileira de Cooperação (Brazilian Cooperation Agency)</td>
</tr>
<tr>
<td>AECI</td>
<td>Agencia Española de Cooperación Internacional (Spanish Agency for International Cooperation)</td>
</tr>
<tr>
<td>AFD</td>
<td>Agence Française de Dévelopement (French Agency for Development)</td>
</tr>
<tr>
<td>AfDB</td>
<td>African Development Bank</td>
</tr>
<tr>
<td>ALBA</td>
<td>Alianza Bolivariana para los Pueblos de Nuestra América (Bolivarian Alliance of the People of our America)</td>
</tr>
<tr>
<td>AMEXCID</td>
<td>Agencia Mexicana de Cooperación Internacional (Mexican Agency for International Development)</td>
</tr>
<tr>
<td>APEC</td>
<td>Asia-Pacific Economic Cooperation</td>
</tr>
<tr>
<td>AsDB</td>
<td>Asian Development Bank</td>
</tr>
<tr>
<td>ASEAN</td>
<td>Association of Southeast Asian Nations</td>
</tr>
<tr>
<td>BAPA</td>
<td>Buenos Aires Plan of Action</td>
</tr>
<tr>
<td>BMZ</td>
<td>German Federal Ministry for Economic Cooperation and Development</td>
</tr>
<tr>
<td>BRCIS</td>
<td>Group of five major emerging economies: Brazil, Russia, China, India and South Africa</td>
</tr>
<tr>
<td>CAWDAS</td>
<td>Computer assisted qualitative data analysis software</td>
</tr>
<tr>
<td>CID</td>
<td>Cooperación Internacional para el Desarrollo (International Development Cooperation)</td>
</tr>
<tr>
<td>COBRADI</td>
<td>Cooperação Brasileira para o Desenvolvimento Internacional (Brazilian Cooperation for International Development)</td>
</tr>
<tr>
<td>DAC</td>
<td>Development Assistance Committee of the Organisation for Economic Cooperation and Development</td>
</tr>
<tr>
<td>DANIDA</td>
<td>Danish International Development Agency</td>
</tr>
<tr>
<td>DfID</td>
<td>British Department for International Development</td>
</tr>
<tr>
<td>ECLAC</td>
<td>United Nations Economic Commission for Latin America and the Caribbean (CEPAL)</td>
</tr>
<tr>
<td>Abbreviation</td>
<td>Full Form</td>
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<tr>
<td>--------------</td>
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</tr>
<tr>
<td>ECOSOC</td>
<td>United Nations Economic and Social Council</td>
</tr>
<tr>
<td>EMBRAPA</td>
<td>Empresa Brasileria de Pesquisa Agropecuaria (Brazilian Agricultural Research Corporation)</td>
</tr>
<tr>
<td>EU</td>
<td>European Union</td>
</tr>
<tr>
<td>EXIM Bank</td>
<td>Export-Import bank</td>
</tr>
<tr>
<td>FAO</td>
<td>Food and Agriculture Organisation of the United Nations</td>
</tr>
<tr>
<td>FDI</td>
<td>Foreign Direct Investment</td>
</tr>
<tr>
<td>FIOCRUZ</td>
<td>Fundação Oswaldo Cruz (Oswaldo Cruz Foundation for Scientific Research)</td>
</tr>
<tr>
<td>FUNCID</td>
<td>Fondo Nacional de Cooperación Internacional para el Desarrollo (Mexican Fund for International Development Cooperation)</td>
</tr>
<tr>
<td>G20</td>
<td>Group of the 20 most industrialised and developed economies</td>
</tr>
<tr>
<td>G77</td>
<td>Coalition of 77 countries at the UN (today it includes over 130 developing nations)</td>
</tr>
<tr>
<td>GEF</td>
<td>Global Environment Facility</td>
</tr>
<tr>
<td>GTZ</td>
<td>German Technical Cooperation Agency</td>
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<tr>
<td>GNI</td>
<td>Gross National Income</td>
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<tr>
<td>GNP</td>
<td>Gross National Product</td>
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<tr>
<td>GPGs</td>
<td>Global Public Goods</td>
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<tr>
<td>HCCI</td>
<td>Haut Conseil à la Coopération International (French Council for International Cooperation)</td>
</tr>
<tr>
<td>HLM</td>
<td>High-Level Meeting</td>
</tr>
<tr>
<td>IADB</td>
<td>Inter-American Development Bank</td>
</tr>
<tr>
<td>IBSA</td>
<td>Platform that brings together India, Brazil and South Africa</td>
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<tr>
<td>IFIs</td>
<td>International Financial Institutions</td>
</tr>
<tr>
<td>ILO</td>
<td>International Labour Organisation</td>
</tr>
<tr>
<td>IMEXCI</td>
<td>Instituto Mexicano de Cooperación Internacional (Mexican Institute of International Cooperation)</td>
</tr>
<tr>
<td>Acronym</td>
<td>Full Form</td>
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<tr>
<td>IMF</td>
<td>International Monetary Fund</td>
</tr>
<tr>
<td>IPE</td>
<td>International Political Economy</td>
</tr>
<tr>
<td>IPEA</td>
<td>Instituto de Pesquisa Economica Aplicada (Institute of Applied Economic Research)</td>
</tr>
<tr>
<td>ISI</td>
<td>Import substitution industrialisation</td>
</tr>
<tr>
<td>Itamaraty</td>
<td>Common name given to the Brazilian MFA resulting from the building (Palacio Itamaraty) that hosts the headquarters of the MFA</td>
</tr>
<tr>
<td>JICA</td>
<td>Japanese Agency for International Development</td>
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<tr>
<td>LDCs</td>
<td>Less Developed Countries</td>
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<tr>
<td>MAPA</td>
<td>Ministério da Agricultura, Percuária e Abastecimiento (Brazilian Ministry of Agriculture and Livestock)</td>
</tr>
<tr>
<td>MCA</td>
<td>Millennium Challenge Account</td>
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<tr>
<td>MCC</td>
<td>Millennium Challenge Corporation</td>
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<tr>
<td>MDGs</td>
<td>Millennium Development Goals</td>
</tr>
<tr>
<td>MERCOSUR</td>
<td>Mercado Común del Sur (Southern Common Market)</td>
</tr>
<tr>
<td>MFA</td>
<td>Ministry of Foreign Affairs</td>
</tr>
<tr>
<td>MIC</td>
<td>Middle-Income Country</td>
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<tr>
<td>MINUSTAH</td>
<td>United Nations Stabilisation Mission in Haiti</td>
</tr>
<tr>
<td>NAFTA</td>
<td>North America Free Trade Agreement</td>
</tr>
<tr>
<td>NAM</td>
<td>Non-Aligned Movement</td>
</tr>
<tr>
<td>NEPAD</td>
<td>New Partnership for Africa’s Development</td>
</tr>
<tr>
<td>NGO</td>
<td>Non-Government Organisation</td>
</tr>
<tr>
<td>ODA</td>
<td>Official Development Assistance</td>
</tr>
<tr>
<td>OECD</td>
<td>Organisation for Economic Cooperation and Development</td>
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<tr>
<td>PAN</td>
<td>Partido Acción Nacional (National Action Party, right-wing Mexican party)</td>
</tr>
<tr>
<td>PEPFAR</td>
<td>President’s Emergency Plan for AIDS’s Relief</td>
</tr>
<tr>
<td>PND</td>
<td>Plan Nacional de Desarrollo (Mexican National Development Plan)</td>
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</table>
PPP  Plan Puebla-Panamá
PRI  Partido Revolucionario Institucional (Institutional Revolutionary Party, left-wing party)
PROCID Programa de Cooperación Internacional para el Desarrollo (Mexican Program of International Development Cooperation)
PROMEXICO  Mexican trust fund to promote international trade and investment
PT  Partido dos Trabalhadores (Brazilian Workers Party)
PwC  PricewaterhouseCoopers (audit and assurance, consulting and tax services firm)
RENCID Registro Nacional de Cooperación Internacional para el Desarrollo (Mexican Database for International Development Cooperation)
SAIPA  South African International Partnership Agency
SEGIB  Secretariado General Iberoamericano (Iberoamerican Secretariat)
SSC  South-South Cooperation
TIKA  Turkish Cooperation and Coordination Agency
UK  United Kingdom
UN  United Nations Organisation
UNAIDS  Joint United Nations Program on AIDS/HIV
UNASUR  Unión de Naciones Sudamericanas (Union of South American Nations)
UNCTAD  United Nations Conference for Trade and Development
UNDCF  United Nations Development Cooperation Forum
UNDP  United Nations Development Program
UNHCR  United Nations High Commissioner for Refugees
UNICEF  United Nations Children’s Fund
UNIDO  United Nations Industrial Development Organisation
UNSC  United Nations Security Council
<table>
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<tr>
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<th>Full Name</th>
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<tr>
<td>URECI</td>
<td>Unidad de Relaciones Económicas y Cooperación Internacional (former Mexican Viceministry for Economic Relations and International Cooperation)</td>
</tr>
<tr>
<td>US AID</td>
<td>United States Agency for International Development</td>
</tr>
<tr>
<td>USA</td>
<td>United States of America</td>
</tr>
<tr>
<td>WB</td>
<td>World Bank</td>
</tr>
<tr>
<td>WHO</td>
<td>World Health Organisation</td>
</tr>
<tr>
<td>WTO</td>
<td>World Trade Organisation</td>
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INTRODUCTION
Within a few years of the first appearance of official development assistance (ODA) in the 1950s, most Northern countries (or high-income countries)\(^1\) had established aid agencies and institutionalised development assistance as state policy. Since then, billions of dollars have been spent annually in an attempt to foster growth, eradicate poverty and improve the quality of life of people worldwide. Despite these efforts, development needs are still growing, and poverty is still one of the most pressing challenges that the international community faces today. According to the World Bank, almost 75% of people under the poverty threshold live in Middle-Income Countries (MICs).\(^2\) Despite this fact, these countries are increasing their development assistance contributions to third nations through schemes captured under the rubric of South-South Cooperation (SSC), which forms the focus of this research.

\(^1\) High-income economies are those with a GNI per capita of $12,056 or more and are usually located in the Northern hemisphere (World Bank 2015b).

\(^2\) Middle Income Countries (MICs), which are defined as having a per capita gross national income of US$995 to $12,055 are a diverse group by size, population, and income level (World Bank 2015b).
During the 1970s, MICs started joining the community of donors by providing development assistance in a slightly more structured and regular manner. While their first efforts at development assistance were scattered, they were justified under Third-World solidarity and by the turn of the Millennium the number of emerging donors providing development assistance with strategic purpose had multiplied (Bracho 2009; Davies 2010c; Eyben & Savage 2012; Lundsgaarde 2011a; Mawdsley 2012b). At least 38 MICs are currently involved as development assistance providers, fourteen of which have established cooperation agencies and institutionalised development assistance as state policy (OECD 2015d; Aiddata 3.0 2015; Kharas 2007). While ODA is a common instrument in the foreign policy of Northern countries, it is also increasingly becoming a key feature of the foreign policy of middle-income nations.

Given the above history, the question this research addresses is:

What are the motivations behind the growing engagement of middle-income countries in international development assistance, given the myriad domestic challenges these nations still face?

In other words, why are MICs willing to allocate domestic resources for development assistance if they still have so many needs to address at home? Moreover, why are some MICs prepared to implement domestic institutional transformations for the provision of development assistance to other nations when they face seemingly more pressing internal challenges?

Academic works claim that there is a vast array of development assistance modalities, ranging from pure humanitarian altruism to the selfish pursuit of the national interest. Huntington (1970, 174) contends that the purpose of development assistance is usually a combination of moral obligation felt by the donor and the desire to advance its national interest. Most academic research, however, concentrates on the analysis of traditional ODA. According to the literature review conducted for this project, there are limited studies on MICs

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3 As it will be noted in subsequent chapters, developing countries offered developed assistance before 1970, but their efforts were rather scattered and without strategic purpose.
and the few works on these countries do not address the motivations driving their engagement in development assistance.

The purpose of this introduction is to present the central question and the main arguments put forward in this thesis. I break down these arguments and support them with evidence from the case studies of this research. Then I present the main findings of this work by comparing the two case studies: Brazil as a consensus builder and Mexico as a consensus collector. I explain the composition of the group of emerging donors, which is the ‘universe of study’ for this research, followed by an exposition of the contributions of this thesis to academic knowledge. Finally, I present the structure of the dissertation by briefly describing each chapter.

The central argument advanced by this thesis is that the rationale of MICs for offering development cooperation is not far different from that of industrialised states. ODA usually serves a donor’s foreign policy purposes, and for MICs the case is similar (Ayllón et al. 2013; Chaturvedi et al. 2012; Haan 2009). A distinctive feature for MICs is that becoming a donor improves their international reputation, prestige, image and respect, which are key elements to gain influence and to increase participation in global decision-making. Reputational aspects have such an impact on MICs that their desire to portray themselves as responsible and virtuous nations pushes them to make domestic transformations to ODA policy formulation, institutional settings, bureaucratic structures and delivery practices. Evidence gathered in the case studies demonstrates that reputational factors are high on the agenda of MICs, but also that some of these nations are driven to implement domestic changes to comply with international regimes, while others tend to avoid such transformations. Factors such as national identity, cultural and historic heritage, and foreign policy priorities produce different international behaviour among MICs, so that this thesis groups them into two categories: consensus collector or consensus builder, as we will see next. In other words, this thesis addresses a double comparison: on the one hand ODA vs SSC, and on the other, offers an insight on the practices and trends of SSC offered by different development partners.
MICs are pushing their way onto the global stage and are challenging Western dominance in several domains. Developing nations host international meetings, present candidates for international positions or institutionalise alternate groupings (e.g. G77, ALBA, BRICS or IBSA). These countries put further efforts into winning larger market shares, gaining influence in world politics, and increasing visibility, wealth and power worldwide, even placing themselves at the centre of the world stage by organising events such as the Olympic Games or hosting the FIFA World Cup.

To achieve these objectives, MICs need to win allies and gather support from other nations. Development cooperation has proven to be one of the mechanisms MICs use to ensure support enabling them to gain influence in the international arena (Brautigam 2009; Burges 2014; Kragelund 2008; Mawdsley 2012b; Quadir 2013; Woods 2005). In similar ways to industrialised nations, emerging donors recognise the virtues of development assistance as a useful tool to advance foreign policy interests. But in addition to geopolitical considerations, there is a particular logic and specific dynamic to the development cooperation strategies of emerging donors that sets them apart from traditional OECD-members’ practices.

To address the double comparison mentioned earlier, this thesis argues that, while recognition, visibility, respect and prestige are important for traditional donors, these elements are of even higher value to emerging donors. The active engagement of MICs as providers of development assistance results from their desire for increased recognition, respect, reputation and prestige on the global stage. With this in mind, this thesis contends that MICs’ involvement in international development cooperation is driven by similar motivations to those of traditional donors. Both new and traditional donors use development assistance as a foreign policy instrument to advance their national interest. The key difference is that new donors stress the self-esteem, recognition and prestige aspect of the national interest. By building a positive international image and good reputation, MICs increase their influence and ability to advance
their foreign agenda. Two outcomes flow from this reputational drive, depending on how a middle-income nation is seeking to position its foreign relations with established core countries. For some MICs the desire to gain respect and reputation is an incentive to adhere to regimes and comply with international commitments proposed by the West that are translated into domestic policies, institutional settings, bureaucratic structures and practices. However, for other MICs the desire for respect and reputation becomes an incentive to pull away from Western regimes and avoid implementing international guidelines.

In the view of Ayllón Pino (2013), development assistance, or South-South Cooperation as it is commonly known among new donors, opens opportunities for MICs to increase their margin of manoeuvre by diversifying international relations and by acquiring greater autonomy and leverage. With greater autonomy, MICs are able to promote changes in the global distribution of power and within international regimes. The desire of MICs to influence global governance is displayed in different ways, including by acting as what I label a consensus builder, a consensus collector, or a consensus challenger. The latter is a nation that seeks to completely change the status quo and so opposes current regimes and their supporters. An example of a consensus challenger is Venezuela, which seeks to contest the neoliberal order and challenge US hegemony through South-South Cooperation (Mawdsley 2012b, 167). Since drastic challengers are often outliers, this research does not focus on them; while they are able to gather some support from less developed nations, it is often limited.

A consensus builder seeks to create consensus around its own interests. It has the leverage to threaten derailment of negotiations or ongoing processes, thanks to the support built around its position. This can be seen in countries that intend to advance their own interests and are able to persuade smaller countries to support their initiatives. Consensus builder countries can generate empathy among less developed nations and, as a result, enjoy the reputation of being the representatives of the South. Examples of consensus builders are
regional leaders such as Brazil or India. Western countries, however, view consensus builders with sceptical eyes.

Lastly, a consensus collector is usually a country that enjoys a good international reputation and is able to collect support around mainstream positions. This does not mean that consensus collector countries do not have their own agenda. Rather, they are usually like-minded, moderate states that act as 'bridges' to solve impasses and amass consensus around general initiatives. Consensus collector nations typically benefit from having the trust of the North as a result of shared memberships or alliances with Western regimes, and from the South thanks to their Southern roots and common heritage. Examples of consensus collector nations are Mexico and Turkey. It must be noted that some smaller DAC donors are very close to this category and often act as bridges or deal brokers, for instance, Switzerland, New Zealand or the Netherlands.

Put another way, by mirroring international standards MICs get approval from the North and the success of their development models produces the admiration of the South. This transforms MICs into bridging actors with the capability to collect consensus both from the North and from the South. Conversely, when MICs aim to build consensus around their own initiatives, they actively resist pressure to conform to standards and guidelines, institutional settings, bureaucratic structures and practices established by the West. Consensus builders rely on the success of their own public policy models to gain admiration and support from other developing nations. This support in turn gives consensus builders leverage to contest Western hegemony and to challenge established regimes.

BREAKING DOWN THE THESIS ARGUMENT: a double comparison

This thesis claims that similar factors drive development assistance offered by both emerging and traditional donors, but that ODA and SSC should not be
considered as the same kind of practice. As it will be elaborated further in this dissertation, one of the main differences is that SSC and North-South (NS) ODA are framed under different premises and that MICs emphasise the importance of reputational aspects. Most works criticise the activism of new donors and their SSC practices under the assumption that SSC is the same practice or at least quite similar to traditional ODA. While the use and objectives of SSC and ODA are indeed comparable, their principles, conception, framing and practices are different, as will be explained in the second part of this thesis. Since there are limited academic works on the motivations driving SSC, I chose to use traditional ODA models to construct a framework of reference that is suitable for the analysis of SSC practices. This framework seeks to disaggregate the variables that intervene in traditional North-South ODA policy-formulation and compare them to South-South Cooperation policy-making with the purpose to gain insight into the motivations underlying SSC.

The existing body of literature often groups new donors in a single cluster regardless of their size, modalities, influence, scope and activism. While at this stage most of analyses of new donors are on BRICS countries, and particularly on China, there is tendency to treat all emerging donors the same way. Active new donors with smaller programs, such as Cuba, Chile, Turkey or Thailand, cannot be studied under the same lens as China and India, or even Brazil, and their development cooperation strategies should not be assumed to follow the same patterns. Each of these countries, regardless of their size or influence, constructs different kinds of foreign policies and, in consequence, their international actions fall into different categories of behaviour such as consensus builder or consensus collector.

The renewed activism of some emerging donors as development partners is motivated by their aspiration to be involved in global governance decision-making. These aspirations are driven by their population and economic size, which is why MICs with larger economies and demographics believe they have the credentials for a seat at the table of global negotiations. Emerging nations are challenging current global governance, and SSC has become one of the
tools that these nations use to display their soft-power and to gain influence on the international stage. Emerging powers are eager to portray themselves as responsible actors, and by sharing successful models of public policy, they are able to recruit other developing countries as their allies. Recipient nations, for their part, appreciate that the solutions offered by MICs are often more suitable to their problems than those imposed by traditional North-South ODA. The international activism of new donors is reflected in their SSC policies, because they seek not only to show solidarity, but also because SSC allows them to demonstrate their understanding and empathy with the problems that other developing countries face. By means of SSC, emerging donors win loyal allies amongst fellow nations of the Global South. This support allows emerging middle-income nations to legitimate themselves in the global arena, to challenge Western hegemony and to gain influence in global governance.

Building a positive international image and having good reputation contributes to MICs’ capability to increase their influence and soft-power to advance their foreign policy agenda. The desire to gain respect and reputation of some MICs is an incentive to adhere to international regimes and comply with international commitments that are translated into domestic policies, institutional settings, procedures and delivery practices. Conversely, when MICs deliberately seek to distance themselves from established regimes, they implement their own models and openly oppose international principles and practices. It must be noted that the purpose of this research is to understand the policy-making processes in MICs rather to assess the results and success of their development cooperation policies.

CASE STUDIES: CONSENSUS BUILDER vs CONSENSUS COLLECTOR

To support the arguments above, I put forward the cases of development cooperation offered by Brazil and Mexico. As will be explained in the Methods section in chapter I, the universe of study for this research includes the group of emerging donors or South-South development cooperation providers. This
group is composed of developing middle-income nations with dynamic emerging economies that regularly provide development assistance, but that are still recipients of ODA. Of this group, Mexico and Turkey are members of the OECD, but not of the OECD’s Development Assistance Committee (DAC). Turkey voluntarily reports its cooperation efforts to the DAC and adheres to the DAC framework. Mexico, while a member of OECD, has reservations about joining the DAC and stresses that it is still a recipient of ODA. Membership of the OECD is a distinctive feature when compared to the rest of the pool, so Mexico was selected as one of the case studies.

Due to budgetary and time constraints, this research analyses only two case studies in detail: Mexico and Brazil. Both countries are broadly similar in terms of economic size, cultural heritage, political regime, colonial background and regional influence, but differ in that Brazil was not a member of OECD as this thesis was researched and written. Both Mexico and Brazil are G20 members (one of the major spaces for global governance discussions), have occupied a UNSC non-permanent seat on several occasions, and pursue candidacies to chair international organisations. These examples show that both nations are engaged in global governance discussions and are eager to contribute to efforts to manage international challenges. Despite certain similarities, Mexico and Brazil engage in global governance discussions in different ways, which are related to their individual state identity and self-perception, as it will be explained next.

In the case of development cooperation, Mexico’s mirroring of DAC standards contributes to acceptance by the DAC and its members. Mexico earns the empathy and respect of other developing countries by virtue of sharing similar features, such as poverty, inequality or colonial heritage, and by virtue of its economic success. As a result, Mexico presents itself as a natural link between the DAC and recipient nations. Conversely, the need to ensure support from less developed nations drives Brazil to implement a model deviating from the

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4 This universe includes: Argentina, Brazil, Chile, China, Colombia, India, Indonesia, Malaysia, Mexico, Saudi Arabia, South Africa, Thailand, Turkey and Venezuela.
DAC standards that differentiates itself from DAC donors and also from other new donors. Whereas, Mexico’s aspiration for acceptance drives it to implement a cooperation model mirroring the DAC’s standards, Brazil’s need for Third-World support drives it away from established regimes in the search of larger autonomy.

Mexico frequently acts as a consensus collector, assuming the role of a ‘bridge’ country by bringing positions together and helping to end impasses. Brazil, on the other hand, acts as consensus creator around initiatives put forward by itself. The former enjoys the trust of the developed world resulting from its membership of Western organisations such as NAFTA and, more importantly for this research, the OECD. At the same time, Mexico identifies itself with the developing world thanks to its Southern roots and its colonial experience, as well as shared domestic challenges such as social inequality. Brazil, for its part, perceives itself as a Southern power and a representative of the South. The empathy that Brazil creates around itself as the champion of the poor contributes to the establishment of alliances and to ensures the backing of Less Developed Countries (LDCs) for Brazilian initiatives in international fora. This support provides Brazil with the autonomy to advance its own agenda, increase its leverage in global negotiations, challenge Western hegemony and even to threaten to derail ongoing processes such as World Trade Organisation (WTO) discussions.

Mexico’s aspiration to be recognised as a responsible global actor and its identity as a consensus collector drive it to seek approval from the West by implementing practices, transforming bureaucratic structures and shaping institutional settings to reflect guidelines proposed by Northern organisations. In the case of development cooperation, Mexico’s OECD membership feeds back into its cooperation policy-making. Thus, while it contends that SSC is not ODA, Mexico implements practices and aims for domestic settings that mirror the ones suggested by the DAC. For example, passing a cooperation law, formulating a comprehensive international development cooperation program, aiming to establish a specific budget line or creating formal spaces to engage
with non-government actors, in addition to hosting and chairing DAC-sponsored fora. These measures give Mexico additional elements to present itself to the North as a like-minded country with the credentials to become a member of the global governance decision-making club.

Official Mexican discourse is not quite so open about joining the DAC. Government officials argue that Mexico is a developing nation and still needs ODA to consolidate its economic model. The official narrative puts forward characteristics of Mexico as a dual actor (donor and recipient) and as a bridge country. Mexican membership of different groupings such as North America, Latin America, G20, APEC or OECD, makes the country a natural bridging agent between diverging positions. In the case of development assistance, decision-makers contend that Mexico’s double identity, as a donor and as a recipient, enables the nation to understand both the interests of DAC members and the needs of developing countries.

To further illustrate Mexico’s bridging position, the nation hosted the 2014 Global Development Partnership High Level Meeting sponsored by the OECD. As chair and host, Mexico lobbied new donors to attend the event and successfully ensured the participation of a senior government officer as a keynote speaker, despite Brazilian rejection of the DAC. Moreover, Mexico persuaded developing countries to engage in the discussions at the 2011 Busan High Level Forum. On both occasions, Mexico sought to represent the interests of Southern countries by pursuing the recognition of SSC and its contributions to global development in discussions taking place in Northern fora (Escanero & González Segura 2014). These actions are part of a broader foreign policy strategy in which Mexico seeks global recognition as a responsible actor. In other words, Mexico used SSC as a tool to advance its national interest.

In contrast, Brazil contends that SSC is very different to ODA and does not try to align its model with international standards. Instead, Brazil tries to distance itself from the DAC and its precepts and tries to build support around its own
cooperation model. For example, instead of seeking to strengthen its cooperation agency as an independent government unit, Brazilian decision-makers believe that ABC (Brazilian Cooperation Agency) should keep its bureaucratic location and dependency on the Ministry of Foreign Affairs (MFA) as it is today, instead of moving towards a more autonomous agency as some DAC members suggest. According to one senior diplomat, the Brazilian development cooperation model is successful as it is, therefore it does not require any improving (source: interview with senior government official J). The fact that ABC is placed underneath the MFA’s umbrella allows the latter to directly instruct Brazilian missions overseas and easily intervene in cooperation projects while at the same time ensuring that Brazil’s foreign agenda is pushed forward. Brazilian officials believe that there is a domestic consensus about the success of its cooperation model and consequently no need to seek further engagement with non-government actors such as Congress, civil society, the private sector or academia, which is what the DAC precepts would propose. Instead, ABC claims that NGOs and the private sector do not share the same principles and commitments as ABC when implementing cooperation projects.

Since Brazilian development assistance is demand-driven, there is little value in establishing annual programs that outline cooperation actions in advance (source: interview with senior government official J) using the planning and monitoring processes suggested by the DAC. Brazil has reservations about participating in triangular projects, especially with DAC donors, due to a fear of losing visibility and of being forced to apply Western-like principles to its cooperation projects or to follow the DAC’s quantifying methodology. Despite this hesitation, Brazil has successful triangular projects with Japan. One of the most evident ways for Brazil to differentiate itself from the DAC is through introduction of the concept of ‘horizontal cooperation’. In the Brazilian jargon this notion stresses relationships between equals instead of the hierarchy and subordination implied in traditional North-South ODA schemes. However, it should be noted that in practice relations of equality between developing countries are not always the case.
In the period studied in this thesis, which goes from the early 1990 until December of 2014, Brazil sought to legitimise itself as a Southern nation without links to Western groupings, and even distanced itself from the practices of other new donors such as China (source: interview with senior government officer J). Brazil aims to apply an autonomous model of development assistance that is flexible enough to adapt to the rules of the game that it wishes to play, and that enables Brazil to implement practices that easily respond to the demands of other developing nations. The Brazilian cooperation model seeks to gain the ‘hearts and minds’ of less developed nations, which represent vital support to Brazilian aspirations for global leadership. Brazil’s style of cooperation provides the country with autonomy and leverage to collect Third-World support for Brazil’s initiatives and, as a result, to enable the nation to be recognised as a global leader with a Southern identity.

For both Mexico and Brazil, development cooperation leads them to be perceived as responsible, engaged countries which are willing to contribute to global challenges. Mexico’s aspiration to be accepted in the decision-making ‘club’ pushes the country to implement policies that result in domestic transformations that mirror guidelines suggested by established regimes, in this case the DAC. Undertaking this kind of measures presents Mexico as a like-minded, reliable and responsible nation with credentials to be at the global decision-making table. These traits are also present in other nations, such as Turkey, and were exhibited by South Korea before it ‘graduated’ to become a full-status donor. Similarly to Mexico, South Korea and Turkey are members of the OECD. These countries emulate DAC practices and present themselves as bridging nations between the North and the South, between donors and recipients, between DAC and non-DAC members.

Brazil, in contrast, applies an autonomous model than enhances its affinity to Third World nations and seeks to strengthen its Southern identity. This model offers Brazil space to set the rules of its game and helps to consolidate itself as an emerging power. Development cooperation gives Brazil the opportunity to be seen as a responsible actor. Most importantly, SSC brings the additional benefit
to Brazil of presenting itself as the voice of the poor and a representative of the South, which are crucial elements for Brazilian aspirations to consolidate itself as an emerging global power. These features are shared by other new donors, such as India, which also have the aspiration to become global powers and prefer not to be linked to Western regimes.

Summing up, motivations behind the engagement of MICs in development assistance efforts are based on using development cooperation as a tool of foreign policy in the same way that traditional donors do. The key difference for MICs is the importance place on the self-esteem, respect, recognition and reputational aspects that becoming a donor adds to their national interest. These aspects are, in turn, reflected in the formulation and implementation of development cooperation policies, such as domestic institutional settings, bureaucratic structures, policy formulation and delivery practices. Even when these transformations have strong influence on the international behaviour of MICs, nations respond either by emulating international standards or by stepping away from them, as is explained throughout this section.

THE UNIVERSE OF STUDY: THE GROUP OF EMERGING DONORS

According to AidData (2015), 38 non-DAC countries are identified as donors. The BRICS (Brazil, Russia, India, China and South Africa) are particularly active as development cooperation providers. BRICS have an extended geographical outreach and the scale and sectorial diversity of their programs is constantly growing (Abdenur A E & de Souza Neto 2013a; Brautigam 2009; Carmody 2013; Chin & Quadir 2012; Cooper & Flemes 2013; Davies 2013; Gore 2013; Kragelund 2008; Mielniczuk 2013; Naím 2007; Quadir 2013; Warmerdam & Haan 2011). Other MICs, for example, Mexico, Indonesia, South Korea, Turkey, Chile, Thailand, some Arab countries and also Cuba and Venezuela, are active providers of development assistance, but mostly in their regional neighbourhood (Ayllón, Ojeda & Universidad Complutense de Madrid 2013; Chaturvedi, Fues & Sidiropoulos 2012; Herbert 2012; Nivia-Ruiz 2010b; Ojeda
While these nations share characteristics such as dynamic economies, colonial pasts, common social challenges and the experience of being ODA recipients, they also constitute a heterogeneous group with a broad range of development cooperation practices and approaches (Rowlands 2012). These elements, along with a strong emphasis on respect for the principles of non-interference and national sovereignty, the rejection of hierarchy and the pursuit of common benefits, lie at the core of cooperation policies of new development partners (de Abreu 2013; Mawdsley 2012b; Mielniczuk 2013; Morazán et al. 2011; Quadir 2013; Roussel 2013; Roy, Rathin & Andrade, Melissa 2010; Walz & Ramachandran 2011).

Due to the lack of accurate records and the absence of an agreed definition of SSC, reliable data on contributions to international development from emerging donors is limited. Most estimates show that South-South development flows have grown significantly in the last decade (Kindornay et al. 2013). Penny Davies (2010c) suggests that in 2008 ODA-like flows from new donors was equivalent to 10 to 15% of global ODA. Park (2011) notes that in 2008 ODA-like flows from China, Turkey, South Korea and Saudi Arabia were around 12% of global ODA, and further projected that such contributions would reach around 20% of global volumes within ten years. Callan et al. (2013) believe that ODA-like flows were around 10% of global contributions in 2013 and will double by 2020. According to the above, ODA from non-DAC donors shows an upward trend, and MIC contributions to global development are estimated at 10 to 15% of ODA flows provided by Northern countries (World Bank 2013a, 18). The following chart presents the projections mentioned above.
The so-called new donors have a double identity: on the one hand, they are donors or development providers; and on the other hand, they are still recipients of ODA. The economic growth and wealth production reported by most MICs, however, does not appear to trickle down to all sectors of the population. Small groups live in opulent conditions while the majority remain living under poverty. Massive public protests in Brazil, Mexico, South Africa, Thailand and Turkey reflect widespread socio-economic marginalisation and discontent across many sectors of the population. The rampant inequality in middle-income nations is demonstrated by a burgeoning middle-classes, in contrast with the 73% of global population living under US$1.25 a day and concentrated in MICs (Besharati 2013; Golub 2013; Robinson 2008; Sumner 2013). This situation highlights that MICs have numerous domestic challenges to address, and as a consequence, still require assistance to consolidate their own domestic economic development (Quadir 2013, 332).

While this is not an exclusive phenomenon, the challenge of poverty eradication and social disparities is particularly noticeable in Latin America. Although government efforts to alleviate poverty and to reduce inequality have been intense, 35% of Latin Americans still live in conditions of poverty and more than 80 million (equivalent to 13% of total population of the continent) still live under

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5 The average GDP growth rate of MICs between 2000 and 2016 is 5.56% (annual growth rate of GDP, based on 2005 constant US dollars) (World Bank 2018a).
extreme poverty. As a result, Latin America has become one of the most unequal regions of the world (World Bank 2013b, 9, 22), but at the same times it is the region that registers the highest number of SSC initiatives.

**Figure 2.** The shifting distribution of global poverty.

![Figure 2](image)

**ACADEMIC CONTRIBUTIONS OF THIS THESIS**

Given the paucity of work on the motivations of new development partners, and the lack of theorisation of such practices, this research contributes to academic knowledge in several aspects. *Firstly*, the research fills a gap in the academic literature on the analysis of the development cooperation policies of new donors in general, and on their motivations in particular. There are numerous works on traditional ODA, but research on South-South Cooperation focuses mostly on China’s incursions into Africa. At this stage, the analysis of new donors’ development cooperation policies is quite descriptive. This thesis highlights layers of useful differentiation for the analysis of SSC based on reputation.

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6 According to the World Bank, a US$4 a day moderate poverty line is more appropriate for the prevailing costs of living in the Latin American and Caribbean region (World Bank 2015b).
prestige and the self-esteem goals of emerging donors, which are reflected both in practice and in domestic institutional and bureaucratic arrangements. In addition to engagement with the international relations literature, this approach enhances the analysis of SSC policies by adding the policy-formulation dimension.

**Secondly** this thesis will revisit existing works on traditional DAC donors and adapt them to construct an analytical framework suitable for the study of development cooperation policies of new donors. This framework enables to address the first part of the dual comparison, ODA vs SSC practices, as previously noted. As presented in the Theoretical Framework chapter, I based the construction of this framework on the disaggregation and analysis of four variables that are key for ODA policy-making with the aim to transpose the same analysis onto the case-studies.

**Thirdly**, while the geographical focus of case studies is restricted to Latin America, this research will lay stepping-stones to understand how the development cooperation policies of MICs are formulated and what drives these countries to engage in development cooperation efforts. Although it does not seek to draw overarching generalisations on a group of heterogeneous countries, this thesis aims to identify common traits in the formulation of development cooperation policies of other MICs. It must be noted that this part of the research will address then the second part of the dual comparison of the main argument: the comparison between SSC practices.

**Fourthly**, the dissertation aims to lay a foundation for further dialogue and understanding by comparing two different practices, North-South ODA and South-South Cooperation that among others share the common objective of improving the quality of life of a target population. As consequence, this analytic comparison will offer elements for further understanding of the motivations driving SSC practices.
Finally, while the analytical framework of this research is constructed and used for the specific case of development cooperation as an instrument of foreign policy, this research offers tools that could have fruitful application to the study of MICs’ engagement in other discussions of global governance, for instance, climate change or trade negotiations.

This thesis is structured as follows. Firstly, to set the stage for the research I revisit the reasons why nations offer ODA and follow with a comparison of the motivations driving North-South ODA and South-South Cooperation. This leads to the argument that for new donors the reputation and self-esteem aspect of the national interest is central to their development cooperation policies. The relevance of this aspect is that domestic institutional settings, bureaucratic structures, delivery practices and procedures in emerging donors are shaped by MICs’ ambitions for reputation and recognition as responsible and virtuous nations and to gain influence in global decision-making. As noted earlier, there are two foreign policy outcomes from this reputational drive, depending on how a middle-income nation is seeking to position itself in the global arena, either as a consensus collector or a consensus builder.

This argument is illustrated by the case studies of Mexico and Brazil. As mentioned earlier, Mexico’s aspiration to be recognised as a global and responsible actor and its desire for acceptance by Northern groupings drive the country to transform its institutional settings, bureaucratic structures, practices and cooperation policy to mirror standards suggested by the DAC. Conversely, Brazilian’s aspirations to identify more closely with Third-World nations leads the country to apply a cooperation model with larger autonomy and to distance itself from Western guidelines. As per the double comparison put forward by this research, motivations underlying SSC are the same as with ODA, but with a shift in focus to the self-esteem and reputation aspect of the national interest. In other words, the reputational aspects have a large impact in shaping institutional settings, bureaucratic structures, procedures and practices of development cooperation policies implemented by MICs.
This research was conducted using within-case analysis and process training. These methods of enquiry further support the comparison of Brazilian and Mexican development cooperation policies by assessing if the variable in which they differ —international behaviour— explains the differences of outcome: SSC policy. In particular, process tracing will help to compare two aspects. Firstly, if Mexican engagement as a consensus collector and Brazilian involvement as consensus builder provoke a different causal mechanism that produces a particular international development cooperation strategy for each of these two countries. And secondly, process training will contribute to explain how the domestic transformations in terms of policy-making, bureaucratic structures, institutional settings and practices vary from one another (George, A L & Bennett 2005).

This thesis seeks to unveil elements that help to understand the durability and focus of SSC policies, and their susceptibility to domestic and international pressures. This research project offers a framework to analyse the international action and the domestic repercussions that middle-income nations undergo resulting from their increasing engagement in global governance. It must be noted that this work does not seek to assess the results of development assistance policies, but rather to analyse its formulating processes. Although the central relevance of this research is a contribution to a better understanding of South-South Cooperation as a tool of foreign policy, it also opens a door for further analysis of the aspirations of MICs in global politics beyond the development aid agenda.

STRUCTURE OF THE DISSERTATION

The outline of this dissertation is organised as follows. Chapter I includes the methodological and conceptual sections that explain how to limit the scope of the research and outline the way it was conducted. In the methods section, I present the universe of study and justify the choice of case studies: Brazil and Mexico. I then define ‘process tracing’ and its use as a qualitative analysis
instrument within the context of this research. Finally, I describe how I conducted the collection and organisation of data. In the conceptual framework, I outline the scope of analysis by introducing concepts and definitions used throughout the thesis, justifying the choice of each definition and its relevance for the research. These concepts include overseas development assistance, commonly known as foreign aid, South-South cooperation, national interest and its aspects, and finally, state identity, power and ‘soft power’.

In the second chapter, I present a literature review and historic background of ODA and its origins. This chapter has a double purpose. It presents a detailed account of the emergence, uses and evolution of ODA as an element of the international relations system. While at the same time, it presents a review of studies on traditional ODA through the analytical lens of international relations theories. These two elements, the historical account and the international relations theory analysis, set the foundations for building a frame of reference to study the cooperation policies of new donors, as will be explained in the theoretical framework section in Chapter III. In addition, the literature review highlights gaps in the scholarship, setting the stage to present the central research question of this thesis: what are the motivations behind MICs engagement in development cooperation?

The theoretical framework in Chapter III sets the frame of reference for the analysis of case studies. As mentioned earlier, academic literature on the new donors is limited. Therefore, I built a framework of reference based on relevant works on traditional donors. I chose the studies of three authors, C. Lancaster, A.M. Van der Veen and E. Lundsgaarde, who analysed ODA models of ten traditional donors: Belgium, Denmark, France, Germany, Italy, Japan, Norway, the Netherlands, the UK and the USA. The three authors conducted independent studies using the same four variables: 1) groups of interests; 2) institutions; 3) bureaucratic organisation; and 4) non-material factors. I outline the work of each author, then define and explain the role of each variable in the formulation of the ODA policies of traditional donors. Understanding these four variables and their interplay enables us to draw examples from the literature
INTRODUCTION

review and background chapter to build a typology of ODA motivations for the analysis of development cooperation policies of new donors. This typology is the summary of the frame of reference for this research that is synthesised in a table at the beginning of the chapter for easier reference.

Chapter IV serves as a brief introduction to the second part of the thesis, where I present the case studies. I revisit the definition of SSC introduced in the conceptual framework section and present the evolution and re-emergence of SSC schemes in the international aid regime. Also, I include an overview of different practices and modalities of SSC by MICs. This chapter contrasts different aspects of ODA and SSC.

The following two chapters (V and VI) present the case studies and are based on data collected during field research. The main data collection method was conducting 43 face-to-face elite interviews with key actors from the two case study countries, as well as representatives from academia, think-tanks and officers of relevant international organisations based in Australia, Brazil, Chile, Mexico and the US. This information was analysed and cross-referenced with other materials, including academic literature, government documents, and reports and statistics from international organisations. I identified, observed and analysed the four variables outlined in the theoretical framework (interests, institutions, organisations and non-material factors) within the context of Brazilian and Mexican development cooperation practices. The emphasis of the analysis is on the role of self-esteem, prestige and reputation in development cooperation policy-making, as per the argument of this thesis.

Finally, in Chapter VII, the two case studies are compared. I draw similarities, identify differences and indicate explanations for why both countries, despite being developing MICs and relatively similar, are undergoing different domestic transformations and as a result implement individual SSC policies. I note the influence that self-esteem, reputation and the role of each country as consensus builder or consensus collector has on their SSC policies. As previously mentioned, while this research has a geographical limitation, it seeks
to recognise how SSC policies are formulated in MICs in contrast to traditional ODA policy-making. Finally, this chapter puts forward elements that pinpoint trends amongst Latin American donors that can help in the analysis of cooperation policies of MICs in other regions.

The Conclusion summarises the findings of the research, by answering the central research question of this thesis with supporting evidence from the case studies. I underline contributions both to academic literature and to practical policy-making. Finally, I signal avenues for further research in the international relations field, including the study of MICs’ activism in other domains of global governance.
CHAPTER I

DELIMITATION AND SCOPE
OF THE RESEARCH
This chapter sets the stage of the research by defining and identifying the scope of analysis. It is divided in two sections: the methodological framework and the conceptual framework. The former outlines how the research was conducted, and the latter identifies, defines and justifies key concepts used throughout this thesis. The methods section presents the universe of study for the research. I outline the criteria to classify new development partners and present the countries that fall into this category. Then I introduce the case studies of this research, Brazil and Mexico, and justify their selection. Thirdly, I present the choice of analytical tools, explain the value of within-case analysis and process tracing, and the contributions of these two methodologies for this research. Fourth, I describe ‘elite interviewing’ as the main technique for data collection and support the relevance of this practice for public policy research. Finally, I explain the analysis and management of data, including the approval of an ethics protocol by the ANU.
The second part of this chapter refers to the conceptual framework of the thesis. In this section, I limit the scope of analysis by introducing key concepts and definitions. I justify the choice of each term and underline its relevance for this thesis. The first concept is overseas development assistance (ODA) or foreign aid: I break down the definition proposed by the DAC and explain each component. Then, I elaborate on the relevance of the DAC as a point of reference in the development-aid architecture, including its contributions in terms of methodology and as discussion forum. Finally, I comment on the main reasons why new development partners reject the DAC and its guidelines. The second concept is South-South Cooperation: I introduce several definitions suggested by international organisations, including UNDP, OECD, UNCTAD, UNIDO and ECOSOC, and then I explain that the definition used in this research is the one established by ECOSOC because it allows for a better comparison of ODA and SSC.

I then proceed to define the concept of national interest. Most importantly, I present the four characteristics of national interest according to international relations scholars, such as Nuechterlein, George, Keohane and Wendt. These four aspects are 1) survival, 2) autonomy, 3) economic well-being and 4) self-esteem and reputation. I focus on the reputational aspect of the national interest since, as I stated in the Introduction, it is key for the argument of this research. Finally, I relate the national interest and its reputational element to soft-power and the capabilities that new donors have at their disposal to challenge and influence global governance, including the use of SSC as an instrument to advance their foreign agenda.

As part of the delimitation of this research, it must be noted that the researcher is aware of domestic negotiations that happen within the state; however, this thesis focuses on the outward expression of motivations for the provision of South-South Cooperation, rather than in the nature of the internal policy discussions in the two case-study cases. In the following chapter is noted that, for instance, there are internal negotiations within the bureaucracy regarding the allocation of development assistance allocations. Having said this, the observation and study of internal policy debates related to the organizing and planning SSC is a task beyond the scope of the current project.
1. METHODOLOGICAL FRAMEWORK

1.1. Delimitation of the universe of study

The DAC, Aiddata.org and Brookings Institution identified 38 countries that provide development assistance and can be classified as non-traditional donors. The DAC organises these countries under three categories: 1) emerging donors, 2) Arab donors and 3) South-South cooperation providers (Smith et al. 2012). The first category includes most of the new European Union members, who also joined the OECD, for instance, Slovakia, Czech Republic, Hungary and some candidates for membership to the Organisation, such as Russia. The second group includes Arab countries, who are not really ‘emerging’ donors, since they have been providing development assistance for at least four decades. Most Arab countries not only seem comfortable with the term ‘donor’, but some of them also comply with the DAC guidelines and voluntarily report their contributions to the Committee. This group includes nations such as Saudi Arabia, Kuwait and the United Arab Emirates (Davies 2011, 3; Jung, Makino & Kharas 2011, 46). The last category comprises middle-income countries with dynamic emerging economies that are also still recipients of ODA (Gore 2013; Manning 2006; Walz & Ramachandran 2011). The focus of this research is precisely on this last group, often referred to as Southern development cooperation providers.

‘Southern providers or development partners’ is a broad and heterogeneous cluster, although in the academic literature and in practice these nations are often grouped together under a single category. Labels such as ‘new donors’, ‘emerging donors’ or ‘non-DAC donors’ are rather inaccurate and simplistic. These countries have diverse approaches and use different modalities to deliver development assistance. These generic terms disregard such heterogeneity. There are even cases in which Southern providers are harsh

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8 DAC accounted for 28 new donors, Brookings for 27 and Aiddata.org for 38. (OECD 2015d; Aiddata 3.0 2015; Kharas 2007)
9 For simplicity and to avoid repetition, in academic literature and even in international organisations documents, terms such as ‘new donors’, ‘emerging donors’ and even ‘non-DAC donors’ are used to refer to the group of Southern providers or Southern development partners.
critics of each other’s practices, denoting differences among them (source: interview with senior government officer J). Nonetheless, they all seem to agree on the rejection of terms such as ‘donor’, ‘recipient’ and ‘aid’, and any other connotation that could associate them with traditional North-South aid. The consensus among this group is to call themselves ‘development partners’, which in their views emphasises that it is a relationship between peers rather than a hierarchical imposition of Northern countries on Southern nations.

The universe of study of this research comprises the group of Southern providers, which includes countries that:

- are regular providers of development assistance but are still recipients of ODA;\(^\text{10}\)
- fall under the category of middle-income nations;\(^\text{11}\)
- are considered developing countries;\(^\text{12}\) and finally
- have undertaken significant efforts to establish, or revive, international development cooperation strategies since the late 1990s.

To further clarify the last point, the idea of ‘efforts to establish development cooperation strategies’ refers to countries that have established or are in the process of establishing a state policy of international development cooperation, creating a cooperation agency and are allocating resources for such purpose. To better illustrate this, according to the DAC (OECD 2015b), countries with significant development programs have:

1) appropriate strategies, policies and institutional frameworks for development cooperation;

2) acceptable levels of cooperation effort. For example, ODA per GNI ratio over 0.20% or ODA volume above USD$100 million per year; and

3) have established (or are on the process of establishing) a system for monitoring and evaluating development cooperation performance.

\(^{10}\) Based on the DAC list of ODA recipients (OECD 2015a).

\(^{11}\) According to the World Bank, the middle-income category includes countries whose gross per capita income ranges between US$1,026 to $12,475 (World Bank 2015b).

\(^{12}\) According to the IMF classification, countries fall into the category of either 1) advanced economies or 2) emerging market and developing economies. The analytical criteria used to classify emerging market and developing economies reflects the composition of export earnings and other income from abroad; a distinction between net creditor and net debtor economies; and, for the net debtors, financial criteria based on external financing sources and record of external debt servicing (IMF 2014).
The emergence of numerous new donors and their strenuous activism provoked increasing concerns amongst the DAC and its members, in particular, about new development partners’ practices and the impact on the global development-aid agenda. As a result, the DAC closely follows contributions and practices of emerging donors by compiling estimates of ODA-like flows of the most prominent emerging providers, including China, Brazil, Colombia, Chile, China, India, Indonesia, Mexico, Qatar and South Africa. It should be noted that some non-traditional donors, such as Saudi Arabia, United Arab Emirates, Russia, Thailand, Taiwan, Turkey and most of new EU members voluntarily report to the DAC on their development assistance contributions (OECD 2015d), even though they are not members of the Committee.

Despite reservations from new development partners, the DAC is considered a point of reference in the development-aid debate (Bracho 2009; Davies 2011; Rowlands 2012; Solheim 2013). The DAC guidelines, definitions, methodologies and normative principles about global aid are rejected by most Southern providers due to concerns of Northern bias. Having said this, some of the MICs provideres that are most critical about OECD’s framework have special engagement with the Organisation even though they are not aspiring to become members (OECD 2015g). One example is the case of the China-DAC study group\(^\text{13}\), or training provided to non-DAC donors on monitoring ODA aid and compiling ODA statistics.\(^\text{14}\) At this stage there is no consensus about any other organisation or platform aside from the OECD-DAC that has the technical expertise and that provides a space for discussion about development, SSC and ODA matters at the global level (Chaturvedi, Fues & Sidiropoulos 2012; Eyben & Savage 2012).

In addition to the four criteria stated earlier related to countries’ engagement on development assistance, I considered the size and dynamism of each nation’s economy and their membership of the G20, OECD and DAC to limit the population of study for this research. As noted in several academic works,


global economic power is shifting from the industrialised West towards emerging economies and it appears that this evolution will continue over the next 35 years (PwC 2015; Sachs, J 2005; Zakaria 2008b). Aside from the dynamism observed in the BRICS countries, the fast-economic pace of other developing nations such as Colombia, Malaysia, Indonesia, Mexico and Thailand, attracts the interest of experts, international organisations and Northern governments alike. Among these countries, we find the CIVETS group that comprises Colombia, Indonesia, Vietnam, Egypt, Turkey and South Africa and the MIST group of Mexico, Indonesia, South Korea and Turkey (Sachs, G 2007; Schulz 2010; The Economist Intelligence Unit 2009).

The economic growth of emerging nations drives their increasing involvement in global governance in general, and their growing engagement in development assistance in particular. To better illustrate engagement by non-BRICS countries, Colombia served as co-chair of the OECD South-South Cooperation Task Force; Indonesia co-chaired the Global Partnership initiative alongside the UK and Nigeria; Mexico was the host of the 2014 meeting of the Global Partnership; Nigeria hosted the 2015 Development Finance Summit; and Malaysia and Thailand significantly increased their assistance to South-East Asia neighbours beyond the schemes proposed by the Colombo Plan\(^{15}\) (ECOSOC 2008; Manning 2006, 374; Roy, Rathin & Andrade, Melissa 2010, 8).

1.2. Case selection
Out of the group of 38 new donors identified by Aiddata.org, the DAC and the Brookings Institution, countries that comply with the criteria outlined in the previous section are: Argentina, Brazil, Chile, China, Colombia, India, Indonesia, Malaysia, Mexico, Saudi Arabia, South Africa, Thailand, Turkey and Venezuela. These fourteen countries comprise the universe of study of this research, but the case studies selected are Mexico and Brazil. Economic size and membership of prominent international groupings are considered signs of regional economic leadership and influence in global affairs, as I will explain.

\(^{15}\) This organisation seeks to enhance the economic and social development of 26 countries in South Asia and the Pacific, [http://www.colombo-plan.org/](http://www.colombo-plan.org/).
Saudi Arabia is one of the very few countries that comply with the target of 0.7% of GDP as ODA (UN Millennium Development Project, 2006). Saudi contributions to global development are larger than some of the ODA allocations of established donors, such as Australia, Norway and Canada, and are also larger than Chinese outflows both in terms of GDP per cent and gross ODA (OECD 2015d). The Arab country is excluded as a case study of this research because its GNI per capita falls into the category of high-income country, as per the World Bank criteria (World Bank 2015). Besides, Saudi Arabia voluntary reports its cooperation efforts to the DAC and complies with its methodology.

Thanks to cooperation programs in which both sides share their experiences in transition to democratic regimes, and the promotion and strengthening of governance, traditional donors and IFIs recognises the contributions of Chile and Colombia as Southern providers. As a sign of this recognition, traditional donors increased engagement with Chile and Colombia via the implementation of triangular cooperation projects. Similarly, Thailand, which is also not a new donor, increased its development cooperation contributions in recent years, especially to neighbours. The cooperation programs of Colombia, Chile and Thailand are relatively small, and their economic size and global influence is rather limited (Kharas 2007, 6). Moreover, these three countries appear to be closely aligned to the DAC framework. Chile is a member of OECD and observer of the DAC, Colombia is a candidate to OECD and Thailand, while neither member nor a candidate to the Organisation, voluntary reports its contributions to the Committee (Chaturvedi, Fues & Sidiropoulos 2012, 248). Also, Chile falls into the category of a high-level income country, according to the World Bank classification (World Bank 2015). Given the above, these three countries are ruled out as case studies.

Argentina became very involved in SSC schemes during the 1980s and 1990s. The country has also been chosen as a partner in triangular projects with traditional donors and international organisations. But due to the deteriorating domestic situation that Argentina has suffered during the Kirchner presidencies, its contributions and involvement in development cooperation stagnated (Ayllón & Surasky 2010). The Venezuelan cooperation strategy is mostly modelled
around oil production and its flagship scheme PetroCaribe, which is, however, often criticised for being an ideological tool used as a way to win anti-American support (Ojeda 2010). Predictions are that **Malaysia** will become a pole of growth in South-East Asia in the next two decades (PwC 2015, 1). While Malaysian development contributions to ASEAN neighbours are still modest at this stage, they are growing steadily. Due to the lack of cooperation outflows data and their limited global economic influence, **Argentina**, **Malaysia** and **Venezuela** are excluded from the study.

The remaining countries, **Brazil**, **China**, **India**, **Indonesia**, **Mexico**, **South Africa** and **Turkey**, are all considered regional powers. Their economic weight in the global economy also ranks them among the top 20 largest world economies,\(^{16}\) and as such, are members of the G20 (World Bank 2015). They also participate in informal groupings of emerging market economies such as BRICS and MIST (O’Neill 2007). According to 2014 IMF data, Price Waterhouse Coopers claimed that Brazil, China, India, Indonesia and Mexico are among the top ten largest economies in the world and predicted that by 2050, Brazil, China, India and Indonesia will be in the top five (PwC 2015, 14).

**Mexico** and **Turkey** are members of OECD, but only observers of the DAC. **Turkey**, however, voluntarily reports its ODA outflows to the DAC and, in the same way as Thailand, Chile and Colombia, Turkish cooperation practices adhere to the DAC frameworks. It is expected that Mexico will eventually do the same, but at this point in time, the Mexican government appears hesitant and domestic academics and experts strongly reject the idea (source: interviews with Dr G Sanchez, Instituto Mora and government officer Y). At the moment and writing and researching this thesis, the other five countries -Brazil, China, India, Indonesia and South Africa- were neither members of the OECD nor candidates to belong to it, but all five have special relationships with the Organisation under the scheme of ‘key partnership’, formerly known as ‘enhanced engagement programme’ (OECD 2015g). Given the rise of the rest, as Fareed Zakaria puts it (2008a), industrialised nations recognise the

\(^{16}\) According to 2014-2018 World Bank data, the ranking of these economies in terms of GDP (current US dollars) is as follows: 2\(^{nd}\) China, 7\(^{th}\) India, 9\(^{th}\) Brazil, 10\(^{th}\) China, 15\(^{th}\) Mexico, 16\(^{th}\) Indonesia, 18\(^{th}\) and 17\(^{th}\) Turkey and 19\(^{th}\) South Africa (World Bank 2014).
economic and political influence of emerging countries. In 2005 the G8, under British presidency, invited Brazil, China, India, Mexico and South Africa to participate in some of the G8 meetings. This later became known as the G8+5 forum, which eventually gave place to the current G20 (Laub 2014), showing the economic and political global influence that these countries acquired.

Indonesia is left out of this sample because, even though it is the economic engine of South-East Asia and has taken a leading role in SSC discussions, at this stage the archipelago has not been able to consolidate its regional leadership and propel its economic weight to the global level. Despite recent efforts, the Indonesian development cooperation program is under the threshold mark of USD$100 million to be considered as a significant development program according to criteria previously outlined (OECD 2015h).

The following table and graph show the universe of study of this research and summarise the elements noted above:
Table 1. Classification criteria of Middle-Income Countries (universe of study).

<table>
<thead>
<tr>
<th></th>
<th>GNI per capita (WB)</th>
<th>GDP (PPP, WB) (current USD billions)</th>
<th>DAC Estimates of ODA-like flows (current USD million)</th>
<th>Total net bilateral aid flows from DAC (current USD)</th>
<th>Membership</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2013 (USD)</td>
<td>2012</td>
<td>2010</td>
<td>2011</td>
<td>2012</td>
</tr>
<tr>
<td>Argentina</td>
<td>n.a.</td>
<td>n.a.</td>
<td>n.a.</td>
<td>n.a.</td>
<td>n.a.</td>
</tr>
<tr>
<td>Brazil</td>
<td>11,690</td>
<td>2,840.90</td>
<td>500</td>
<td>n.a.</td>
<td>n.a.</td>
</tr>
<tr>
<td>Chile</td>
<td>15,230</td>
<td>368.5</td>
<td>16</td>
<td>24</td>
<td>38</td>
</tr>
<tr>
<td>China</td>
<td>6,560</td>
<td>14,548.60</td>
<td>2,561</td>
<td>2,776</td>
<td>3,114</td>
</tr>
<tr>
<td>Colombia</td>
<td>7,590</td>
<td>557.5</td>
<td>15</td>
<td>22</td>
<td>86</td>
</tr>
<tr>
<td>India</td>
<td>1,570</td>
<td>6,245.40</td>
<td>709</td>
<td>788</td>
<td>1,076</td>
</tr>
<tr>
<td>Indonesia</td>
<td>3,580</td>
<td>2,186.30</td>
<td>10</td>
<td>17</td>
<td>27</td>
</tr>
<tr>
<td>Malaysia</td>
<td>10,430</td>
<td>640.3</td>
<td>n.a.</td>
<td>n.a.</td>
<td>n.a.</td>
</tr>
<tr>
<td>Mexico</td>
<td>9,940</td>
<td>1,950.90</td>
<td>n.a.</td>
<td>99</td>
<td>203</td>
</tr>
<tr>
<td>Saudi Arabia</td>
<td>26,260</td>
<td>1,436.80</td>
<td>3,613.90</td>
<td>4,973.20</td>
<td>298.9</td>
</tr>
<tr>
<td>South Africa</td>
<td>7,190</td>
<td>626.7</td>
<td>151</td>
<td>227</td>
<td>188</td>
</tr>
<tr>
<td>Thailand</td>
<td>5,340</td>
<td>907.3</td>
<td>10</td>
<td>30.7</td>
<td>16.9</td>
</tr>
<tr>
<td>Turkey</td>
<td>10,970</td>
<td>1,344.30</td>
<td>938.4</td>
<td>1,268.40</td>
<td>2,533.30</td>
</tr>
<tr>
<td>Venezuela</td>
<td>12,550</td>
<td>528.5</td>
<td>n.a.</td>
<td>n.a.</td>
<td>n.a.</td>
</tr>
</tbody>
</table>

Figure 5. New Development Partners

Source: World Bank, OECD and G20
Out of the five remaining countries, Brazil, China, India, Mexico and South Africa, only Mexico is not a BRICS country. While it is an OECD member, Mexico has reservations about joining the DAC, stressing that it is still a developing nation and therefore adheres to international commitments such as the Paris and Busan declarations as a recipient country, and not as a donor. And most importantly, Mexico argues that as a developing country it is still entitled to receive ODA. Membership of the OECD is a distinctive feature of Mexico when compared to the rest of the pool and, as a result, it is selected as the first case study.

Table 2. Middle-Income Countries: membership of global governance bodies

<table>
<thead>
<tr>
<th>MEMBERSHIP</th>
<th>OECD</th>
<th>BRICS</th>
<th>MIST</th>
<th>G20</th>
<th>G8+5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brazil</td>
<td>N</td>
<td>Y</td>
<td>N</td>
<td>Y</td>
<td>Y</td>
</tr>
<tr>
<td>China</td>
<td>N</td>
<td>Y</td>
<td>N</td>
<td>Y</td>
<td>Y</td>
</tr>
<tr>
<td>India</td>
<td>N</td>
<td>Y</td>
<td>N</td>
<td>Y</td>
<td>Y</td>
</tr>
<tr>
<td>Mexico</td>
<td>Y</td>
<td>N</td>
<td>Y</td>
<td>Y</td>
<td>Y</td>
</tr>
<tr>
<td>South Africa</td>
<td>N</td>
<td>Y</td>
<td>N</td>
<td>Y</td>
<td>Y</td>
</tr>
</tbody>
</table>

Due to budgetary and time constraints, this research analyses only two case studies. The method of analysis is within-case and cross-case comparison. The selection of units of analysis is based on the criteria of most-similar cases. This means that most characteristics of both case studies are relatively similar, but the cases present different outcomes. In other words, despite the countries appearing as relatively similar, their development cooperation performance is different (Gerring 2007; Seawright & Gerring 2008). The intensive analysis of two cases contributes to reveal the mechanisms causing different outcomes, which is what the current research aims to reveal with respect to the causes driving MICs to implement different SSC policies.

Brazil is the most similar case to Mexico, given its characteristics in terms of economic size, cultural heritage, political regime, colonial background and regional influence. The Chinese economy and cooperation program are too big and more likely to fall into the category of outlier among Southern providers. An additional factor is that study of Chinese development cooperation policies
would require fluency in the Mandarin language (that the researcher does not have) to ensure better access to key decision-makers and government documents. Finally, despite their regional influence, the Indian and South African economies are respectively too large or too small compared to the Mexican economy.

The two case studies selected are thus Mexico and Brazil. While there are certain differences between the two countries, we can assume that some of the characteristics such as history, cultural heritage, geographical location and government regimes are relatively similar. These elements are as comparable as can be reasonably expected within the group of MICs. These factors are thus considered more or less constant in both countries and are consequently considered as neutralised (Gerring 2007). Therefore, for the purpose of this study, the crucial variation between the two case studies is their international engagement resulting from their self-perception and desire for global reputation and respect.

I argue that having an aspiration to gain reputation or recognition as a member of a group (in this case the group of responsible actors) produces a particular behaviour and gives each country a different aspiration on how to engage in global governance, either as a consensus collector or as a consensus builder. Such aspirations, in turn, are reflected in the formulation and execution of different development cooperation policies. To put it another way, the fact that Mexico sees itself as a member of a club of rich developed countries in the shape of the OECD and NAFTA, and Brazil\(^{17}\) considers itself as an emerging power (as the other BRICS countries do), their international behaviour and foreign action, including development cooperation, produces different outcomes in the formulation and implementation of policies. The influence of this behaviour is such that it has a strong impact upon the shaping of domestic bureaucratic structures, institutional settings and delivery practices, as noted at the introduction section of this thesis.

\(^{17}\) As this thesis was researched, there was no sign that Brazil would join OECD, in contrast to what President Temer announced in June 2017 (Reuters 2017).
This research has an exploratory purpose and seeks to demonstrate that there is a relationship between international behaviour, including the aspiration and desire for reputation, and SSC policies, as shown in the next table (Seawright & Gerring 2008, 306):

### Table 3. Summary of Case Studies

<table>
<thead>
<tr>
<th>CASE STUDY</th>
<th>( X_1 ) (international behaviour)</th>
<th>( X_2 ) (other characteristics)</th>
<th>( Y ) (main characteristics of development cooperation policy)</th>
</tr>
</thead>
</table>
| Brazil     | consensus builder → aspiration to consolidate itself as an emerging power | ≈                                | • High profile.  
• Outreach beyond neighbourhood.  
• Autonomous model without real institutional structure.  
• Brazil challenges established norms. |
| Mexico     | consensus collector → desire to be perceived as a responsible actor | ≈                                | • Lower profile.  
• Focus on key sphere of influence and over regional neighbourhood.  
• Mirrors institutional settings and practices suggested by international bodies.  
• Mexico sees itself as a bridge between developed and developing countries. |

\( X_1 \), or the independent variable, is the foreign behaviour of MICs based on the sense of reputation and the aspiration for recognition. In this specific context, \( X_1 \) is the behaviour of a consensus collector originating from Mexico’s membership of Northern groupings, including the OECD and NAFTA, and the behavior of a consensus builder originating from Brazil’s aspiration to consolidate itself as an emerging power demonstrated by, for instance, its membership of the BRICS. \( X_2 \), or the control variable, includes characteristics that both countries have in common or are closely similar and therefore can be considered as neutral. These include economic size, G20 membership, regional leadership, colonial heritage, democratic regime, federal system and geographic location. And \( Y \), the outcome, represents different modalities of South-South Cooperation policies that Brazil and Mexico execute as Southern providers. This table shows that, even when both nations are Latin-American middle-income countries and both of them agree that SSC is different to ODA, their SSC models are different,
the domestic transformations that each country undergoes are also different; and as result one cannot assume that SSC is a homogenous practice.

1.3. Tools of analysis: within-case analysis and process tracing

Whereas large-n studies and quantitative methods have great value for research in social sciences, it is difficult and rather inaccurate to undertake large-n group analysis for this specific project, due to the lack of reliable and comparable data of MICs contributions to development. Another reason to prefer case analysis over statistical inquiry is the possibility of observing a larger number of variables that are involved in the causal process mechanisms that frame policy-formulation procedures in MICs (George, A L & Bennett 2005).

This research does not seek to draw generalisations for a broad heterogeneous universe from a small sample of countries. The purpose is to attain detailed understanding of specific units that are considered typical among the population of emerging donors (Seawright & Gerring 2008, 304-305). Although, small-n samples are not always representative of a large universe, the intensive study of fewer cases, thanks to the within-case analysis method, has significant advantages. On the one hand, within-case analysis will provide a better understanding of the motivations and behaviour of development partners. And on the other hand, it will be a step towards equivalent analysis on the international cooperation policies of other Southern providers.

To sum up, the methodological choice of within-case analysis is justified by the fact that it will expose the cause of the outcome, which in this case refers to how and why one type of development cooperation policy is produced and executed (including domestic transformations that MICs undertake), rather than estimating the frequency or the average effects of Southern countries' development cooperation policies (George, A L & Bennett 2005; Gerring 2004; Mahoney 2010; Mahoney & Goertz 2006). In line with Sartori's theory (1970,

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18 Despite major efforts, DAC estimates are not comprehensive. While Southern providers are starting to develop methodologies to quantify their international cooperation outflows, at this stage there is not a common definition and methodology that could be used to compare each other’s contributions to global development assistance.
1041), this approach should move down the ladder of abstraction to a medium-range theory. The stress is on the similarities of the units where the comparison between relatively homogenous contexts is possible, such as the cases of Mexico and Brazil. Moving down to the middle level provides richer explanations and the possibility to produce testable hypotheses, albeit at the expense of uniqueness and parsimony.

In addition to within-case analysis, the examination of case studies of this research will be supplemented by process tracing. According to George and Bennet (2005, 206), process tracing seeks to identify causal mechanisms linking the independent variable(s) to the outcome. Process tracing assists in ‘joining the dots’ between possible causes and potential outcomes; it might be better described as the job of a detective or a medical practitioner. The objective is to evaluate the signs and symptoms, try to find the causes of the ‘illness’ through a process of deduction, and eventually make a ‘diagnosis about the illness’ or the outcome. The value of process tracing in social and political studies is that it provides understanding of the environment in which actors, in this case decision-makers and states, perform and therefore how decision-making processes are framed; for example, the way that norms constrain the behaviour of actors. This evidence is key to understanding the motivations of agents that explain final outcomes (Bennett & Checkel 2015; Collier, D 2011; Mahoney 2012).

George and Bennett (2005, 210-212) present different modalities of process tracing that can be used in social science. Depending on the goals that the research seeks to pursue, process tracing could be:

1) a detailed narrative —the simplest variety, usually presented as a chronological description of historical events.

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19 According to Sartori’s ladder of abstraction there are three levels (Sartori 1970, 1041):
- High-level: contains universal conceptualisations.
- Medium- level: stresses similarities at the expense of uniqueness.
- Low-level: specific and configurative conceptualisations. Denotation is sacrificed to accuracy of connotations.

20 George and Bennett (2005, 137) define causal mechanisms as: “unobservable physical, social or psychological processes through which agents with causal capacities operate, but only in specific contexts, to transfer energy, information or matter to other entities. In so doing, the causal agent changes the affected entity’s characteristics, capacities, or propensities...”
2) **analytical explanations** —produced when narratives are transformed into theoretical causal explanations.

3) **more general explanations** —which result when there is a lack of theories, data or laws that can provide a causal explanation. In this situation, the researcher must opt for more general explanations at higher levels of Sartori’s ladder.

For the analysis of South-South cooperation policies in this research, the use of process tracing will aim for analytical explanations (option 2 supra). This alternative will enable the thesis:

- to sketch out the historical background in which development cooperation policies of MICs were established;
- to understand the political, social and economic context where decision-makers perform;
- to identify states’ self-perception and aspirations for reputation, and the influence of their behaviour on domestic policy formulation, institutions, bureaucracy and practices;
- to make inferences about the motivations driving the development assistance policies of MICs.

Process tracing will further support the comparison of Brazilian and Mexican development cooperation policies by assessing if the variable in which they differ —international behaviour— indeed explains the differences of outcome: SSC policies. In other words, process tracing will help to compare (1) if Mexican engagement as a consensus collector and Brazilian involvement as consensus builder provoke different causal mechanism that produces a particular SSC strategy for each of these two countries, and (2) how the domestic transformations in terms of policy-making, bureaucratic structures, institutional settings and practices vary from case study to the other (George, A L & Bennett 2005).

To undertake this task, the researcher examined archival documents, interview transcripts, government reports, white papers, statements and statistical data to trace elements that shape development cooperation policies. In the first stage,
process tracing led to a detailed narrative of development cooperation policies. In later stages, process tracing provided analytical explanations of the policy-making process of both case studies (Collier, D 2011; George, A L & Bennett 2005).

One of the main limitations of process tracing is the inability to make generalisations. The reader must keep in mind that the diagnosis should be read within the context of the two case studies of Brazil and Mexico (Bennett & Checkel 2015). Supporters of process tracing stress that the outcome is explained by several variables and mechanisms and not by a single independent factor (Waldner 2012). By this I mean that explanations about Mexican and Brazilian development cooperation policies, while having similar traits to other middle-income countries, are likely to be specific to these two countries.

Another limitation of process tracing is related to subjectivity and the interpretation of the researcher. For instance, two researchers working on the same issue and applying the same process tracing technique could arrive at different conclusions, as each of them may have constructed different linkages between causal mechanisms and outcomes (Waldner 2012, 66). This does not mean that one or the other is wrong; process tracing maps out complex issues and therefore different aspects of the same phenomenon could be addressed under different approaches. As long as the process tracing is conducted rigorously, and evidence is not neglected, both research outcomes can be valid (George, A L & Bennett 2005).

Other flaws of process tracing are the difficulty of achieving parsimonious explanations, and the ease with which the researcher can lose sight of the ‘big picture’ due to a large number of observations and details (Klotz & Prakash 2008, 124). There is also the question of the amount of time that may be needed to carry out process tracing: the investigator must set limits on how far back in time and how in-depth the tracing will be. In this respect, the timeframe of this research is from the early 1990s up to 2014. In summary, process tracing will generate and link together evidence to provide causal explanations of the policy-formulation process of development cooperation policies in Brazil and
Mexico. This will allow a detailed understanding of the causal mechanisms that intervene in this process and will contribute to reveal the motivations driving the development cooperation policies of these two countries.

1.4. Data collection, organisation and analysis
The empirical evidence for this research is based on data collected via elite interviews, government reports, official data and secondary literature.

Elite interviewing consists of establishing a dialogue with decision-makers and key experts involved in the process of interest. During fieldwork, I typically conducted semi-structured interviews: while I had an outline of topics to cover during a conversation, it was flexible enough to adapt to the flow of the dialogue. Questions were usually open ones, to allow counterparts to express their opinion and share their knowledge about the issue. Unlike survey interviews, the emphasis in elite interviews is not in standardisation and frequency, but in gaining deep insight into the phenomenon of research (Burnham 2008, 205). A crucial advantage of elite interviewing was the ‘snowball effect’, where one contact led the researcher to other persons involved in decision-making and so forth.

Elite interviewing was the main method of data collection for this project and was justified by the fact that the formulation of foreign policy and development cooperation strategies are not subjects at the top of the agenda of public opinion. Instead, policy-making is conducted mostly by government officials and, in reality, by a select group specialised in foreign affairs. One of the most difficult aspects of elite interviewing is to define the sample of potential interviewees —since public policy issues are usually the knowledge of an elite, it was not possible to choose interviewees randomly. Besides, government bodies often have a high turnover of staff and this is particularly the case in foreign affairs agencies with a rotational career path. This means that there is little institutional memory, as often the expertise on issues stays with the person and not with the institution. Finally, due to their high profile and unpredictable work schedules, access to relevant actors was difficult. As a result, the interview sample was chosen purposively rather than randomly.
Another issue regarding elite interviewing is confidentiality. Public servants, especially in developing countries, are not always at ease when talking to members of the public regarding policy-formulation. Sometimes they provide different answers to different interviewers or depending on whether the conversation is audio-recorded or not. While the target of elite interviews was usually high-ranking officers, lower ranks were not neglected—‘desk officers’ have privileged insight to minutes, procedures and key records, and they are usually exposed to a higher degree of detail and complexity about the issue because of their specialisation on the topic. In contrast, senior officials need to be across a broad range of matters, so tend to have less in-depth knowledge of the topic of interest. Finally, lower-ranking officers were more available to talk, although they had higher concerns about confidentiality and anonymity.

I conducted a total of 43 face-to-face interviews in the USA, Australia, Chile, Brazil and Mexico. In the first three countries, the meetings were held with representatives of think-tanks, academia and international organisations, including the Brookings Institution, the Centre for Global Development, the Woodrow Wilson Centre, the Centre for Strategic and International Studies, the World Bank, the United Nations Development Program, the UN Economic Commission for Latin America and Caribbean, New York University and Columbia University. The bulk of the interviews took place in Brasilia, Rio de Janeiro and Mexico City, and included government officers—from the ministries of foreign affairs, health and agriculture, the presidential office and development cooperation agencies—as well as journalists, academics, foreign diplomats and development cooperation staff accredited in both capitals. Interviews lasted around 45–60 minutes. Conversations were recorded unless interviewees preferred not to be audio-taped. Written notes were taken without exception. Interviews were conducted in English, Spanish, Portuguese and French, with transcription and translation carried out by the author.

In compliance with ANU regulations, the Human Research Ethics Committee (HREC) approved a research protocol that describes the involvement of participants in interviews, terms of confidentiality, anonymity and privacy, as well as storage and management of data. All interviewees provided their
consent to participate in this project, but not all of them were comfortable about being quoted in an academic publication. Given the above, data will be kept confidential according to the ANU ethics guidelines and I have not attributed any comments that were made during such interviews unless I had explicit authorisation.

The limitations of elite interviewing highlighted the need to validate or triangulate information collected during field research with other sources. In social science, triangulation refers to observing the issue of interest from at least two different angles, with the purpose of cross-checking findings (Jupp 2006, 180). In this case, some of the information provided by government officers from Brazil and Mexico was triangulated with interviews carried out on foreign diplomats accredited to those countries, academics, journalists and international organisations officers.

It should be noted that this project emerged from a personal interest of the author, who worked as public servant and as diplomat for the Mexican Foreign Services for over 10 years. The author endeavoured for the highest objectivity in her appreciation of the two case studies and it should not be assumed in any case that this research use ‘participant observant’ techniques, however, as expected her background had certain influence on the analysis and conclusions drawn. Despite having a deep knowledge of the Mexican government bureaucracy, access to interviewees was rather difficult. In fact, contact and access with potential interviewees from the other case study and international organisations and think-tanks were a lot easier than in Mexico.

Information collected through interviews is complemented and compared with government documents. But because in some cases, policy documents and official statistics on development assistance are not publicly available, or are not always accurate and/or reliable, the researcher sought to validate data against reports by international organisations, statistical data and other academic works—these sources were also very useful to contextualise the case studies against the backdrop of the current aid-development debate.
Finally, I analysed data collected with the support of computer-assisted qualitative data analysis software (CAWDAS), such as NVivo, which allows to classify, organise, identify, structure and manage qualitative data in an efficient manner. Interview transcripts were uploaded to NVivo, then coded and classified in nodes. This method facilitated the observation and analysis of key information collected during fieldwork.

2. CONCEPTUAL SCOPE OF THE RESEARCH

I now turn to the conceptual framework of the research, which seeks to delimit the scope of analysis by introducing, defining and justifying the use of certain concepts throughout the thesis.

2.1. What is ODA?

The second half of the 20th Century saw an increase in the quantity of resources and the salience of development assistance in the foreign policy strategies of traditional donors. Development demands grew exponentially, along with new sources of development funding —middle-income countries, private charities, multinational corporations, local and provincial governments, civil society and even celebrities now participate in development efforts around the globe. The scope of this research, however, is limited to the transfer of public resources —variously known as ‘foreign aid’ or ‘foreign assistance’— which the OECD describes as official development assistance or ODA (OECD 2012c).

ODA is defined by the OECD as those flows of resources to countries and territories on the DAC list of ODA recipients and to multilateral development institutions.21 These flows are provided by government agencies to promote the economic development and welfare of developing countries. The contributions must be concessional and contain a grant element of at least 25%, which means that loans under market conditions are excluded. Since the core

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objective of development assistance is to foster economic development, the DAC’s definition does not consider the following contributions as ODA:

- Supply of military aid, including the provision of equipment and services, and forgiveness of debts related to military activities.
- Enforcement aspects of peacekeeping operations.
- Civil police work that includes counter-insurgency and counter-terrorism activities.
- Social and cultural initiatives, such as concerts or tours of athletes or cultural programs that promote the values of the donor.
- Military applications of nuclear energy.
- Anti-terrorism activities.

Research directly related to the problems in a developing country, for instance tropical disease or crop research counts as ODA. Finally, assistance to refugees in developing countries, resettlement costs of refuges in donor countries during the first twelve months of stay and spending associated with the repatriation of refugees to their country of origin can all be counted as ODA.

2.2. The DAC as a point of reference in the development-aid architecture

The OECD Development Assistance Committee (DAC) was established in 1961 as a multilateral platform to foster discussion, sharing, coordination, monitoring and evaluation of good practices. Its main purpose is to contribute to development assistance policy-making and to promote sustainable development worldwide. The members of the DAC, commonly known as DAC donors or traditional donors, are: Australia, Austria, Belgium, Canada, Czech Republic, Denmark, European Union, Finland, France, Germany, Greece, Iceland, Ireland, Italy, Japan, South Korea, Luxembourg, The Netherlands, New Zealand, Norway, Poland, Portugal, Slovak Republic, Slovenia, Spain, Sweden, Switzerland, United Kingdom and the USA (OECD 2015b).

Some of these countries were still recipients of development assistance during the 1990s, for example, the Czech Republic, South Korea, Poland, Slovakia, Slovenia, Spain and Portugal. In fact, foreign assistance contributions to
Eastern European countries were crucial to support their transition from centrally planned to market economies after the end of the Cold War. These nations eventually ‘graduated’ to the club of developed countries and became donors and full members of the DAC. Until 2010 when South Korea, one of the most recent graduates, adhered to the DAC, was still considered a middle-income and developing country. Currently, Korea is an active donor and has taken advantage of its experience as recipient to carry out a comprehensive cooperation program to consolidate its position as donor (Bracho 2009, 289; Kim, E M & Lee 2013, 977; Lee, K W 2012). Therefore, the key characteristic of emerging donors is that they are also recipients of ODA. This group represents the universe of study of this research. Its main characteristics and the case selection of this research was explained in the methodology section above.

Traditional donors measure their ODA contributions according to the definition and methodology proposed by the DAC and are required to report their ODA statistics and an account of their activities annually. DAC members agree to submit their development assistance strategies to peer-review by other DAC members (Kharas 2011) approximately every five years, in order to receive advice and recommendations to improve aid-effectiveness (OECD 2012a). The Committee and its members agree on norms, methodology and financial terms that seek to improve development assistance practices. For instance, one of the measures of particular interest for the DAC is untying aid: evidence shows that tied aid increases costs and consequently reduces aid effectiveness. As a result, the DAC has been a strong advocate for donors untying their ODA offers (Bershanti 2013, 29; Roodman 2012).

In addition to being a platform for exchange and coordination, the DAC also provides technical expertise to members and to non-DAC donors with the aim of improving data collection and reporting. Other providers of development assistance voluntarily report their statistics and activities to the Committee (OECD 2013). These include Bulgaria, Taiwan, Croatia, Cyprus, Estonia, Hungary, Israel, Kuwait, Latvia, Liechtenstein, Lithuania, Malta, Romania, Russian Federation, Saudi Arabia, Thailand, Turkey and the United Arab Emirates, development banks (AfDB, AsDB, IADB and WB), multilateral agencies (such as UNDP, GEF, UNICEF, IMF, WHO, UNAIDS) and the Bill and
Melinda Gates foundation. In an effort to increase transparency and foster coordination among emerging and traditional donors, the DAC generates estimates of the development cooperation flows of middle-income nations that recently institutionalise a state policy and became active providers of development assistance, including countries such as Brazil, Chile, China, Colombia, India, Indonesia, Mexico, Qatar and South Africa (OECD 2015d). However, due to the lack of reliable data and systemic recording, the DAC has only been able to publish estimates for certain years and not definitive data that would enable consistent comparison of the contributions of the group of new development partners.

New donors, but in particularly emerging powers such as the BRICS countries and Venezuela, refuse to use terminology, guidelines, methodology or any references coming from the DAC. In their views, these concepts were established by a club of rich countries where the needs and aspirations of developing nations were not considered (Eyben & Savage 2012, 459). Emerging donors also argue that this framework is not suitable for their South-South Cooperation activities and that rich countries do not have the moral authority to ‘instruct’ developing nations, especially after the 2008 Global Financial Crisis (Bracho 2009, 294; Davies 2011, 5). New donors believe that the traditional concept of ODA is based on the outdated North-South divide and that foreign assistance is an imposition from the Western world. Meanwhile, within the global South there are two groups with different approaches: the moderate revisionists, who are aligned with protectionist practices; and the outward-oriented, who are aligned with liberal economic practices and are considered as OECD like-minded countries (Nel & Taylor 2013, 1093). There is a consensus among developing countries to reject the use of any terms that imply Northern hegemony, foreign imposition and hierarchical relations (Davies 2008, 7; Morazán, Sanahuja Perales & Ayllón Pino 2011, 16). In other words, Southern development providers in general reject the concept of North-South aid.

South-South Cooperation (SSC) became more prominent in the aid agenda debate in the 2008 Accra Action Plan, but it was not until the 2011 Busan High Level Forum that any real conceptual space for discussions related to SSC
appeared (Chatham House 2012). There have been efforts to open a universal membership platform for development assistance discussions, including SSC, within the UN —in 2008, the ECOSOC launched the UN Development Cooperation Forum (UNDCF) that meets every two years. With universal membership of heterogeneous countries, it is quite difficult to reach agreements that consider the particularities of most Southern countries. As a consequence, UNDCF has failed to gain traction with traditional donors or Southern providers (Bracho 2014, 107). There are some initiatives on a smaller scale —such as the Iberoamerican Secretariat (SEGIB), the UN Economic Commission for Latin America and the Caribbean (ECLAC, better known as CEPAL) and the Coordination Secretariat of Arab National and Regional Development Institutions—, that aim to establish coordinating regional bodies for SSC activities, and even develop quantifying methodologies. At present these initiatives are in the early stages and have limited regional span (Davies 2011, 3; ECLAC 2012; ECOSOC 2008, 7; SEGIB 2014).

DAC members still provide most ODA contributions, which account for around 85% of global ODA (Bracho 2009, 287; Callan, Blak & Thomas 2013). While there is no doubt that the DAC’s framework was developed with the bias of the traditional North-South paradigm, the DAC holds a wide range of recommendations and guidelines and a dense body of expertise to be shared with new development partners —for example, under schemes such as the China-DAC study group. Notwithstanding widespread criticism, the DAC is the leading platform on setting norms, rules and guidelines, peer review processes, definition, statistical reporting and monitoring (Kharas 2011). As a result, the Committee tends to be considered as a point of reference in the development aid architecture and as a platform to foster coordination and promote ‘best practices’ among donors.

22 Norms are a set of socially constructed restraints that seek to delimit the behaviour of actors; norms are attached to a certain role or position (Holsti 1970, 238-244). Norms evolve from interactions becoming rules, regulations and guidelines on the behaviour of actors (Wendt 1992, 417). In this regard and for the purpose of this research, norms around development assistance are consistent with moral foundations and are usually framed under constructivist principles Rowlands (2012, 631). The DAC is the main international body that has established general norms for the provision of development assistance, which have evolved into a dense body of rules and guidelines. This can be accessed on: https://www.oecd-ilibrary.org/development/dac-guidelines-and-reference-series_19900988.
2.3. What is South-South Cooperation?

South-South Cooperation is not a new trend: its origins date back to the 1955 Bandung Conference and the 1960s Non-Aligned Movement (NAM) that sought a new economic world order and greater solidarity among developing nations (Chaturvedi, Fues & Sidiropoulos 2012, 16; Walz & Ramachandran 2011, 3). Even then developing countries contended that South-South development cooperation was different to traditional North-South aid and therefore the OECD’s definition of ODA and its quantifying methodology did not apply to MICs’ practices (ECOSOC 2010). Although the concept and definition of SSC has been at the core of debates in many international fora and in the academic literature, I could not find agreement on a definition that enables comparison and quantification of South-South cooperation flows.

For the UNDP (2015) South-South cooperation is:

... a broad framework for collaboration among countries of the South in the political, economic, social, cultural, environmental and technical domains. Involving two or more developing countries, it can take place on a bilateral, regional, subregional or interregional basis...

The UNDP further notes that, aside from technology transfers and sharing and exchange of expertise, SSC can also take the form of trade, foreign direct investment and initiatives towards regional integration. Although this definition tries to set a wider cooperation frame, it is too broad because it encompasses all sorts of relations between developing countries.

Aside from traditional North-South aid, the OECD recognises new sources of knowledge sharing and development financing, referring to SSC as (OECD 2015i):

...the sharing of knowledge and resources between - typically - middle-income countries with the aim of identifying effective practices.

This definition narrows the scope of cooperation to middle-income countries but disregards the fact that many SSC projects involve lower income countries and
is not specific about which aspects SSC could cover, such as technical assistance, debt relief or budget support.

The Iberoamerican Secretariat (SEGIB) limits SSC to technical assistance between developing countries that have the mutual objective of promoting capacity building. SEGIB emphasises the horizontal nature of SSC and presents three modalities: bilateral, multilateral and triangular cooperation (Xalma & Secretaria General Iberoamericana. 2007, 57). While technical assistance is one of the main forms of delivery of SSC, it is not the only one and as such, SSC should not be considered as a synonym for technical assistance.

UNCTAD (United Nations Conference for Trade and Development), considers SSC as (UNCTAD 2010, 1):

… the processes, institutions and arrangements designed to promote political, economic and technical cooperation among developing countries in pursuit of common development goals. It is multidimensional in scope, encompassing cooperation in areas such as trade, finance, investment, as well as knowledge, skills and technical expertise between developing countries.

UNCTAD also notes that, given the complexity of South-South relations, there is a boundary that clearly distinguishes market-determined economic relations from policy development-oriented actions between developing countries. As a result, UNCTAD further elaborates and includes SSC actions that promote and facilitate (Ventura-Dias 2010, 6):

… knowledge and experience sharing, training, technology transfers, in-kind contributions, but also cost-sharing agreements, soft loans, credit lines and grants …

From the above, it can be inferred that South-South relations refer to the broad scope of relations between Southern developing countries —including trade, investment and regional, economic, military or political cooperation— and that development cooperation is just one of many aspects covered by the larger concept of Southern relations. While UNCTAD’s definition provides a more refined approach, it still has a strong emphasis on technical assistance.
UNIDO (United Nations Industrial Development Organisation) recognises the diversity of SSC modalities, complexity and evolution since the late 1950s. As a result, UNIDO considers that (UNIDO 2015):

South-South cooperation is a methodology of development which facilitates the exchange of knowledge, experience, technology, investment, information and capacity between and among Southern countries through governments, civil society organizations, academic institutions, national institutions and networks to accelerate political, economic, social, cultural, environmental and technical development.

This definition goes beyond technical assistance, clearly stating that it is about developing countries and that its main goal is to foster development and well-being. Nonetheless, there is again a strong emphasis on technical assistance that could lead to constraining SSC to just the provision of technical assistance. While the definition involves several actors in addition to governments, it is not clear if those actors are beneficiaries, executers or also providers of SSC.

Finally, based on an exhaustive study by ECOSOC (United Nations Economic and Social Council 2010, 11-12) on how to improve information and data compilation of SSC flows, the definition used in this research indicates that:

South-South cooperation is a genuine transfer of resources offered by Southern governments and their agencies. It may include grants and concessional loans to finance projects, programmes, technical co-operation, debt relief, humanitarian assistance and contributions to multilateral institutions and regional development banks. Its main purpose is to foster development and improve the well-being of the population.

To better understand this definition, it is necessary to clarify some concepts (ECOSOC 2010, 5-12):

- Project cooperation refers to investment projects that seek to enhance physical infrastructure.
- Programme support relates to government budget or balance of payments support.
- Technical cooperation includes the provision of know-how, training, technology and expertise transfer, knowledge sharing, exchange of experiences, research and associated costs that contribute to capacity building and development of the beneficiary.
- Debt relief refers to forgiveness (or wipe out) of unpaid debts, as well, as softening the terms of a loan (e.g. extending amortization period).
- Humanitarian assistance is defined as support in cash or in-kind to alleviate suffering caused by natural and man-made crises.
- Contributions to international organisations include grants and subscriptions to development international organisations and to development banks.

The term ‘Southern governments’ denotes those countries that are not considered economically developed according to IMF and OECD classifications. Furthermore, according to the ECOSOC, South-South Cooperation would not include military assistance, grants or loans to the private sector, foreign direct or portfolio investment, subsidies, funding of anti-terrorism activities, funding to NGOs operating in the country of origin and flows that do not entail cross-border transactions. Lastly, triangular cooperation should only be included in SSC measurements when the resources actually originate from developing countries, otherwise flows would be accounted for twice: once as ODA from traditional donors or international organisations, and again as SSC coming from development providers.

ECOSOC’s definition of SSC may appear close to the definition of traditional ODA, but it is clear about the limitations of its scope in terms of the objective (development policy and market economic relations) and the countries involved. In other words, ECOSOC’s definition stresses initiatives carried out by the governments of developing countries that have the purpose of promoting economic development and improving population’s welfare. This research will focus on those SSC actions that promote and enhance development, but it is not constrained solely to technical assistance (ECOSOC 2008, 3-7). Since the researcher is aware of the difficulties in obtaining reliable and comparable data on the contributions of emerging donors, this study will triangulate statistical
data from new donors against estimates from international organisations such as SEGIB, OECD, ECOSOC, the World Bank and think-tanks.

2.4. **How do the national interest fits into development cooperation policies?**

One of the core differences between traditional ODA and SSC is that development partners claim SSC is centred around solidarity, in contrast to traditional NS aid that until not long ago was mostly framed under the discourse of altruism and charity (Chaturvedi, Fues & Sidiropoulos 2012, 24). In neither case, however, is development assistance offered solely out of altruism or solidarity: both traditional NS aid and SCC underlay foreign policy objectives and are used to advance the national interest of the provider (Besharati 2013, 19). New development partners contend that altruism and solidarity are compatible with agendas that move the national interest forward (Inoue & Vaz 2012, 509) and are quite explicit about the mutual benefits that development cooperation brings to both provider and beneficiary countries.

But what is ‘the national interest’? Nuechterlein (1976, 247-248) notes that the national interest is perceived as the needs and desires of one sovereign state in relation to other sovereign states. He elaborates further and proposes four basic, non-mutually exclusive categories of national interest: 1) defence, 2) economic, 3) world order and 4) ideological. This conceptualisation was echoed by Alexander George and Robert Keohane, who identified three axes of the national interest: survival, autonomy and economic wellbeing (George, A & Keohane 1980), while Alexander Wendt (1999, 235) added a fourth category: collective self-esteem. In other words, besides physical security and survival, states have other goals, such as political autonomy, economic wellbeing and self-esteem. Wendt (1999, 235-238) defines these aspects as follows: autonomy is related to the control of national resources by the state and to the freedom to choose the government the population wishes to have; economic wellbeing refers to the economic development of a nation and the need to improve the standard of living of its population; and collective self-esteem is associated with non-material goals resulting from the desire to attain status and gain respect and recognition from peers.
Collective self-esteem becomes particularly relevant to the analysis of new development partners: while traditional powers concentrate efforts on increasing power in realistic terms; emerging nations do not always have the resources to compete in this domain. In most cases, emerging countries challenge the global order and Western dominance based on economic and soft-power capabilities (Carmody 2013, 133). As a result, emerging countries are increasing their focus on acquiring recognition as ‘virtuous countries’ —self-esteem and other non-material goals, such as respect, reputation and prestige, are crucial factors in the construction of the national interest of emerging donors, which in turn resonates both in their foreign policy and their SSC strategies.

For both traditional and new donors, self-esteem is highly important and development cooperation plays a significant role (Mawdsley 2012a): even when it is primarily intended to benefit recipients, development assistance brings advantages to donors through symbolic returns such as recognition, gratitude and acknowledgement from both the recipient and peers (Kapoor 2008, 89). Whereas morality and charity create an ‘addiction’ in the Western psyche to be a generous nation, southern cooperation is based on solidarity and mutual respect, concepts that are strongly anchored in Southern imaginations (Kapoor 2008, 89; Mawdsley 2012b, 162). Given the above, the notion of national interest that will be referred to throughout this research is not constrained to the realist conception of power and survival; the definition employed also goes beyond the economic dimension added by neorealists. For the purpose of this research, the concept of national interest will cover physical security and survival, autonomy, economic wellbeing and, especially, self-esteem.

2.5. **Self-esteem and the reputational aspects of the national interest.**

Having defined the national interest, we now turn to self-esteem and its attitudinal dimension. Respect, recognition and prestige are very important for emerging countries and middle powers, especially to those that seek to challenge and influence global governance (Meyer et al. 1997, 157). New

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23 Virtuous nations are those perceived as responsible actors of the community of nations and that are engaged in the solution of global challenges (Brautigam 2009; Six 2009; Van der Veen 2011; Mielniczuk 2013; Stolte 2015).
donors turn to development assistance to present an identity that appears modern, sophisticated, powerful and somehow Western and that helps them to counter perceptions that they are impoverished, backward and underdeveloped (Burges 2005, 1140-1141; Inoue & Vaz 2012, 528; Mawdsley 2012b, 145). For emerging donors, the perception of being a developed and modern country that comes with the label of donor is as important as the material and strategic capabilities that traditional donors focus on and that the realist tradition emphasises (Mawdsley 2012b, 167).

In general terms, self-esteem is defined as confidence in one’s own abilities (Oxford University Press 2015). Wendt (1999, 124) notes that self-esteem is a basic need of individuals. States also have needs for honour, glory, recognition, respect, power and group membership. Nuechterlein (1976, 255) claims that national prestige is related to how a state is perceived by other states: whether it is trustworthy, has credibility or claims to have legitimacy. Few nations can afford to neglect the views of peers: in other words, states, just like individuals, seek acceptance and approval by behaving in certain ways and by complying with certain criteria. For Western powers, foreign recognition has been fundamental for the construction of their identity. To better illustrate this, the European Union sets membership criteria for its polity —countries that wish to be identified as European, and ultimately to be accepted as members of the Union, must comply with the principles of market economy, have democratic government and promote the respect of human rights (Subotic 2011, 312).

Recognition, prestige and self-esteem are even more important for new donors and for emerging powers, who in fact actively seek the recognition and respect of dominant actors, so they can consolidate themselves as members of the international polity. For many years, membership of the UN has been a sign of acceptance of a new state to the concert of nations. Furthermore, the identity of a state based on acceptance and membership of an organisation assumes compliance with the norms and regimes of the group —the compliance with expected behaviour legitimises the identity of a state as a member of a group. At the same time, this behaviour contributes to the institutionalisation of international rules and practices into domestic settings, for instance, respect of human rights, environmental preservation and, of course, development.
assistance (Meyer et al. 1997, 157-161). For example, countries that wish to be considered as responsible actors turn to development assistance, as the label of ‘donor’ brings with it the perception of a modern and sophisticated country engaged in global challenges.

For the purpose of this work, the term ‘identity’ will be used to mean ‘state identity’, the sense of belonging or the sense of membership to a group that a state has or aspires to have. Put it succinctly, state identity is conceptualised as the aspiration or the desire of a nation to be recognised and respected as a member of a specific grouping (Meyer et al. 1997, 157). The concept of state identity is closely associated with the notion of collective self-esteem as a dimension of the national interest defined earlier. And, in the context of this thesis, the identity of a responsible global actor and a virtuous nations grows when a nation becomes recognised as a respectable donor.

2.6. Power, soft-power and emerging powers...

Similarly to DAC-donors, emerging donors are increasingly recognising development cooperation as an assertive tool of foreign policy. MICs use development assistance to improve their international reputation and prestige thanks to the opportunities opened for alliance building, to disseminate soft-power and to ensure support from LDCs. According to the realist school of thought, countries define their national interest in terms of power. Morgenthau (1948) delimits the concept of power broadly without making a differentiation between the resources that allow a state to control another state and the act of exerting power over other states. Since realists assume that the system is anarchical, states need to increase their material capabilities to ensure that they have more power than other actors, so they are able to survive. For structural realists, power is the means to the end of survival (Waltz 1990).

Vanaik’s approach posits that the three key elements to consider a nation as a power are demography, economy and military weight (Vanaik 2013, 197), but also that material capabilities must translate into influence. Powerful states are consequently those able to transform material resources into the ability to make other actors change their behaviour. Great powers are able to promote interests
beyond their own and can use force towards these objectives. Most importantly, powerful nations seek to shape the system to suit their interests (Neack 2008).

Middle powers, in contrast, have some material capabilities, the self-perception of being influential and the recognition from peers of having such status (Soares de Lima 2005, 1). Since their capabilities are insufficient to drive significant changes in the international system, middle powers protect themselves and advance their agenda by relying on multilateralism and soft-power (Alden & Vieira 2005; Stolte 2015, 39; Wang & French 2013). Middle powers conform to role expectations, commit to international peace and, in general, do not challenge the status quo (Neack 2008, 161-162). Middle powers are aware that international recognition is a cornerstone of their own security (Wendt 1992, 415) and are moved by self-esteem imperatives to pursue recognition as ‘good or responsible actors’. Finally, soft-power, as an element of positive attraction based on political values, culture and foreign policy, is a tool for middle powers to gain prestige and increase influence in the global arena (Ayllón Pino 2013, 51)

Emerging powers, for their part, begin to have increased global influence when they can transform their economic deeds into political leverage, and therefore they seek influence in international relations according to their economic capabilities (Six 2009, 118). In the views of emerging powers, global governance and its institutions are out of date and need to reflect the current reality, in particular, the recent shift of global economic power. Unlike some middle powers, emerging powers are revisionists and seek to challenge the status quo and contend Western hegemony (Bracho & García-López Loaeza 2009, 295).

The 2008 Global Financial Crisis presented an opportunity for emerging powers: as Eyben and Savage (2012, 467) put it, the West’s loss of moral authority resulting from the GFC opened the door for emerging powers to increase their political influence on the global stage. The growth of new economic centres has given emerging powers leverage to contest the current global system and to consolidate their identity and role as regional leaders and emerging powers (Chin & Quadir 2012, 499). While rising powers are gaining
influence at the international level, they are also provoking discomfort, with a growing gap appearing between emerging powers and their immediate neighbours and other LDCs (Cooper & Flemes 2013, 952).

Some emerging powers are challenging the system from within: while they do not have the material capabilities to actually challenge the supremacy of the US and the West, they are able to drive changes in international regimes. Emerging powers, often consensus builders, are able to provoke reactions from the defenders of the status quo and variations in the interactions of all actors. Conversely, middle powers, often consensus collectors and usually with a more moderate approach, are wary of the responsibilities they would have if they became major powers and often prefer to retreat to their zone of comfort and consolidate their regional leadership (Cooper & Flemes 2013).

The development assistance regime precisely reflects these kinds of changes in global governance. Traditional donors are losing influence as main ODA providers, and their share of contributions is being reduced in contrast to the pronounced activism of the so-called emerging donors. The new practices of emerging donors are driving changes in the development assistance strategies of traditional donors, for instance, through the growing involvement of DAC donors in triangular projects. The group of new donors offers additional sources for development finance and often solutions that are more suitable to the problems faced by less developed nations. (Chaturvedi, Fues & Sidiropoulos 2012, 5; Prado Lallande 2015, 4). By the same token, Southern donors use development cooperation to advance their national interests, to improve their image and reputation as responsible nations and to propagate their soft-power.

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This chapter has explained how the research for this thesis was conducted. I defined the universe of study, described the process for selecting case studies, and explained how collection, management and analysis of data was done. Whereas the scope of this research is limited to two case studies, this
investigation could be replicated: the methodology detailed above would enable
the study of the SSC policies of other new development partners and could also
be used to analyse the engagement of MICs in other domains of global
governance. Finally, I introduced and explained the key concepts used
throughout this thesis —these definitions contribute to a better understanding of
the conceptual extent of the research and lay the foundations for the theoretical
framework of this thesis, which will be presented in later chapter.
CHAPTER II

AGAINST THE BACKDROP OF TRADITIONAL ODA
CHAPTER II
Official development assistance (or foreign aid)\textsuperscript{24} emerged as a mechanism to support economic recovery shortly after the Second World War. What began as an act of diplomatic solidarity and temporary relief in the post-war period, had by the 1990s become an established state policy of most industrialised nations, which structured ODA programs, created aid agencies and joined the Development Assistance Committee of the Organisation for Economic Cooperation and Development (OECD), commonly known as the DAC. By the end of the Millennium, ODA had become a common feature rather than an innovation of Northern countries’ foreign policy (Nair 2013, 639).

This chapter has a double purpose. Firstly, it presents an analysis of ODA as a tool of foreign policy through the lens of international relations theories. It then focuses on a review of the evolution of ODA, including the strategies and resources devoted to poverty eradication since the 1950s, when development assistance first appeared as a component of traditional donors’ foreign policy,

\textsuperscript{24} As per the OECD definition, noted in Chapter I.
and its evolution until the turn of the Millennium. These two elements, the international relations theory analysis and the historical account, lay the basis of a frame of reference to study the development cooperation policies of new donors, as set out in the theoretical framework section of Chapter III.

The literature review provides the backdrop to the central question of this work, which revolves around the motivations that drive middle-income countries to engage in the provision of development assistance, especially when MICs themselves are still recipients of ODA. The World Bank estimates that MICs host around 75% of global poverty (World Bank 2015b). It is precisely these middle-income nations, where the majority of world poverty is concentrated, that are becoming increasingly active providers of development cooperation. This activism is revealed by the fact that in the last fifteen years, even emerging middle-income donors facing pressing domestic demands have chosen to direct domestic resources for SSC. This research addresses this issue and aims to fill the gap in the literature in this regard.

ODA retains its salience in the international system despite the increasing diversity of development funding sources, such as the growing contributions of private actors and foreign investment. Over the last 60 years, ODA flows have followed a rising trend (see figure 3 below). During most of this period, industrialised countries (or traditional donors) provided the main share of global ODA (OECD 2015b). This trend started to change in the 1990s, when some countries, for example new European Union members and South Korea, ‘graduated’ from being aid recipients to become donors and established development assistance programs.

The number of donors and recipients involved in the aid regime exponentially rose in the last decade of the 20th Century. By the end of the 1990s, middle-income donor nations (commonly known as non-DAC donors, new donors or emerging donors) gradually increased their participation as development cooperation providers. Countries that are still recipients of ODA are today important contributors to global development assistance. In opposition to general beliefs, these nations are not new in the field of development
assistance. In most cases, developing nations have been offering development cooperation for at least four decades. What is new is that these countries are reviving strategies and undertake vigorous efforts to increase and broaden development cooperation programs in more tactical ways.

**Figure 3. Global ODA**

This reinvigorated participation of MICs as development cooperation providers results from several factors. Firstly, robust macroeconomic performance and the success of economic models make South-South Cooperation (SSC) alternatives more attractive to recipients. Secondly, emerging nations have an increased desire to engage and to have a voice in international governance by participating in efforts against global challenges such as poverty eradication, climate change mitigation or promoting sustainable development. Thirdly, new donors began to appreciate development assistance as a useful mechanism for more assertive foreign policy that can gain political and economic influence on the global stage. SSC is usually embedded in a discourse of solidarity and
presented as an open rejection of Northern-imposed models, stressing the complementarity and symmetrical relationships within the Global South (Abdenur, A E & Fonseca 2013, 1477). The use of SSC by new development partners, nonetheless, is not far from how traditional donors see and use ODA. New donors not only use development assistance as a tool of foreign policy in a similar way to traditional donors, but they also gain expertise, professionalisation and capacity building in their domestic development cooperation bureaucracies. Furthermore, cooperation contributes to new donors’ reputation, prestige and self-esteem.

**Figure 4. ODA and ODA-like contributions in 2013**

The graph above shows the growing participation of non-DAC donors and highlights that some of their contributions are larger than the ones offered by traditional donors. The lack of systematic recording and limited access to
reliable public data, however, hinders the compilation of accurate statistics of ODA-like flows from new donors.25

The international relations analysis in this chapter provides a theoretical explanation of how countries approach and use ODA and SSC. Meanwhile, the literature review account highlights the growth of development assistance and the diversity of practices from numerous donors and the significant changes inflicted on the development-aid architecture during the last sixty years. The outline of this chapter is as follows: first, I present the current debate around ODA; then the analysis of ODA through the approach of international relations theories, followed by the historical account of ODA and its origins.

1. DISSECTING THE LITERATURE

1.1. The arguments for and against ODA
The economic history of the world shows that, despite technological progress and unprecedented volumes of wealth, millions of people still live in poverty (Sachs, J 2005, 31). Whereas some regions have reached high standards of living, other areas are still immersed in underdevelopment and barely have access to basic services. By 2010, the World Bank estimated that 1.215 billion people (equivalent to 20.6% of the global population) lived under USD$1.25 a day (World Bank 2015b). Until recently, the development gap was mainly visible between North and South countries but, as Robinson (2008, 230) indicates, social inequality is ever more evident within countries. In most middle-income nations, poverty surrounds pockets of lavish luxury. In less developed countries (LDCs), small groups live in opulent conditions, sometimes with higher disposable income than in the industrialised North, while the rest of the population is submerged in misery.26 Inequality has become one the most pressing contemporary global challenges.

25 This will be explained in detail in Chapter IV.
26 Poverty line is the minimum level necessary for a person to meet his/her basic needs. If the consumption or income of a person falls underneath this level, that person is considered poor. For the purpose of global comparison, the World Bank uses reference lines set at USD$1.25 and USD$2 per day (2005 PPP terms) (World Bank 2015b).
Concerns about social disparity and underdevelopment resulted in the emergence of a large body of development theories that shaped the formulation and implementation of public policies. ODA was conceived as an instrument to promote economic development in Third World countries. What began as solidarity and relief in the aftermath of the Second World War, had by the turn of the Millennium become a regular instrument of the foreign policy strategies of industrialised nations. Although the analysis of development theories and models is beyond the scope of this research, it is worth mentioning that the role of ODA has evolved along with the development paradigm in vogue at a given time (Thorbecke 2000, 34).

Hook (1995); Lancaster (2007, 61); Nair (2013, 638); and Ruttan (1989) contend that the moral justification for the use of ODA by Northern countries is a sense of duty to assist poorer nations. Peter Bauer (2000, 72) observes that it is not responsibility or moral obligation, but rather guilt that drives aid policies from Western countries. ODA is believed to compensate Third World nations for previous ‘wrong doing’ and helps to ‘wash out Western guilt’, as Bauer puts it. Peet (2008, 171) notes that ODA emerged as reparation for damages to poor countries, while at the same time, rich countries legitimise themselves under what they believe to be “global justice”.

In addition to Bauer, other renowned economists fiercely criticise foreign development assistance policies. Milton Friedman (1995) claims that markets are self-equilibrating in the long-run and that ODA interferes with them: in his view ODA hinders economic and democratic development. Krueger (1989) adds that interventionism hurts the competitive sectors of an economy. For William Easterly (2006, 272), underdevelopment is the result of arbitrary colonisation and chaotic decolonisation. He adds that ODA is unable to compensate for past errors. Easterly further stresses that failed intrusions provoke additional mistakes that are more harmful to the development of poor countries. Dambisa Moyo (2009) notes that ODA has not only failed to address poverty, but also caused greater poverty traps, though her argument is weaker when she claims for military intervention and benevolent dictatorships. Paul Collier contends that
ODA can contribute to sectors that produce spill-over effects in an economy; however, those countries that are in most need usually receive proportionally less ODA. Development assistance is more effective in countries where there are commercial opportunities and that have stronger institutional settings. In other words, poorer and fragile countries are not able to absorb ODA inflows. Collier continues on to argue that ODA is used as compensation for colonial mistakes (Collier, P 2007). To sum up, Bauer, Friedman, Krueger, Easterly, Moyo and Collier all argue that ODA does not foster development. In their opinions, ODA causes market distortions and hinders development by provoking dependency, corruption and misallocation of resources, in addition to the fact that traditional donors offer ODA to advance their own interests.

Another group of experts presumes that ODA is a new form of domination by rich nations. According to Hindess (2004, 14), indirect rules operate through ODA programs and market instruments that advise, regulate and constrain post-colonial countries. DuBois (1991, 6) points out that development programs are instruments of neo-colonialism which reaffirm ‘First World supremacy’ over developing nations. For Haan (2009, 3) and Ndi (2010, 125), ODA is considered a way to materialise development discourse and maintain the status quo under which the West consolidates its domination over poor countries. Nair (2013, 648) notes that ODA per se is not a problem, but rather the way it is delivered, since ODA is grounded in a discourse that reinforces asymmetries of power in order to preserve global hierarchies.

Cammack (2001), Peet (2008), and Robinson (2008) suggest that even when eradication of poverty appears central to the policies implemented by Western governments and international organisations, ODA is embedded in a strategy that favours the spread and consolidation of global capitalism. The authors contend that macroeconomic policies promoted by the Washington Consensus seek to create an army of workers and a captive market, both needed for the expansion of the capitalist model. These arguments are not far from what Raul Prebisch (Economic Commission for Latin America –CEPAL- 1951) and the Dependency School observed in the early 1950s. In Prebisch’s view, the
capitalist development model was based in a colonial-type international division of labour.

Numerous works show that ODA is not always effective and fails to alleviate poverty. Some supporters of this line contend that bilateral ODA should be eliminated (Moyo 2009), or at least significantly reduced, and the use of private funds and market mechanisms should instead be promoted (Easterly 2006). This assertion is based on the belief that resources are inefficiently allocated due to: a lack of coordination between donors; duplicity and proliferation of projects; poor or inexistent institutions in recipient countries; higher costs caused by tied aid; lack of or inadequate capacity in recipient countries to absorb ODA inflow; and of course, prominence of donors’ interests over recipients’ needs (Collier P 2007; Dollar & Levin 2006; Easterly W and Pfutze T 2008; Roodman 2012; UNIDO 2008; Woods 2005).

On the other side of the debate, away from moral reasons and based on economic analysis, Ayllón (2006), Haan (2009, 69), Hook (1995, 30), Porter (1990, 52), Ruttan (1989, 416), Sachs, J (2005, 246) and Thorbecke (2000, 16) put forward the idea that foreign assistance complements private investment and supports developing countries to ‘take-off’. ODA could fill the savings-investment gap, bringing much-needed capital to build the industrial base that poor countries require to ‘kick-off’ their development. Thorbecke (2000) further notes that development assistance would become the propelling force for industrial production in poor countries. These observations have their theoretical origin in Western economic models such as Rostow’s modernisation theory. But as Prebisch described, the conditions in the industrialised centre are different to those prevailing in the poor periphery (Economic Commission for Latin America –CEPAL- 1951, 70). For that reason, the success of economic recovery schemes in the North, such as the Marshall Plan, is difficult to compare to development efforts elsewhere.

In spite of the debate between supporters and critics, foreign development assistance has been at the heart of North-South relations for the last 50 years (Lumsdaine 1993, 4). By the turn of the century, ODA flows had tripled,
reaching unprecedented levels and a significant number of new donors had appeared on the scene. Development assistance has become a tool to foster poverty alleviation and an important weapon in the international armoury of donors driven by their own interests (Riddell 2007, 22-23).

In the second decade of the new millennium, development assistance is facing new challenges. The effects of the 2008 Global Financial Crisis forced some Northern countries to cut public spending. In many cases this meant international development assistance funds were the first ones to shrink.\textsuperscript{27} Furthermore, the revolution in communications technology allows the general public to be more aware of what happens far beyond national borders. Given this, domestic public opinion is more concerned about how their taxes are spent (Heinrich 2013, 433). Besides civil society, private foundations and transnational corporations also joined the club of development contributors. Furthermore, emerging donors introduced new modalities of cooperation such as South-South and ‘triangular cooperation’ or development-trade-investment schemes. Carol Lancaster claims that ODA is no longer an innovative instrument, but rather a common and expected element in North-South relations (2007, 61). This premise echoes Morgenthau’s affirmation about economic development becoming an ideology in which the obligation of developed nations to transfer resources to underdeveloped countries is justified, rationalised and internalised by donors (1962, 302). Whereas these changes happened in Western nations, development assistance now frequently takes a leading role in the foreign policy strategies of emerging middle-income countries.

1.2. Why do countries offer ODA? Explanations from IR Theory

The appearance of numerous new development actors, along with the unprecedented rise of ODA and ODA-like flows, has provoked an increasing number of academic studies. For the most part, current academic debate focuses on the effectiveness of aid and the new aid-development paradigm, overlooking aspects such as motivations and the goals that non-DAC donors

\textsuperscript{27} The donors with the largest cuts were: Canada (5.3%), France (5.6%), the Netherlands (6.4%), Norway (8.3%), Japan (10.7%) and Spain (32.7%) (OECD 2012b).
pursue. Scholars of international relations have used several approaches to understand the motivations that drive traditional ODA. Such analyses are key to constructing the theoretical framework of this research. Haan (2009, 194), Herbert (2012, 70), Huntington (1970, 171), Lancaster (2007, 2; 2008, 46), Mason (1964, 107), Morgenthau (1962, 308) and Thorbecke (2000, 13) agree that development per se is one of the purposes of ODA, but it is not the only one, and rarely the predominant one.

Realism grounds its analysis in the anarchical nature of the international system and the struggle of states for survival. States are considered to be rational and equal units, but among them there is neither hierarchy, nor central authority that can guarantee their security (Waltz 1979). Given that the international system is an arena of constant competition, states find themselves needing to seek and maintain power to ensure their survival. Classical realists define the quest for power as the main interest of states, which under this approach is understood as the military capabilities that ensure the survival of the state (Hollis & Smith 1990; Morgenthau 1948). In contrast, the neorealist definition of power and security includes the combined capabilities of the state (Hollis & Smith 1990; Hook 1993, 16; Schraeder 1998, 3; Wendt 1995, 73). For classical realists such as Morgenthau, a state’s desire for power comes from human nature, while for structural realists the structure of the systems forces states to maximize their power. Classical realists argue that power is an end in itself, whereas for structural realists power is a means to achieve the ultimate end of survival (Keohane 1986; Waltz 1979).

In realist terms, ODA is considered one of the instruments to advance the national interest (Hook 1995, 34; Morgenthau 1962, 301). Morgenthau concedes that the allocation of national resources to ODA could be perceived as a waste if it does not bring tangible benefits to the provider. In his view, ODA is considered as an integral part of foreign policy and he stresses that ODA has a political function. Because ODA can help to accomplish ends that military force or traditional diplomacy are unable to achieve, it should be used as an element of the political weaponry of a country. In short, Morgenthau believes that ODA is a form of bribery, since it becomes a mechanism to cajole or
persuade recipient nations to forge alliances or create affinities in favour of donors, such as support in international fora. In other words, ODA is given with underlying motivations that drive the self-interest of the donor (Morgenthau 1962, 301; Pauselli 2013, 7). Examples of this are the use of ODA during the Cold War as a way to contain communism and the much-debated use of ODA to buy votes in international organisations, for example by China and Taiwan, or by other powers that seek to attain a seat at the UN Security Council.

Under a neorealist lens, development assistance could also serve to increase the material economic capabilities of states. Neorealists justify ODA as a means to protect and promote the foreign economic interests of donors, including trade and investment opportunities, access to markets, raw materials or land ownership. Contributions to improve industrial capabilities, to foster growth and to tackle underdevelopment in recipients are justified by the need to increase and preserve the economic security of donors (Ayllón 2006; Porter 1990). Examples are Japan’s aid model for the Asia-Pacific Rim during most of the second half of the 20th Century and more recently the BRICS countries’ use of development assistance transfers to ensure the supply of raw materials to fuel their industries. It can be inferred that for this school of thought the goal of alleviating poverty is only secondary to the economic self-interest of the donor.

The realist and neorealist approaches present some limitations for the study of ODA. To start with, the only actors considered as members of the international community are states, which excludes other influential agents that have emerged in the aid architecture, such as international organisations, transnational corporations, private foundations and non-government organisations (NGOs). Second, realist theories do not give enough attention to domestic factors, which play a crucial role in public policy formulation. Third, even while realist assumptions contend that politics are governed by laws rooted in human nature and that political leaders act in terms of interest and power, realists fail to recognise the influence of human subjectivity in international relations. Finally, realism and its offshoots do not consider moral values, ideas or social structures, such as solidarity, ethics or historical and
colonial background, all of which have a strong influence on both, human and state behaviour.

Followers of the *liberal* tradition start their analysis from the premise that the international system is in anarchy and that states are rational units which recognise that cooperation would be useful to avoid conflict. Nations engage in cooperative behaviour because they appreciate the advantages of participating in networks and international regimes (Cooper & Flemes 2013, 948). Thanks to the mutual benefits and the certainty offered by international structures, states are willing to participate in institutions and regimes that are favourable to global prosperity and peace. Furthermore, national governments recognise that cooperative behaviour has an expansive effect with the potential to multiply to other actors (Hindess 2004, 3; Mawdsley 2012b; Pauselli 2013, 7). Liberals see states as the main actors of the system but, in contrast to realists, concede that there are other non-state actors such as international organisations. Because power is conceived as a broader concept that goes beyond military security and survival, supporters of liberalism focus on ensuring welfare, economic capabilities and political economic regimes (Gilpin & Gilpin 2001; Walt 1998) and therefore are not constrained by the realist definition of power.

The liberal approach perceives ODA as a reflection of the desire of states to collaborate against global challenges. Liberals believe that interventions in favour of global order are justified because ODA is considered as a contribution to global public goods (GPGs) that brings benefits to both donors and recipients (Haan 2009, 64; Lancaster 2007, 4). Liberals introduced the use of ODA conditionality as a means to coerce Third World countries into liberal values and practices, such as respect for human rights, market liberalisation, corruption eradication or environment preservation. In their view, the inclusion of developing countries in the global economy and international governance will eventually bring global benefits. This became a common belief in the 1980s and 1990s, when the Washington Consensus started to influence International Financial Institutions (IFIs) and traditional donors’ policies. With this mindset, the use of conditionality in ODA packages is justified because ODA serves as a
legitimate instrument to promote democratic regimes and free market economies in the developing world that are favourable to Western regimes. This approach is neatly summarized by Emma Mawdsley (2012b, 25): “aid helps to reduce poverty and accelerates economic growth and contributes to stability and prosperity around the world… [In addition] foreign aid can promote liberal trade regimes, leading to global integration…”. Once again ODA is not offered as altruism; it always has underlining motivations driven by the self-interest of the provider.

Within the liberal tradition, idealists highlight that ODA is an ethical response from the rich world to alleviate the needs of the poor by means of the financial resources and technological capabilities that rich donors can offer. Neoliberals, however, reject this ethical commitment and argue that international trade is the best way to eradicate underdevelopment. Donors could show their good will by offering trade preferences, avoiding protectionist measures and promoting suitable conditions for the entrenchment of liberal institutions in poor countries (Ayllón 2006, 16). Evidence of the spread of the neoliberal doctrine is shown in the adjustment programs implemented during the 1980s and 1990s that aimed to force macroeconomic reforms upon the developing world.

During the second half of the 20th Century, and especially after the end of the Cold War, the number of transnational companies and the amount of foreign direct investment (FDI) increased exponentially, revealing the significant role played by private actors in the international economy. Many scholars believed that the discipline of international relations was unable to explain such an environment, especially since the dominant realist approach and its strategic considerations seemed too short-sighted to include any new elements (Ravenhill 2009). Gilpin and Gilpin (2001) argue that, since political factors have equal or greater importance in the global economy, economic theories alone are not sufficient to understand economic matters and explain their significance. Given this, both states and markets dictate the world economy: states set rules that private entrepreneurs follow, while economic forces simultaneously shape the political interests of states. As a result, the combination of economic and political perspectives makes international political economy (IPE) a useful
instrument to explain the dynamics, behaviours, institutions and normative arrangements of current international affairs (Ayllón 2006, 10).

The IPE school of thought believes that ODA is determined by economic interests pushed by lobby groups, by the national interest of states and by the bargaining process within state structures (Hopkins 2000). IPE sees the aid regime as an arena for interstate cooperation that facilitates contacts, provides information and sets the conditions to achieve common goals (Martin 1999). Contributions to the provision of Global Public Goods (GPGs) such as the international financial system, eradication of pandemics or environment preservation, are examples that illustrate the approach of IPE to international development assistance.

Due to the overwhelming benefits produced by public goods, it is in the interest of rich nations to channel ODA to contain pandemics or to fight drivers of climate change in poor countries that do not have the resources to do so. Useful examples are the Emergency Plan for AIDS Relief launched by President Bush (PEPFAR) or initiatives from Finland and Norway to protect tropical forests. Promoters of this approach argue that the international community should be interested in supporting poorer countries to have access to GPGs, not only for altruistic reasons but also to enable developing nations to build their capacities to contribute to public goods in the future (Kaul et al. 1999). Furthermore, when donors offer ODA for the provision of GPGs, national constituencies in donor nations benefit as well. Such paybacks strengthen domestic justifications for the use of national resources to provide ODA (UNIDO 2008). Again, the motivation of the providers overshadows the needs of the recipient.

While liberalism and IPE include in their analysis other actors aside from states, they also present some limitations to the study of ODA. Supporters of this tradition downplay the importance of domestic factors due to its narrow focus on international interactions (Fawcett & Hurrell 1995, 61). Also, they tend to neglect a state’s struggle for power, the considerable influence of strategic interests on
ODA allocations, especially after the 9/11 attacks, and the consequent incorporation of the development-security nexus in ODA policy formulation.

Constructivism appeared as a reaction to the neorealist vs neoliberal debate in the discipline of international relations during the 1980s. Constructivism emerged when these schools of thought seemed unable to provide further explanation of the causes of international events (Price & Reus-Smit 1998). Wendt (1995, 73) indicates that one of the differences between neorealist and constructivist theories rests in the assumption that for the former the structure of the international relations system is made of material capabilities, whereas for the latter it also includes social interactions. Realists neglect social structures, identity, expectations, self-perception, ideas, values, knowledge and norms, whereas constructivists claim that these factors have a strong influence on the international behaviour of states. In contrast to realists, constructivists believe that besides material capabilities, interests lie in the intersubjective meanings and interactions of states (Barnett 2008; Weldes 1996, 262).

Through the constructivist lens ODA is read as a set of norms and ideas constructed by states. David Lumsdaine (1993, 29), the main supporter of this interpretation, sustains that ODA cannot be explained only on the basis of the economic and political interests of donors, and that humanitarian convictions and moral values also have a large stake in ODA policy formulation. To put it another way, ODA is influenced not only by international norms, but also by the ‘ethical’ behaviour of states. Lumsdaine notes that factors within the state influence its moral behaviour: social and individual beliefs, such as left-wing values, religion or morality, permeate into foreign policy and ODA, both through pressure groups and through the values that decision-makers hold as members of society (Lumsdaine 1993, 27; Lundsgaarde 2012; Riddell 2007).

ODA is a good example of how ideas and beliefs can be institutionalised in international norms and regimes. Riddell (2007) observes that, on the one hand because of the capabilities of developed countries and the growing gap between rich and poor nations, and on the other hand, on the basis of moral
obligation and international solidarity, ODA became the ‘right thing to do’ to address human suffering. Lumsdaine (1993) argues that the Cold War and strategic interests had little or maybe no influence on the amounts and distribution of ODA allocations. Countries seek prestige and international presence through ODA, and when countries aim to establish themselves as fully responsible members of international society, they tend to conduct themselves in a respectable and morally acceptable manner. The international context and peers push states into patterns of emulation. Examples of this behaviour are Eastern European nations that, in their quest to become part of the European Union, created aid agencies and established development assistance programs as a way to show their desire to become responsible actors and to contribute to EU development efforts. Eventually, ODA consolidated itself as a regular and common behaviour of international moral duty, which at the same time was reinforced by the desire of donors for a good reputation. In short, ODA practices turned into a widespread institutionalised norm: “…rich countries are expected to help poor countries to improve the social wellbeing of their populations” (Lancaster 2007, 61; 2008, 59).

Similarly to liberalism, one of the main limitations of the constructivist analysis is that it tends to ignore the impact of power struggles in the construction of the national interest and, in consequence, in the formulation of foreign and ODA policies. Moreover, because constructivism suggests that elite beliefs, collective norms, social identities and other socially constructed structures shape state behaviour, the focus of its analysis turns towards ideas and discourse. While the constructivist analysis of social structures provides additional indicators to understand the motivations that drive ODA allocations, this approach tends to overlook the role of international regimes, institutions and state interactions within global governance systems.

*Marxist thinking* is a source of inspiration for some critical theories in international relations analysis, such as the world-system theory, the dependetista theory and critical theory. The core premise of Marxism is class struggle resulting from the domination of the owners of the means of production
over workers, and the resulting international division of labour. Imperialism, considered as a form of capitalism, seeks to perpetuate the prosperity, power and wealth of capitalist classes despite its detrimental effects on workers worldwide. Hence, Marxists contend that capitalism is the main cause of international confrontations (Hobden & Jones 2001; Sethi 2011; Walt 1998).

The Latin American *dependency school* claims that developed rich countries at the centre exploit poor countries at the periphery, helped by ruling local elites. In his famous manifesto, Prebisch posits that the differential in wages between the centre and the periphery, along with the specialisation of manufacturing at the centre and the production of commodities and raw materials at the periphery, is the main cause of the deterioration of the terms of trade for the periphery. Unemployment produced by the introduction of technological innovation and the appropriation of labour surpluses keeps wages and commodity prices low at the periphery, whereas capital-intensive production, organised unions and skilled labour push wages and high-end goods prices up in the centre. As a result, countries in the periphery are unable to maintain the purchasing power parity of their exports (usually commodities) and are forced to spend a lot more on high-end imports, provoking deficits in the balance of payments (CEPAL 1951). This in turn results in a growing savings-investment gap and the inability of the peripheral countries to invest in capital goods and technology in order to increase their productivity. As a result, the periphery is perpetually forced to depend on capital and technology transfers from the centre (Ndi 2010).

According to critical and Marxist theories, ODA aims to preserve capitalist exploitation (Haan 2009,3; Lancaster 2008,3). Marxists stress that ODA perpetuates the North-South divide between rich and poor countries. Structuralists denounce the capitalist model promoted by the West as a trade system in which rich countries exploit poor nations (Pollock et al. 2001, 16). Under this lens, ODA then perpetuates the structural dominance of the centre over the periphery and the differences between states and between social groups. This is that the centre dictates policies for the periphery, perpetuating a division of labour favourable to the centre and the capitalist system and
maintaining the subjugation of the periphery. Marxist and postcolonial theories challenge the legitimacy of ODA and claim that bilateral assistance should end. In their interpretation, if there were to be any development funds, they should be managed and implemented by renewed democratic international organisations (Hook 1995; Kapoor 2008; Schraeder 1998).

Cammack (2001) further notes that efforts towards poverty alleviation promoted by Western countries and international financial institutions (IFIs) are rooted in global capitalist strategies. Since the early 1990s, IFIs engaged in the implementation of structural adjustment programs that focused more on the creation of a favourable environment for global capitalism than in promoting endogenous economic development and self-reliance. Cammack (2004,190) and Sethi (2011,83) agree that while the World Bank is committed to poverty alleviation, its intentions and development programs are subordinated to capitalist principles and the interests of private lobby groups. In contrast, critics of these theories contend that the introduction of industrialisation and modernity by colonial powers and their insertion into the globalisation process have proven beneficial for developing countries (Mukherjee 2012, 252; Sachs, J 2005).

Closely aligned with Marxist and dependency schools, post-colonial theory argues that Western institutions also impose neoliberal conditions favorable to global capitalism. ODA is offered as a ‘gift’ that reinforces the hierarchy of North-South relations and reaffirms the sphere of influence of dominant countries (Ndi 2010). Post-colonial theorists argue that poor countries are led into poverty by a global system based on market expansion in which industrialised countries (the centre) receive all the benefits. Poor nations (the periphery) are still subordinated to their former masters through new local elites and the policies imposed by IFIs. Kawame Nkrumah, former Ghanaian president, condensed this vision as follows (Sethi 2011):

*The essence of neo-colonialism is that the State which is subject to it is, in the theory, independent and has all the outward trappings of international sovereignty. In reality, its economic system and thus political policy is directed from outside.*
When ODA is considered as a gift, development assistance is embedded in a discourse that stresses the dependency and hierarchical relations between rich and poor countries (Kapoor 2008, 91). In short, ODA seeks to retain the predominance of powers over former colonies, creating new forms of colonialism (Hook 1995; Kapoor 2008, 83-84).

While Marxism is useful for exposing the hierarchical nature of the international system and the domination of transnational capitalist classes, this school of thought may not be fully adequate to explain the motivations driving ODA policies. Marxists consider that the expansion of capitalism and the preservation of exploitative regimes are the only incentives driving ODA policies. Detractors of this view contend that the introduction of industrialisation and modernity by colonial powers and their insertion into the globalisation process is, however, beneficial for developing countries (Sachs, J 2005). Marxism does not leave scope to ponder the impact of identity, ethical values and beliefs in public policy formulation.

The dependency school suffered some setbacks when it was proved that, in contrast to the Import Substitution Industrialisation (ISI) model, open market economies and free trade could foster economic development (Walt 1998, 34). However, as noted earlier, ODA is very useful for transferring the technology, resources and knowledge needed to consolidate the development models of Southern nations. Postcolonial theory mostly concentrates its analysis on discourse and the symbols that ‘aid-giving’ represents. While it brings useful tools for clearer understanding of ODA, discourse on its own cannot explain the motivations of ODA, especially since all donors, whether traditional or emerging, use discourse to frame their development assistance strategies. In addition, critics of post-colonial theories argue that they tend to universalise concepts and the context of countries within the Global South. While these countries indeed have common traits, they form a diverse group and as such the weight of emerging giants such as China, India or Brazil could not be measured in the same way as Cuba, Thailand or South Africa.
2. HISTORICAL BACKGROUND: the origins and evolution of ODA

From its early days, world events deeply shaped foreign aid, making it an important element of diplomatic activity. The foreign aid regime as we know it today emerged in the aftermath of World War Two. The first efforts appeared as assistance provided to reconstruct the economic capabilities destroyed during the War. Eventually, the use of foreign aid shifted from a reconstruction scheme to a tool of foreign policy used by Northern nations (Lancaster 2007, 65; Moyo 2009, 36; Porter 1990, 6). The ideological roots of ODA trace back to the East-West schism of the Cold War and the post-war wave of independence. The ethical foundation lies in the moral responsibility of the North to assist the South, with the justification that foreign aid is a way to compensate former colonies for previous ‘misbehaviour’ by colonisers. Moreover, the ongoing and expanding integration of the global economy led to the emergence of new challenges that the international community needed to swiftly address (Ayllón 2006; Hook 1993; 1995, 23). In addition to these elements, the growing number of recipient and donor countries and the increasing importance of ‘low politics’ meant that ODA gradually became an integral element of the foreign policy of states during the second half of the 20th Century (Riddell 2007, 22).

2.1. The origins of ODA
Aside from some sporadic cases such as church charities and colonial-type donations, there were not any significant precedents for the use of public funds for overseas development assistance before the 1950s. Since 1945, the United Nations, guided by its Charter, has encouraged countries to promote economic and social progress. The first transfers registered as ODA are the ones made by the US under the Marshall Plan. In a speech delivered at Harvard University in 1947, Secretary of State George Marshall laid the foundations for the US financed Recovery Program of 17 countries in Western Europe (OECD 2014). The reconstruction of Europe, one of its main markets and commercial partners, was critical for the consolidation of the US as the dominant superpower (Kapoor 2008, 84; Lancaster 2008, 45; Tarp & Hjertholm 2000, 59, 61). Given the above
we note that US contributions were moved by economic self-interest and not only by altruism or solidarity with its partners.

The Marshall Plan is probably the most successful example of development assistance to date. The context of this initiative is very different to most of the cases of current developing countries. While it sets a good example, it is difficult to consider it as a benchmark for current development assistance programs in developing countries because the achievements of the Plan resulted from circumstances specific to that period:
1) the Plan served a particular and well-defined purpose: the reconstruction of Europe.
2) the Plan was implemented during a limited period and in a confined geographic region: Western Europe.
3) the Plan entailed mutual common interests, both for the donor and for the recipients (Huntington 1970, 168).
4) and finally, despite damage caused by the war, the European economy had an industrial and technological base that merely needed reconstruction, and thus did not need to be built anew.

After launching the Marshall Plan, in his 1949 inaugural speech US President Truman reinforced and extended the spirit of a global commitment to assist Third World countries. In the famous Point IV of the address, President Truman contended that US aid was both a moral duty and an essential contribution to global economic and political health (Lumsdaine 1987, 3). The US President suggested that donors pool their resources together and coordinate their efforts under the direction of a multilateral body such as the UN (Riddell 2007, 25). Truman’s plea was successful in encouraging Western Europe to contribute to global development assistance. As a result, European efforts rose, but primarily concentrated in former colonies where European nations sought to recover old spheres of influence. We note again that in addition to solidarity, moral duty and even “guilt”, traditional donors offered ODA to advance their national interest and preserve their influence in certain regions.
In this initial period technical cooperation and investment in infrastructure projects were the main objectives of foreign aid. The belief that the industrial sector would propel economic growth and produce surpluses that would trickle down to the rest of the economy was the key foundation of the development model believed to be successful at the time. The role of aid would be to fill the investment-savings gap and to finance the physical and technological base for the industrial ‘take-off’ of developing countries (Thorbecke 2000, 14-17). Rostow’s theory and Harrow-Domar’s model became the theoretical foundations of this approach. Rostow’s modernity theory assumes that all countries must go through five different stages: 1) traditional society, 2) pre-conditions for take-off, 3) take-off, 4) maturity, and 5) age of mass consumption. According to this theory, the most important stage was the ‘take-off’. If there were enough savings for productive investment, the country will achieve take-off and then attain a virtuous economic cycle.

Similarly, the Harrow-Domar model states that to achieve self-sustained growth, countries needed to increase their savings and investment rates. Investment in infrastructure and in productive sectors seemed crucial for economic development (McKay 2012). Once nations were on the path of sustainable growth, foreign aid would no longer be needed (Porter 1990, 52). This meant that during the first two decades after aid appeared, the goal of Northern countries tended to be on the allocations of foreign assistance to complement shortages in the savings-investment gap that would fund capital investments in developing countries and thus open new economic opportunities for Northern corporations.

Responses to these innovative theories did not take long to emerge within the developing world and were manifested in inward-looking approaches such as the famous import substitution industrialisation model (ISI) that the Dependency School fiercely promoted over the following decades. According to ISI, for a country to achieve economic development, protectionist measures were necessary to shelter domestic industrial capabilities and allow the industrial base to mature. ISI sought to develop the internal market rather than focusing on external trade (Anguiano Roch 2003, 218). Eventually, developing countries
realised the limitations of the ISI model and left behind the inward-looking approach in exchange for outward-oriented strategies such as economic integration. This, in turn, enabled developing nations to take advantage of economies of scale and the benefits brought by larger markets.

Even when the rationale for providing foreign assistance during the 1950s was to fulfill the saving-investment gap of Third World countries, in strategic terms Western countries, and mostly the US, sought two objectives. The first was to ensure their own economic survival. The second objective was to enhance self-protection, especially against the growing perceived threat of communist expansion. In other words, right from its origins, traditional donors used ODA to advance their self-interest.

2.2. The 1960s: Containing Communism

By the late 1950s, ODA lost its focus on reconstruction and shifted to become an instrument to contain the advance of communism (Thorbecke 2000). Western policy-makers believed that newly independent states were particularly susceptible to the influence of the communist bloc, which was using foreign assistance to win allies in similar ways to the West (Hook 1993, 271). Traditional donors, led by the US, aimed to preserve the independence of new countries and spare them from communist ‘contagion’. Vulnerable states, such as Korea, Vietnam, Greece, Turkey and India, became prime recipients of traditional ODA from donors who in turn sought to reinforce their alliances and ensure UN support (Mason 1964, 33, 40).

During the 1960s, the economic model in vogue preached policies that promoted growth, employment and improvement of basic human needs. Agriculture was perceived as a source of inputs for the industry and the means to feed growing populations. The emphasis of the development model of this period was to enhance agricultural production and to create linkages between the agricultural and industrial sectors. Development assistance had two core purposes: firstly, to complement the balance of payments and the internal deficit, and secondly to finance investment and technology that would improve
the productivity of the agricultural and industrial sectors. In some countries the ISI model was maintained, but with an outward shift that put more emphasis on the export sector (Thorbecke 2000, 17-20). At the same time, donors pursued policies to reduce the North-South welfare gap. Western countries introduced programs in favor of human capital investment, such as health and education programs, and which promoted individual self-sufficiency (Haan 2009, 70; Huntington 1971, 128).

Criticisms of the use of aid quickly arose during this period since it was clear that donors were seeking to advance their national interest. Fournier (2011, 160-162) argues that, while rich countries offered skills to promote ‘self-help’ in poor countries, in reality the main objective of US aid was to present the ‘American way’ as a better alternative to communism. This suggests that foreign aid was believed to be a multi-purpose tool. On one hand, ODA was used to empower societies in developing countries towards self-determination and self-reliance, through training and education programs. And on the other hand, aid became a tool to spread capitalist practices and prevent the spread of communism in Third World nations according to the prevalent ideology of Northern donors.

During the 1960s, important milestones for the consolidation of the development assistance regime were achieved. In 1961, the Development Assistance Committee of the OECD was born. In the years to come, this institution slowly became the most prominent forum for ODA discussions and set benchmarks for development assistance practices (OECD 2015b).28 Also in 1961, President Kennedy reaffirmed the US commitment to President Truman’s Point IV by creating USAID as the government agency in charge of managing ODA policy and by launching the “Alianza para el Progreso” program to assist Latin America (Porter 1990, 12). Finally, various initiatives emerged to set a universal level of ODA contributions per donor at a percentage of GNI (Riddell 2007, 29). Despite previous initiatives, the ODA benchmark of 0.7% of GNI was only confirmed in 2002 at the Monterrey Financing for Development Summit (Dollar & Levin 2006).

28 In the Chapter I, the role and importance of the DAC was explained.
By the end of the 1960s, other Northern nations besides the US had established ODA strategies. In practice, traditional North-South aid was roughly distributed by geographical spheres of influence: Latin America fell under the US sphere; Africa followed the former colonial-linguistic division where Francophone nations stayed under the realm of France and Anglophone Africa under the UK; and Japan oversaw the Asia-Pacific region (Hook, 1995). While some MICs had previously offered some development assistance, during this period, probably moved by the spirit of the 1955 Bandung Conference and the Non-Aligned Movement (NAM), oil producing countries, China, India and other developing nations, such as Turkey, Brazil and Mexico, launched their first institutional international cooperation efforts (Brautigam 2009; Walz & Ramachandran 2011, 3).

As noted earlier, security, strategic alliances, geographical stability and political support were more important considerations for donors than the actual needs of developing countries (Huntington 1970). While foreign aid rhetoric revolved around the idea of self-help and the empowerment of vulnerable populations, the underlying objective was the security of the donor. Northern countries, for example, gave special attention to health programs in favour of demographic control and stressed economic programs that fostered agricultural development. Neo-Malthusian economics revealed the importance to donors of ensuring food supply and avoiding over-demand from developing countries so that there would be enough agricultural supply to fuel the growing Northern food industry (DuBois 1991). The 1960s were known as the “decade of development”, thanks to the importance given to long-term socio-economic wellbeing. ODA delivered during the 1960s, however, continue to serve the interests of donors.

2.3. **The 1970s: Oil crisis, informal economy and refocus on basic needs**

At the start of the 1970s, the international context revolved around the Vietnam War, the oil crisis and the first signs of détente between the East and West blocs. In the developing world, countries such as South Korea, Taiwan, Singapore, Brazil and Mexico were reaching high levels of industrial production
thanks to state-led industrialisation strategies. However, asymmetries within countries and between the rich centre and the poor periphery were quite significant and widening. Developing countries found that their sovereignty deteriorated further due to their economic dependency on the industrialised centre (Golub 2013, 1003). Developing nations were still not economically self-reliant and global capitalist classes preserved the exploitation of domestic working classes, which some would describe as a neo-colonial-type exploitation. This, in turn, translated into rampant poverty and social inequality. In the macroeconomic realm, developing countries were struggling with large deficits in their balance of payments and rising foreign debt (Thorbecke 2000).

Famines, underemployment and rural migration highlighted that economic growth had not automatically eradicated poverty and that there was an urgent need to address human suffering. Poverty reared its face in urban regions in the form of the informal economy and underemployment. Already manifest during previous decades, lack of demographic control in poor countries was blamed as one of the major causes of underdevelopment (DuBois 1991, 14; Leite 2012, 10; Thorbecke 2000). Similarly, in the rural sector, wage differential, poor infrastructure and use of traditional agricultural methods exacerbated rural poverty and explained rural-urban migrations.

International organisations, such as the WB, UNDP and ILO, stressed that growth alone was not enough to tackle poverty, and that institutional changes were therefore needed (Riddell 2007, 31). However, the rise of military governments in developing countries during the 1960s and 1970s meant that institutional reforms would face bigger challenges and, even in the best-case scenarios, would be delayed. The international community, led by Robert McNamara at the head of the World Bank (WB), concentrated its efforts on poverty alleviation and redistribution policies. The WB and traditional donors sought to implement programs that targeted urban unemployment, the informal economy and rural development (Easterly W and Pfitze T 2008, 14; Haan 2009). Despite some skepticism from traditional donors, McNamara was able to argue for further engagement and more efficient aid allocations from donors under the proposition that anti-poverty programs would foster security and
stability for all (Peet 2008, 135). Again, during this period traditional donors sought to push forward their national interest over the needs of vulnerable populations.

The theoretical foundation of the economic model of the time suggested that increasing the productivity of small farmers, incorporating the informal sector in the economy and improving general welfare through social policies would bring poor countries onto the Western development path. As a result, ODA programs turned away from the investment projects characteristic of the 1960s and focused on poverty alleviation initiatives, such as housing, immunisation and literacy campaigns, and on directing state interventions to provide basic services and technical assistance. Aid programs took the form of comprehensive development programs in rural areas, where most of poor populations were located. Donors offered technical cooperation and training, as well as, transfers of technology and land redistribution to modernise agriculture and to link it to the industrial sector (Riddell 2007; Thorbecke 2000).

During this period, ODA funds initially followed the rising trend of the previous decade, but after the oil crisis traditional donors faced budgetary constraints that provoked a sharp drop in ODA flows. Upcoming donors, including Japan and OPEC countries along with some multilateral organisations, took over and filled the gap left by the US and Western European countries as providers of ODA (Haan 2009). The growth of the aid industry and the institutionalisation of ODA policies in this period brought the consolidation of aid agencies and the professionalisation of staff in most of the traditional donor nations (Lancaster 2008). Nevertheless, the budgetary consequences of the oil crisis forced donors to rethink and reorganise the spending of public resources and their ODA strategies. As a result, conditionality measures made their first appearance in development assistance packages (Riddell 2007, 34). The rationale of such measures was that if national resources offered by traditional donors were to be invested in Third World countries, ODA contributions needed to be justified, so donors receive returns on their foreign assistance. The conditionalities imposed by traditional donors and IFIs clearly exposed ODA as a tool that benefits the interest of the provider.
2.4. The 1980s: From the debt crisis to structural adjustment conditionality

The arrival of the 1980s brought the debt crisis that underlined the severe internal and external imbalances confronting developing countries. The growing interdependence of global markets exacerbated the rapid contagion of the crisis around the developing world. At the same time, industrialised countries confronted stagflation, which put further pressure on their public spending and, consequently, on their ODA allocations. Neoliberal policies promoted by the Reagan and Thatcher administrations advocated a reduction in the size of the public sector, while at the same time offering larger incentives for private investment (Riddell 2007). With public spending downsizing, ODA became unjustifiable if it was unable to advance the interest of donors (Fournier 2011, 163). In other words, during the 1980s there was a stronger than ever emphasis on the importance of advancing donors' interests through ODA packages.

International financial institutions (IFIs), immersed in the neoliberal doctrine, recommended macroeconomic stabilisation policies to developing countries by introducing the so-called structural adjustment programs. The International Monetary Fund (IMF) and the WB argue that the previous development paradigm based on the ISI model, which promoted active state intervention, was no longer adequate in the current economic environment. Third World countries needed deep macroeconomic reforms to address their external and internal imbalances, including devaluation policies, trade liberalisation, privatisation of state assets and institutional reforms. It was thought that market mechanisms and outward orientation would solve the external deficits in the balance of payments; rolling back state intervention in the economy was believed to reduce public deficit. These measures, according to the predominant economic doctrines of the time, were meant to lay the foundations for long-term economic recovery (Haan 2009).

Given this bleak outlook, traditional donors were seriously concerned about macroeconomic stability worldwide and were fearful of further impacts on the global financial system. Bilateral and multilateral ODA also suffered contagion
from the Washington Consensus and its neoliberal principles. Under this approach, ODA had two major roles: first, to restore the stability of the international financial system and, second, to induce domestic macroeconomic adjustment. The common belief was that private funds would replace ODA at some point in time. Without macroeconomic stability, however, the chances that private monies would land in developing countries were rather small (Tarp & Hjertholm 2000). Furthermore, public transfers in the form of ODA produced market distortions and economic dependency. Besides, ODA was never sufficient to fulfil all the development demands of poor countries. The underlining objective that motivated traditional donor ODA allocations was to create a conducive environment for the private sector to benefit from market and investment opportunities. Without good governance, the rule of law, stable institutions and economic and political certainty, private investors would be hesitant to pour funds into developing countries.

Structural adjustment and development efforts in the 1980s were strongly criticised by academia, civil society, Third World governments and even some international organisations, such as UNICEF, UNCTAD and ILO. To begin with, structural adjustment programs and ODA transfers introduced a vast array of conditionality measures, along with pernicious side effects. One-size-fits-all policies were not able to capture the local particularities and the diversity of the Global South. Measures to reduce fiscal deficits provoked sharp falls in social spending that significantly impacted vulnerable populations through, for example, cuts in health and education spending. Finally, neoliberal principles seemed to promote individual freedom of choice to make citizens responsible for themselves but, in reality, neoliberalism sought to produce a pool of human resources available for the expansion of capitalist markets, both as cheap labour and as a pool of mass consumers (Cammack 2004; Fournier 2011; Peet 2008; Robinson 2008). Even when the focus was on macroeconomic restructuring in developing countries, ODA was driven by the imperative of creating economic benefits to Northern donors.

There were, nonetheless, positive outcomes during this period. Development per-se and poverty alleviation started to find its way back to the core of ODA
objectives. This tendency consolidated in the following years thanks to the ‘adjustment with a human face’ approach. The number of NGOs and the scale of their engagement in the aid and development industry continued to grow. Due to the agreement between DAC members on how to collect data and on the definition of ODA, the amount of information available to assess ODA effectiveness and development practices grew in quantity and quality (OECD 2011b). Moreover, most countries started gathering information about their social standards in the form of census data (UNFPA, 2015), making development progress easier to monitor. Lastly, economic theories were able to identify and foster links between trade, growth and development. The success of Asian economies showed the significance that outward-looking approaches and trade played in the growth and economic progress of developing nations (Haan 2009; Lancaster 2000a, 2007).

2.5. **The 1990s: Adjustment with a human face**

At the end of the Cold War, demands of ODA multiplied due to several factors. To start with, the breakdown of the Communist Bloc produced the appearance of new countries that needed institutional support during their transition from central planning to market economies. In the political realm, this was an opportunity for the West to ensure that there was no scope for communism to remerge; development assistance efforts to support Eastern Europe and former Soviet republics grew significantly. Moreover, policies implemented under structural adjustment programs were shown to be ineffective. Developing countries were not really growing and poverty had reached higher levels because of reductions in social spending and the roll-back of state intervention. Then, the string of financial crises that occurred in the mid-1990s exacerbated the situation for the developing world, and at the same time donor countries found it harder to justify ODA allocations. The main reason was the crisis in the global financial system and the resultant budgetary constraints faced by Northern governments. In addition, humanitarian crisis, conflict prevention and post-conflict management needs multiplied and required more frequent interventions and higher resourcing levels than donors and international organisation had at their disposal. Finally, aggravating the situation,
communications and information technologies increased public awareness of human suffering, which was reflected in domestic disapproval (or approval) of donor policies, which in turn was translated into public pressure on donor governments (Haan 2009; Heinrich 2013; Lancaster 2007).

Economic theories were still anchored on structural adjustment and macroeconomic stability based on the neoliberal doctrine fiercely promoted by the Washington Consensus. Poor economic performance in developing countries, especially in Africa, contrasted with the outstanding results in East Asian economies. The Asian miracle demonstrated the possibility of combining both market economy principles and a centralised industrial strategy. This model highlighted the importance of institutions, social capital, outward looking and, especially, the active role of the state in promoting economic growth (McKay 2012). However, this success was not sufficiently solid, and the 1997 Asian Financial Crisis, among others, exposed that economic growth was not enough to address poverty. Despite the apparent success, economic policies based on trade and outward looking that Asian countries implemented did not provide a firm basis for more equal income distribution and did not provide social safety nets for vulnerable populations. Countries such as Indonesia, Thailand, Malaysia, the Philippines and China, saw socio-economic conditions sharply deteriorate and poverty quickly resurface (Thorbecke 2000).

Due to growing levels of poverty, the focus of IFIs remained on economic recovery as a short-term stabilisation measure, but the need to complement recovery with poverty alleviation policies, long-term sustainable development measures and good governance reforms was also acknowledged by IFIs (Hopkins 2000; Mawdsley 2012b). This, in fact, was not a completely new approach, but echoed the 1987 UNICEF report and appeals from numerous NGOs for structural adjustment with a human face, which meant that even when there was a strong need for structural reforms, public spending cuts impact on vulnerable groups and unveil the need to spare basic social programs from such cuts (Peet 2008, 143; Thérien 2002, 457).
Another feature of the development assistance regime during the 1990s was the emergence of the so-called ‘aid fatigue’. Some traditional donors experienced budgetary constraints and most of them also encountered the challenges posed by aid effectiveness, which resulted in a reduction of ODA flows. At the same time, in order to justify the remaining ODA allocations and to enforce reforms in developing countries, IFIs and traditional donors introduced a broad range of new criteria: from now on formulation of policies and allocation of ODA packages would include standards for selectivity, results-based management, ownership and sector-wide programs. Development flows were channelled away from productive sectors and turned back into social investment, safety nets and capacity building with a strong emphasis on good governance and institutional and capacity strengthening (Lancaster 2007; Tarp & Hjertholm 2000). Despite aid fatigue and conditionality measures, development assistance saw a certain revival. This renewed international commitment to poverty alleviation in favour of global development was encapsulated in the Millennium Development Goals (MDGs) that would become the benchmark of development efforts in the years to come (United Nations General Assembly 2000).

As in previous decades, critics noted that ODA caused dependency and corruption, but they also severely attacked the conditionality introduced by the IMF, the WB and DAC donors. Detractors argued that conditionality produced higher costs, inefficiencies and misallocation of resources, and that it allowed recipients to seek other sources of finance such as the ones offered by new donors (Bauer 2000; Easterly 2006; Huntington 1971; Lancaster 2007). In the view of Nair (2013, 641), including good governance in poverty eradication strategies was only a way to ‘wash’ the guilt for Western failures during the colonial and decolonisation periods. The 1990s was also the period when anti-globalisation movements exploded. The Zapatistas in Southern Mexico, massive protests during IFI annual meetings, African renaissance discourse and the initial appearances of what would become Bolivarian alternatives for the Americas, are only a few examples. Developing countries became aware of their potential and the possibilities of mutual assistance, and the advantages that this presented over the help received from the North.
The 1990s saw the failure of structural adjustment and the attempt to counterbalance it by stressing good governance and the need to improve human welfare. This decade was characterised by aid fatigue, the goal to increase aid effectiveness and the introduction of conditionality in ODA allocations. It was also a time when the consolidation of organised civil society and the multiplication of NGOs marked foreign assistance efforts. To sum up, poverty alleviation and development, defined as improvement to quality of life, returned to the core of ODA programs. Such changes did not appear due to altruism on the part of Northern donors, but rather from the need to contain the impact of global challenges and the opportunity to convert the benefits from contributions into global public goods (GPGs), which again highlights the strong influence of traditional donors’ motivations on ODA allocations.

2.6. The New Millennium.

At the turn of the Millennium, numerous global challenges including environmental degradation, food security, drug trafficking, pandemics, immigration, civil unrest, widespread corruption and inequality became more serious. Donors hoped development assistance would be an adequate alternative from tackling these issues. After the 9/11 attacks, however, security became the main priority and projects linked to this purpose received greater attention and resourcing. This led to the sudden emergence of the ‘development-poverty-security nexus’, although this is not a new argument. Samuel Huntington (1970) pointed to the self-interest of rich countries in promoting the prosperity of other nations as a means to improve their own security and wellbeing. Emma Mawdsley (2007) describes how the US established a new development agency, the Millennium Challenge Account (MCA), as part of the 2002 National Security Strategy (NSS). Prosperity and human development were placed at the core of the NSS. Neoliberal economic growth was thought to be favourable for poverty eradication because it was believed that richer societies are not usually fertile ground for the rise of security treats such as terrorism, religious radicalism or organised crime. As a result, traditional donors, such as the US, the UK, Australia, Spain and Denmark,
scaled up their ODA allocations to countries perceived as threats as a way to increase the security of their own nations.

The main obstacles facing poverty alleviation and the Millennium Development Goals (MDGs)\textsuperscript{29} at the beginning of the 21\textsuperscript{st} century were the lack of funding and aid ineffectiveness. In 2002, at the Monterrey Financing for Development Summit, developed countries agreed to allocate 0.7\% of GNP for ODA by 2015 (United Nations Organisation 2002). This was not the first time that donor countries had committed to an agreed amount of ODA contributions. In 1960, without a concrete commitment and real results, the UN General Assembly adopted a resolution in which global contributions to ODA had to equal one per cent of the combined GNI of the advanced world. This proposal was seconded by the governments of some developed countries, and in 1964 all DAC countries agreed to this commitment (Clemens & Moss 2005, 4-6; Riddell 2007, 29). In 1975, the Pearson Commission proposed an ODA target of 0.75\% of GNI to the World Bank (OECD, 2010). Finally, in 2002 most donors agreed that ODA should be 0.7\% of GNP. Despite these initiatives, given the current development demands, the rise of global challenges and the emergence of numerous conflicts, there is not clear evidence that this amount is enough to finance current development requirements worldwide. Besides, as of today, very few donors actually provide the agreed 0.7\% target of GNP for ODA (OECD 2013).

As for the second challenge related to aid effectiveness, the international community endeavoured to make better use of funds for development. First, donors committed to work together and coordinate actions to avoid duplication and fragmentation of projects and to avoid misuse of resources. Development assistance contributions, it was agreed, must respond to recipients needs rather than to the particular interests of donors. Recipients, for their part, should

\textsuperscript{29} The MDGs form a blueprint agreed by world countries and leading development institutions. They galvanised unprecedented efforts to meet the needs of the world’s poorest. The Post-2015 development agenda built on the momentum generated by the MDGs. The eight MDGs are 1) eradicate extreme poverty and hunger, 2) achieve universal primary education, 3) promote gender equality and empower women, 4) reduce child mortality, 5) improve maternal health, 6) combat HIV/AIDS, malaria and other diseases, 7) ensure environmental sustainability and 8) global partnership for development. (United Nations Organisation 2000).
actively participate in the formulation and implementation of projects and must set their own agenda. Both donors and recipients should aim to increase accountability and transparency. Finally, conditionality must be based on the results of development projects and donors should aim to untie aid. The 2003 Rome and 2005 Paris declarations, the 2008 Accra Agenda and the 2011 Busan Partnership condensed and codified these aid-effectiveness principles (OECD 2015).

By the beginning of the new millennium, we thus observe a proliferation of new donors, including developing countries and non-government actors. The multiplication of donors exacerbated the challenges associated with the implementation of aid-effectiveness principles. For instance, the goals of harmonisation and ownership are often not compatible with understandings of the political realities of beneficiary countries (Hyden 2008, 273). Besides, new donors are rarely inclined to follow these rules that, in their views, are Western oriented, and recipients often prefer schemes that are more flexible and with laxer conditionality. As a result, emerging donors contend that while challenges are common, responsibilities must be differentiated (Ayllón & Surasky 2010).

Five decades of development assistance contributions have not been enough to eradicate global poverty. Progress was made but there are still numerous challenges to overcome. As was echoed in the 2015 Addis Ababa Action Agenda, there is a pressing need to mobilise resources towards development and poverty eradication (United Nations Organisation 2015): Northern countries reiterated their commitment to 0.7% of GNI for ODA, but developing countries need to mobilise domestic resources, such as tax income, and private actors must be involved in global development efforts. Both critics and supporters conclude that development assistance by itself is not enough to solve the problems of most developing countries. Without a comprehensive development approach, in which institutional changes, trade policies, security strategies and social inclusion complement ODA packages, it would be difficult to succeed at this task, as has been noted in the 2015 UN resolution on the 2030 Sustainable Agenda (United Nations General Assembly 2015). Most importantly, despite the evolution of the theoretical foundation and the change in practices, the common
element is that donors continue to put their national interest above the needs of poor nations. This underlines that ODA is driven by the motivation of donors, be they a Northern or a Southern nation.

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In this chapter, I presented the debate within the discipline of international relations on the analysis of motivations underlying traditional ODA. These motivations are dynamic, intertwined with each other and very rarely isolated; one single reason cannot explain ODA policies. In the same way that domestic and external factors impact foreign policy formulation, these elements also shape ODA policies. Due to the multidimensional nature of ODA and the diversity of new actors, ODA analysis cannot be conducted under the lens of a single theoretical approach. A combination of theories, in which geostrategic allocations, the weight of ideas, values and identity, the impact of norms and regimes, the influence of economic interests, the desire of collaboration and the analysis of the capitalist system are all considered, would be a better way to understand ODA motivations.

The international relations theory review presented in this chapter also offers explanations for the conception and use of ODA over the years. To this end, the second part of the chapter navigated the historical evolution of development assistance in the last 60 years. The account also presented how ODA has been used since its origins and how today ODA has evolve to become an assertive tool of foreign policy. These two elements set the foundations for the frame of reference for this research. Since there are limited works on new donors, I turned to extrapolating from the analysis done on traditional ODA to study the increasing involvement of MICs in international development cooperation as we will see in following chapter.
CHAPTER III

TRADITIONAL ODA: a point of reference?
This research focuses on the reasons why middle-income countries offer development assistance when they still face numerous domestic challenges. The self-esteem and reputational aspect of the national interest plays a crucial role in the definition of development assistance policies, and these elements are even more salient in the SSC policies of MICs. This thesis stresses the importance of reputation, prestige and self-esteem in policy-formulation, and especially the influence of these elements on shaping the domestic institutional settings, bureaucratic structures, policy formulation processes and delivery practices of new donors.

To demonstrate this argument, I analyse the drivers of development assistance policy-making in MICs. As mentioned above, research on the motivations of development assistance policies in MICs is particularly scarce, and so the frame of reference to analyse the drivers behind MIC’s engagement in international development assistance is built on the basis of traditional ODA models. Given this, the theoretical framework of this research is grounded in the seminal works on ten DAC donors independently conducted by three authors: C. Lancaster,
A.M. Van der Veen and E. Lundsgaarde. These authors observed the interaction of four variables in ODA policy-making: 1) institutional settings; 2) interests and lobby groups; 3) bureaucratic organisation; and 4) non-material factors, including ideas, values, beliefs, image, reputation, self-esteem and identity.

The approach taken by the researcher is to take advantage on the fact that each author focuses on one of these four variables. Lancaster (2007) observes that the bureaucratic structure has a key role in defining ODA allocations: for instance, depending on where the aid agency is located or if decision-making is split between several government units, the amount and the destination of ODA allocations vary. In the views of Van der Veen (2011), non-material factors such as values and ideas are one of the main sources of motivations in ODA policy-formulation: governments are aware of the influence of non-material elements on public policies, and so policy-makers frame ideas through educational campaigns, public discourse and policy visibility so their initiatives resonate with the broader public. Finally, Lundsgaarde (2012) concentrates his analysis on domestic politics: he observes that the interaction of lobby groups and government actors shapes policy-making and notes that, for lobby groups to advance their interests, conducive institutional settings providing access to decision-makers need to be in place. The three authors broadly agree that these four variables play important roles in the formulation of development assistance policies in the countries they studied.

The purpose of this chapter is to build a frame of reference that will be condensed into a model of categories organised depending on the motivations driving traditional ODA (as per the table in section one). This typology is the key analytical tool for examining the case studies of this research and includes six categories of motivations driving ODA: 1) diplomatic-political; 2) security-military; 3) commercial-economic; 4) altruistic or development per se; 5) humanitarian; and 6) prestige-reputation. Once each of these categories is described, as well as, the interplay of the four policy-making variables, their role and influence on each of the different ODA motivations is understood, I will transpose these tools for the analysis of development cooperation policy-
making of MICs, as set out in the case studies in Chapters V and VI. With the support of examples identified in the literature review, every category includes a description of the characteristics presented by each variable. Finally, I include examples of countries that fall into each one of the six categories of ODA motivation.

Understanding these six categories and the role of the variables was a crucial research stage that help to guide fieldwork. Thanks to this frame of reference, the researcher could identify which variables to observe when analysing the case studies and what kind of data to look for during field research. This theoretical framework enabled the author to recognise the importance of non-material factors in the SSC policies of new development partners.

This chapter is organised as follows. To start, based on the analysis and understanding of the four variables, I classify ODA models into six categories according to traditional donors' motivations. I then break down and define the four policy-formulating variables: 1) institutional settings, 2) interest and lobby groups, 3) bureaucratic organisation and 4) non-material factors, and illustrate the role of each variable in traditional ODA policies with the support of international relations theories and drawing examples from the background and literature review in Chapter II. Thirdly, I present an overview of the analysis of policy-making conducted by each of the three referenced authors, highlighting their emphasis on a different variable. Fourth, I present cases of traditional motivations driving South-South Cooperation of MICs. Finally, I elaborate on the significance of non-material factors —especially reputation, prestige, self-esteem and image— on ODA policy-making and their greater importance for the formulation of the SSC policies of new donors.

1. TYPOLOGY BASED ON ODA MOTIVATIONS

To facilitate the analysis of the role of the four variables (institutions, interest groups, bureaucracy, and non-material factors), I organised ODA models into six categories depending on the motivations that drive traditional North-South
ODA, as summarised in Table 4 below. This typology is the benchmark for the analysis of the development cooperation policies of emerging donors. Traditional ODA models can be quite different despite the agreement of donors to conform to established regimes, such as the DAC. Domestic conditions provoke each of the four policy-making variables to play in different ways, so that the roles and interplay of the variables result in specific ODA policy outcomes, as will be described below. ODA practices implemented by a country are not restricted to one category at a given point of time: a country may fall into more than one category, which means that motivations are not unique or exclusive. Motivations are intertwined, but one sort of motivation may be predominant over others at any given moment.

Table 4 summarises the typology of ODA motivations. It contains one column for each one of the six categories identified, while the first four rows conform to the variables involved in policy-making, as per the analysis of the authors of reference. Each of these rows will describe the characteristics of the policy-making variable depending on the motivation driving ODA. The fifth row displays the predominant IR theory that offers a theoretical explanation of the motivation driving ODA, as per Chapter II. Finally, based on the literature review, also in Chapter II, the last row presents some examples of donor countries whose practices fall into each category. Categories are not absolute: ODA is driven by different motivations and often two or more motivations are entwined at a given point in time. In the case of MICs, motivations driving traditional ODA are less frequent, although they are present in certain cases of SSC. Due to limited works focusing on new donors, the frame of reference presented by this typology was a crucial aid to identify, observe and eventually analyse MICs’ development assistance policies, and particularly to guide the fieldwork conducted for this research.
## Table 4. Typology based on motivations driving ODA

<table>
<thead>
<tr>
<th>Motivations</th>
<th>DIPLOMATIC - POLITICAL</th>
<th>SECURITY - MILITARY</th>
<th>COMMERCIAL - ECONOMIC</th>
<th>ALTRUISTIC – DEVELOPMENTAL</th>
<th>HUMANITARIAN</th>
<th>PRESTIGE - REPUTATION</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Institutional settings or institutions</strong></td>
<td>Usually presidential system. Strong influence of MFA and often presidential office too.</td>
<td>Often presidential system. Strong influence of MFA, ministry of defence and security agencies.</td>
<td>Strong influence of Ministry of Trade or Economy. Certain influence of parliament and treasury, via budget allocations.</td>
<td>Often parliamentary systems. Significant involvement of parliament in policy-formulation. There are channels to access decision-makers.</td>
<td>Non-specific</td>
<td>Non-specific</td>
</tr>
<tr>
<td><strong>Interests and lobby groups</strong></td>
<td>Limited access to decision-makers. Monopolised policy-formulation process.</td>
<td>Limited access to decision-makers. Non-government actors are usually opposed to this kind of ODA.</td>
<td>Engagement of business lobby (including farmers, industries, unions). Opposition from NGO community to use ODA for this purpose.</td>
<td>NGOs. Aid bureaucracy. Foundations / think-tanks. Political parties. Diasporas.</td>
<td>NGOs. Civil society. Government</td>
<td>Aid bureaucracy. Other government units including MFA, presidential office and parliament.</td>
</tr>
<tr>
<td><strong>Bureaucratic organisation</strong></td>
<td>Under MFA and in some cases under the presidential office. Little fragmentation. Weak ODA agency.</td>
<td>Subordinated agency. Fragmented structure. Weak ODA agency.</td>
<td>Often subordinated to ministry of commerce and/or treasury. Fragmented structure.</td>
<td>ODA agency often at cabinet level. Relative autonomy of ODA agency. Cohesive and strong ODA agency.</td>
<td>Non-specific structure</td>
<td>Agency usually subordinated to MFA.</td>
</tr>
<tr>
<td><strong>Non-material factors: ideas, values and identity</strong></td>
<td>ODA as a tool of foreign policy. Goal to increase the power of the donor.</td>
<td>Role of superpower or regional power. Widespread belief to have global or supranational responsibilities.</td>
<td>Prosperity for the donor in a holistic sense. Objective to offer ODA in exchange of ‘returns’ to donor.</td>
<td>Welfare state. Religious values. Humanitarian values. Ethical obligation. Guilt (often due to colonial dominance). Contributions to GPGs.</td>
<td>Responsibility. Solidarity. Humanitarian values. It can be manipulated to advance donors’ interests.</td>
<td>Goal to export welfare system. Contributions to GPGs. Self-Reaffirmation. Fulfil a role in the global system. Desire to be ‘seen’. Aspiration to become a ‘virtuous nation’.</td>
</tr>
<tr>
<td><strong>Predominant IR theory lens</strong></td>
<td>Realist</td>
<td>Realist</td>
<td>Neorealism</td>
<td>Constructivist</td>
<td>Constructivist</td>
<td>Constructivist and neoliberal</td>
</tr>
<tr>
<td><strong>Examples</strong></td>
<td>France Belgium Mexico Turkey Arab donors</td>
<td>USA UK Australia</td>
<td>Denmark Japan Italy Netherlands BRICS</td>
<td>Denmark Germany UK Norway</td>
<td>Almost any country offers this kind of ODA, regardless of the level of development.</td>
<td>Norway Germany Japan Emerging powers MICs</td>
</tr>
</tbody>
</table>
1.1. Political-Diplomatic.
This kind of development assistance is the one that donors offer in exchange for political or diplomatic leverage. The aid agency is usually subordinated to the ministry of foreign affairs or in some cases to the presidential office. The bureaucratic structure is not really fragmented and tends to be concentrated under the foreign affairs portfolio, but the aid agency is rather weak. Parliament has little involvement and there is limited input from interest groups outside government. Under a realist lens, this sort of ODA is purely used to advance the foreign interests of donors.

To better illustrate this point, Alesina and Dollar (2000, 46) point out that foreign assistance from the US, Japan, France, Germany and the UK ‘buys’ UN votes. Likewise, France, Portugal and the UK offer development assistance to consolidate their sphere of influence in former colonial territories (Mason 1964). This category also includes what some consider ‘cultural aid’, which refers to ODA offered to promote languages, traditions, heritage, social structures, ideology, religions or to assist diasporas, but with the purpose of reinforcing affinities and gaining political leverage (Lancaster 2007, 15). Countries with colonial ties, such as France, Portugal, Spain, Italy and the UK, are prone to offer this kind of assistance, and their main goal is to strengthen political alliances or increase spheres of influence.

The UK and France are probably the countries that have best used cultural aid. The dissemination of the French language, culture and values are key elements to advance its diplomatic interests and to reaffirm its magnetic field in francophone Africa, the Middle East and the Caribbean (Hook 1993; Lancaster 2007; Schraeder 1998). ODA has contributed to maintaining France’s international autonomy and role as a leading protagonist in the international arena. For its part, Britain seeks to promote values such as institutional continuity, industrial prowess, English language and literature, religious freedom, multi-ethnic society and even sporting traditions, and there is a strong emphasis on the idea of promoting the image of Britain as an ethical global actor. Such concepts have been translated into practice via the growth of the
ODA budget and by restructuring the British development assistance program (Breuning 1995; Gaskarth 2013; Lee, S & Beech 2011).

1.2. Security-military
Foreign assistance for security purposes is advanced in order to extend or strengthen the security of the donor. In the view of Morgenthau (1962, 303), ODA is offered to buttress alliances, while Huntington (1971, 130) and Van der Veen (2011, 10) agree that countries sometimes deliver development assistance to enhance their own security. ODA driven by military and security motivations is perhaps the use that best suits the approach of the realist school. When this motivation is most prominent, bureaucratic structures tend to be quite fragmented between powerful government units, which undermines the advocacy of the aid agency to advance developmental objectives. Parliament is likely to be involved in allocations since ODA is considered as one of the instruments of a broader security strategy, such as the case of the US National Security Strategy (Lancaster 2000a; Mawdsley 2007). Despite the existence of channels to access decision-makers, policy-making is monopolised by governments and interest groups often lobby against the use of ODA for military purposes.

According to Lasensky (2003), donors seek military advantages in exchange for development assistance packages. For instance, establishing or using military bases, such as the case of Turkey and Pakistan, to create military alliances, as with the USA and Israel and Egypt, or to contain the expansion of communist regimes, such as in Korea and Vietnam. US ODA is known for its geostrategic drivers, but after the 9/11 attacks, the UK also stepped up its ODA allocations to countries perceived as allies, for example Pakistan, as well as to countries perceived as threats, such as Iraq and Afghanistan (Woods 2005, 404). Other DAC donors, including Australia, Canada, Spain and Denmark, also increased their ODA allocations to ‘threat states’, influenced by arguments supported by the development-security nexus (Hossain 2014; Simpson 2011). French ODA has been associated with the provision of military support to friendly regimes in former African colonies (Schraeder 1998, 12).
1.3. **Commercial-economic**

Under this category we find the sort of ODA that donors extend with the objective of obtaining economic benefits. Schraeder (1998, 9), Woods (2005, 401), Lancaster (2007, 14-15) and Van der Veen (2011, 10) note that commercial ODA directly contributes to the economic performance of the donor by increasing export markets, providing access to raw materials, offering sources of energy supply or opening foreign investment opportunities. Due to its nature and procurement conditions, this form of ODA is often associated with practices of ‘tied aid’ (Van der Veen 2011).

ODA offered for commercial and economic purposes is usually provided by countries where the aid agency is located under the umbrella of the trade or commerce ministry. Commercial ODA is also offered in cases where the business lobby has easy access to policy-makers thanks to channels established for this purpose, for example, boards or advisory councils or via members of parliament. Widespread values about the provision of ODA under this kind of model include the responsibility to assist countries in need, as long as ODA brings benefits back to donors. In other words, development assistance is considered a tool to enhance the material capabilities of donor countries, as posited under neorealist premises.

The most relevant example in this category is Japan, whose economic interests are the core drivers of its ODA program. Economic prosperity in neighbouring countries is critical to Japanese economic growth and therefore its development assistance efforts concentrate on the Asia-Pacific Rim (Hook 1995; Riddell 2007, 59-60). The business community and the Ministry of Trade and Industry (MITI) have great influence over ODA policy-making. As a result, Japanese allocations tend to be heavily tied (Huntington 1970, 169; Lancaster 2007, 14; Mason 1964; Schraeder 1998, 9-10). Other countries such as France, Italy, the Netherlands and more recently Canada and Australia area also including commercial goals in the formulation of their ODA allocations (Bracho 2015, 111; Shaw, Gaynor 2011).
1.4. **Altruistic-developmental**

Altruistic ODA (or ‘development per-se’) focuses most tightly on enhancing economic development in beneficiary countries. According to Lumsdaine (1993, 38), this is the kind of assistance offered with the pure objective of improving the quality of life of populations in poor countries. Developmental ODA is usually offered on soft terms and on a long-term basis. Morgenthau (1962, 304) refers to this kind of ODA as ‘aid for economic development’ and Hook (1995) labels it as ‘aid welfare’. The difference between humanitarian and altruistic ODA is that the former is provided in emergency situations and its interventions are rather short-term, whereas the latter seeks sustained development through long-term interventions.

Development ODA tends to be provided by donor countries where the bureaucratic structure is less fragmented. The aid agency is quite autonomous and usually has cabinet-level authority, which translates into stronger development advocacy within the government (Lancaster 2007). There are adequate channels for non-government actors to access decision-makers — the main non-government advocates are generally found in the NGO community, which tends to be well organised, strong and very active. There is also a social consensus shared with other lobby groups, including the public, the business community, private foundations, political parties and even the media, about the responsibility of richer countries to assist vulnerable populations (Lundsgaarde 2012, 40). Lumsdaine (1993, 64) claims that “[public] support for aid stemmed from the same sources as attempts to provide for the poor at home”. Constructivist proponents would point to the weight that moral values have on the distribution of ODA allocations in this category (Lumsdaine 1993; Mawdsley 2012b, 149).

Despite the altruistic purpose, some donors find it difficult to justify to sceptical domestic constituencies the use of national resources to foster development in third countries, especially in times of economic downturn such as the aftermath of the 2008 Global Financial Crisis (UNIDO 2008, 143; Warmerdam & Haan 2011, 2). To sum up, altruistic assistance is predominant in countries with solid welfare systems and substantial civil society engagement, such as the
Netherlands, New Zealand, Germany and Scandinavian countries (Haan 2009, 33; Hopkins 2000, 331; Shaw, Gaynor 2011, 7).

1.5. Humanitarian
Humanitarian assistance is extended to alleviate human suffering and to protect human welfare in crises provoked by natural or man-made disasters (OECD 2015f). It is usually provided on a short-term basis and is offered by most donors. Solidarity and humanitarian values override any bureaucratic structure and institutional arrangements, as most interest groups would gather around any effort to assist suffering people. Huntington (1970, 175) and Heinrich (2013, 423-424) agree that humanitarian assistance is most persuasive when domestic support exists. Heinrich further observes that humanitarian crises are more likely to be reported in domestic media and that citizens are therefore more inclined to support the overseas assistance activities of their governments.

Morgenthau (1962, 301) considers humanitarian assistance as the only kind of ODA that is selfless and non-political. Providers can, however, manipulate the discourse, conditions and delivery of humanitarian assistance to advance foreign policy interests. According to Hook (1993, 24), during the Cold War the official rhetoric showed that Swedish development assistance was conceived and allocated mostly on a humanitarian basis, when in reality Sweden used foreign assistance as a strategy to emphasise its political autonomy from the superpowers.

1.6. Prestige-reputation
Prestige aid occurs when donors offer ODA to build their reputation and respect, or to project certain aspects of their identity onto the international stage. Morgenthau (1962, 304) suggests that ODA motivated by prestige can bring political returns too. Donors tend to offer this variant of ODA to improve their image and compensate for previous ‘wrong doing’ (Bauer, P T 2000, 72; Kragelund 2008, 580). Prestige ODA can become generous when it contributes to the provision of GPGs and helps donors to portray themselves as ‘good
global citizens’ and ‘generous nations’ (Herbert 2012, 82-83; Mawdsley 2012b, 149).

In this case, since donors recognise the virtues of foreign assistance as a tool of soft-power, ODA represents the means for smaller countries to affirm themselves as virtuous members of the international community. In most cases, the aid agency is subordinated to the ministry of foreign affairs and access to policy-makers tends to be limited to non-government actors. There is a collective belief that the country has a role in the world and that ODA can help to improve the position of the nation on the world stage. Such assumptions are shared by the public but are stronger among decision-makers, who are better informed on ODA matters (Morgenthau 1962; Van der Veen 2011).

ODA also helps to project a positive image in the domestic realm, which contributes to public support and helps avoid criticism of a government’s ODA efforts (Eyben & Savage 2012). Van der Veen (2011, 10) refers to this category as ‘reputation’ or ‘self-affirmation’ ODA. Within the constructivist tradition, prestige ODA would be considered as a way to comply with established rules and domestic changes that demonstrate the behaviour expected by a specific role or identity (Lumsdaine 1993). Neo-liberals also agree on this point by affirming that when states conform to international norms, this creates expectations about their behaviour and consequently increases the chances of cooperation among nations (Barnett 2008, 253).

1.7. Additional considerations
Lancaster (2007, 15-16) presents additional categories of ODA motivations, including promotion of economic and social transitions, promotion of democracy, addressing global issues and prevention and management of conflicts. Van der Veen (2011, 10) places ODA offered under similar objectives, such as promotion of peace, stability, environmental health, etc., in the enlightened self-interest frame. I did not consider that a special category was necessary for these motivations, since these sorts of purposes are scattered across the political, military, altruistic and, particularly, the prestige categories.
2. DOMESTIC VARIABLES IN ODA POLICY-MAKING

Having presented the categories for the typology, I now turn to examining each of the variables involved in ODA policy-making. As noted in the introduction of this chapter, it is important to define the role and interaction of these four key variables in order to proceed with the analysis of case studies. The supporting examples are taken from ten case studies proposed by the three authors of reference (Lancaster 2000a, 2007, 2008; Lundsgaarde 2012; Van der Veen 2000, 2011): Belgium, Denmark, France, Germany, Italy, Japan, the Netherlands, Norway, Switzerland and the USA. While all of the countries cited are DAC members, the emphasis will fall on the major donors (France, Germany, Denmark, Japan, the USA and the UK). It must be noted that none of the studies conducted by Lancaster, Van der Veen and Lundsgaarde analysed Britain. However, the UK was included as one of the cases of reference in this analytical framework due to its contributions and influence, and the relevance of its ODA practices (Breuning 1995; Gaskarth 2013; Lee, S & Beech 2011).

2.1. Institutions

Interactions between domestic actors and governments depend on institutional settings. Lundsgaarde (2012) notes that the institutional framework affects the interactions of actors, which in turn, impact policy-making. For example, despite some local NGOs being branches of larger international NGOs, domestic political environments, institutional regimes and local rules differ from country to country and therefore the advocacy tactics of the same NGO is different in every country where it operates. Institutional settings define the interplay between actors, for example through the different levels of access to policymakers granted to lobby groups.

Institutions or institutional settings are defined as the formal and informal norms, rules, practices, procedures and regimes that organise the activities of actors in the political game (Lancaster 2007, 19; Lundsgaarde 2012, 34, 76; Warmerdam & Haan 2011, 3). Lancaster observes the influence on ODA policy-making of
electoral rules, the choice of parliamentary or presidential systems, the involvement of parliaments and the role of non-government actors (Lancaster 2007). Lundsgaarde’s research concentrates on observing the function of institutions in ODA policy-making: on the one hand, the definition of how social interests are incorporated into the policy formulation process, and on the other hand, the focus falls on intra-government relations and the distribution of authority (Lundsgaarde 2012). In other words, these two authors concentrate on the importance of having conducive institutional arrangements that enable interest groups access to policy-formulation.

To better illustrate this point, in the Danish ODA model the main players are the Prime Minister, the Parliament and DANIDA (the aid agency): the Prime Minister sets the agenda, the Parliament oversees policy formulation and DANIDA is the implementing arm and technical advisor. Another key actor in Denmark’s ODA model is the DANIDA Board, which is an inclusive and independent platform for dialogue with representatives from sectors involved in ODA. The Board champions in transparency and accountability matters and also constitutes a forum for feedback, advice and better policy understanding through public debate. The business lobby seems to have larger resources to advance its interests and greater access to policy formulation processes, but this seems to be offset by NGOs' regular contact with DANIDA on technical matters, subcontracting and advice provided to parliamentarians (Lancaster 2007; Lundsgaarde 2012; Riddell 2007).

In Germany there are official spaces for NGOs and political parties, who actively participate through foundations and think tanks, to be involved in ODA discussions. Even though BMZ is the leading voice on development assistance issues, the German Foreign Office still has a certain influence on the development assistance program. By the same token, the Ministry of Economy, which controls the budget, is able to represent the interests of the German business community to the ODA program. German governments are backed up by coalitions with political parties, which opens the opportunity for minor parties to raise niche issues in parliamentary debates, including questions about ODA. In fact, this was exactly the situation that led to the creation of BMZ (Lancaster 2007; Riddell 2007; Shaw, Gaynor 2011).
Due to internal factions, intraparty alliances and coalitions are necessary for the Japanese government to appoint its cabinet, which results in a weak Prime Minister and powerful ministers. The weakness of the Prime Minister forces him/her to seek the support of and rely upon the bureaucracy, making the latter a powerful and influential policy player. In Japan, members of Parliament are not generally interested in ODA because it is not a core issue in political discussions, except in certain circumstances or because of personal advocacy (Alesina & Dollar 2000; Bueno de Mesquita & Smith 2009; Hook 1995; Lancaster 2007; Schraeder 1998). This means that policy-making is concentrated amongst government actors, and while there are channels to lobby decision-makers, Japanese lobby groups are not very interested in these topics.

Despite the institutional fragmentation in the US model and the weakness of USAID, the US electoral system allows lobby groups to advance development interests. Civil society, unions, industrial lobbies and even diasporas are able to influence government policy-making and budget allocations via members of Congress (Riddell 2007; Warmerdam & Haan 2011). The US Congress is significantly involved in policy-making through the ‘earmarking’ practices of the federal budget: when members of Congress run for reelection, they are forced to seek support from lobby groups, and may compromise to support a bill or an initiative in favour of their constituencies in exchange for votes (Lundsgaarde 2012, 373). As with other traditional donors, ODA has a low salience both in electoral and Congress debates in the USA. Moreover, the President usually exercises minimal advocacy on ODA policy, unless it is of personal interest, such as the case of President Bush’s Emergency Plan for Aids Relief (PEPFAR) (Goldsmith, Benjamin E & Horiuchi 2012; Lancaster 2008).

French institutional settings allow a large degree of control from the President’s office, but at the same time provide the business lobby access to policy-formulation through the Ministry of Finance (Lundsgaarde 2012, 222). Parliament basically has no role in the allocation of ODA packages and civil society has limited influence in ODA programming. The Haut Conseil de la
Cooperation Internationale (HCCI) was created as a space to promote dialogue with NGOs, representatives of French regions, employers’ associations, trade unions and development researchers: HCCI’s mandate includes the formulation of policy recommendations but, due to its large membership, it has little real leverage and does not provide much access for non-government actors to reach decision-makers (Lundsgaarde 2012, 247). Informal networks between French and African elites, including the close group near the President, are the leading source of influence in French ODA policy-making. The counterbalance to the power of the President on ODA allocations comes from the media, who fiercely publish corruption scandals, and from the system of checks and balances that the French ‘cohabitation’ system offers (Lancaster 2007; Schraeder 1998).

In smaller donor nations, including Norway and the Netherlands, the role of the parliament is significant: in both countries government coalitions need the support of smaller parties to advance ODA agendas, and so NGOs are able to move their agendas forwards thanks to support from parliamentary groups (Riddell 2007, 70; Van der Veen 2000). In the case of Italy, ODA is marginally supported by the business lobby as a means of pursuing commercial interests in former colonies or in countries where there are prominent Italian communities and, in general, Italian ODA does not have strong support from the public because of corruption scandals.

In summary, this account uses evidence from cases of traditional ODA providers to highlight the relevance of institutional settings for opening channels conducive for domestic actors to advance their agendas and to participate in ODA policy-making. Now we turn to see how these channels are used by other stakeholders.

2.2. Interests and lobby groups
In general, public policy attracts the interest of some actors, but foreign policy is usually monopolised by governments (Lundsgaarde 2012, 159; Mawdsley 2012b, 105). Public opinion is rarely mobilised by foreign affairs issues and development assistance is even less salient in the attention span of most
citizens. The major exceptions to this are humanitarian crises or the misuse of public funds (Gibson 2005; Heinrich 2013). According to Lundsgaarde (2012, 64), lobby groups are those actors motivated to conduct political action based on commonly held interests — the interest of the few lobbies engaged in ODA policy-formulation is grounded on the redistributive character of ODA. When resources are transferred to vulnerable populations in third countries, ODA allocations represent a net loss for taxpayers in donor countries (Lundsgaarde 2012, 60; Ruttan 1989). In the case of MICs, the loss to taxpayers from development assistance transfers is even more important because of the myriad ongoing domestic needs. Therefore, MIC governments tend to avoid publicising their development cooperation efforts to evade contestation from domestic constituencies.

Beneficiaries of ODA in recipient nations usually have limited access to donor countries, so are rarely able to directly lobby donor governments. As a result, interest groups in Northern countries, mostly NGOs, become the pro-poor advocates (Haan 2009; Nair 2013, 646). By NGO, I refer to those organisations that do not belong to a government and that are also not a ‘for profit’ business (Oxford University Press 2015). NGOs tend to be closer to ODA beneficiaries and thanks to local knowledge, expertise and capabilities, are important partners in the delivery and implementation of development assistance projects (Haan 2009, 51; Lancaster 2007; Lundsgaarde 2012).

The visibility and influence of NGOs varies from country to country. In France, NGOs are small, lack funding and have little public support, with some exceptions. There are some umbrella associations created as platforms to foster joint advocacy, for example, Coordination Sud. French NGOs, however, have quite diverse interests and have been unable to consolidate a single, coherent voice (Hook 1995; Lancaster 2007). The development NGO community in Denmark is similarly non-cohesive: Danish NGOs try to maintain independence from each other because they see themselves as competitors for funding and when bidding to win government contracts (Lundsgaarde 2012; Riddell 2007).
In contrast, Japanese NGOs’ activities are quite limited, and so Japan is probably the country with the weakest NGO community among DAC donors. In Japanese society, there is no tradition of charity: solidarity among individuals is usually provided by family members, so help from outside the family is not expected. Moreover, the Japanese government provides very little funding to NGOs and there are limited channels to access decision-makers (Hook 1993; Lancaster 2007; Mason 1964). In contrast, the constituency of German ODA includes development workers (including those from BMZ and GTZ), certain wings of political parties, private foundations, churches, NGOs and even the DAC and EU governments —these NGOs strongly support ODA and are able to express their views through official platforms established precisely for this purpose (Lancaster 2007; Riddell 2007).

Although most development NGOs around the world are more likely to press in favour of development and humanitarian goals, they are also self-interested and seek to get contracts and funding to support their own operations. In fact, dependency on funding undermines NGOs leverage and advocacy, with the result that these organisations are frequently blamed for their lack of autonomy (Kharas & Rogerson 2012; Lundsgaarde 2012; Nair 2013; Steiner-Khamsi 2008).

The business or private lobby includes corporations, unions and agricultural organisations that seek to advance commercial interests and fiercely support the use of tied aid. Private companies aim for investment and market opportunities in recipient countries (Kharas 2011; Richey & Ponte 2014; Tarp & Hjertholm 2000; Van der Veen 2011). German firms, for instance, advance commercial interests because they see ODA as a stepping-stone to enter new markets (Lancaster 2007). In France, the business community is in a better position compared to NGOs. Businesses have more resources, more cohesive agendas and better access to policy-makers. The interest of the French business lobby lies in countries with large endowments of natural resources, and that are relatively more prosperous and politically stable (Lancaster 2007; Riddell 2007).

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30 Tied aid describes official grants or loans that limit procurement to companies in donor countries. Critics of tied aid contend that these practices hinder the possibility for recipient countries to receive good value for money for services, goods, or works (OECD 2015k).
Lundsgaarde 2012). The Danish industrial lobby is in favour of what is known as ‘return percent’, which aligns with the view that development assistance brings economic benefits back to the Danes. The Danish business lobby is committed to promote aid effectiveness as long as it benefits the domestic industrial sector (Lundsgaarde 2012; Riddell 2007).

Unions, mostly in the US, were interested in ODA during the Cold War so they could avoid domestic contagion from communist ideology. After the Cold War, the focus of unions shifted to expanding markets and business opportunities to indirectly foster domestic employment. Unions are in favour of ODA to promote international labour standards in developing nations (Lancaster 2007). Similarly, farmers support food assistance as a way of reducing agricultural surpluses, maintaining crop prices and expanding overseas markets. In Europe, the agricultural lobby traditionally advocated in favour of providing loans to developing nations that could help them to export their produce. Their advocacy, however, was significantly reduced as a result of the EU Common Agricultural Policy (Lundsgaarde 2012; Tarp & Hjertholm 2000).

Academia and the scientific community are also engaged in development assistance debates, albeit with limited institutional access to policy-makers. The exception to this is Germany, where foundations and think tanks are actively involved in ODA policy-formulation (Lancaster 2007). In the US and the UK, think tanks and universities provide some advice, although in most cases such expertise is not actually heard by decision-makers (Breuning 1995; Gaskarth 2013; Lancaster 2000a; Lee, S & Beech 2011; Lundsgaarde 2012).

Media and communication lobbies are particularly relevant when they are able not only to reflect the preferences and opinions of the general public, but also to foster the involvement of experts (Jung, Makino & Kharas 2011; Riddell 2007; Warmerdam & Haan 2011). Situations like this are particular to countries where media corporations are relatively influential, such as the UK and the USA. Excepting major crises, the media does not really report on ODA matters, with the result that citizens are ill informed about ODA spending and public pressure in favour (or against) government ODA efforts is fairly limited (Goldsmith, Benjamin E & Horiuchi 2012; Heinrich 2013; Lumsdaine 1993).
Diasporas, religious organisations, ethnic and cultural groups are another set of interest groups that seek to benefit with ODA packages for their countries of origin or regions with cultural and religious affinity. These groups often have very particular views about ODA allocations, for example, Christian-Right associations or the American-Israeli lobby. (Biccum 2010; Lancaster 2007; Van der Veen 2011). These kinds of interest groups need allies, either NGOs or parliamentarians, to support their claims vis-à-vis decision-makers.

Finally, there is the voice of the aid bureaucracy, whose efforts are usually directed at lobbying in favour of budget rises (Lancaster 2007; Lundsgaarde 2012). Aid bureaucracy tends to be neglected as a lobby group because it is assumed to be part of the government, but within government structures, bargaining and negotiations also takes place. In most cases, the aid bureaucracy tends to lobby in favour of ODA allocations with more developmental focus, but we should not forget that they also rely on government budgets.

Some of the interests these groups attempt to advance can overlap: for instance, NGOs and farmers in relation to food donations, or NGOs and private contractors in relation to project implementation (Lundsgaarde 2012, 311). Advocacy and activism usually clash due to conflicting agendas and competition to secure funding. There is a general support for ODA, but it is not a priority for any of the interest groups, except perhaps for NGOs (Haan 2009; Lundsgaarde 2012; Ruttan 1989). Several issues, however, need consideration. First, decision-makers are eager to enhance or improve their position, so public support is essential and therefore in most cases leaders tend to respond to the interests of lobby groups (Van der Veen 2000). Second, even with resources, strong advocacy and receptiveness from decision-makers, lobby groups are unable to effectively advance their interests in ODA policy-formulation without conducive institutional settings (Lundsgaarde 2012, 32). Finally, the importance to governments of interest groups engaged in policy formulation is based on the expertise these groups can offer not only in ODA policy-making, but also in the implementation of policies and the delivery of ODA packages.
2.3. **Bureaucratic organisation**

Bureaucratic organisation refers to the way governments configure and manage the formulation and delivery of ODA strategies and the arrangement of the government unit in charge of managing ODA. Depending on where the aid agency sits within the structure of a government, it can be more or less autonomous and thus have more or less influence on the definition of targets and the distribution of ODA allocations. The primary mission of aid agencies is development, but bureaucratic location determines the degree of involvement, emphasis and interests of the aid bureaucracy in policy-making, as will be explained next (Lancaster 2008, 50). Aid agencies can be classified depending on their bureaucratic structures, as follows (Haan 2009; Lancaster 2008):

1) an agency under a ministry, frequently under foreign affairs —for example US AID;

2) an agency as an independent government unit, often at cabinet level – for example the UK’s DfID;

3) a multi-agency model, in which donors have more than one government unit managing ODA programs, such as in Japan.

To illustrate this point, if the aid agency is under the ministry of foreign affairs, it is more likely that aid allocations would be subject to foreign policy interests and that ODA allocations would respond more to foreign policy priorities than to pure development objectives, as in the case of USAID. This is the most common bureaucratic location for aid agencies and it supports the argument that ODA is largely used as a tool of foreign policy (Haan 2009; Hook 1995; Huntington 1970; Lancaster 2007; Lundsgaarde 2012). On the other hand, if ODA decision-making is within the realm of the office of the head of state, ODA tends to appear as personal gifts or donations to frame high level visits, often overriding development purposes —this applies to ODA from France, Colombia and Turkey (Lancaster 2007; Lundsgaarde 2012). When the aid agency is subordinated to the ministry of trade, the main objective of ODA allocations becomes the promotion of trade, investment and business opportunities for donors, as in the case of Japan and more recently China (Lancaster 2007; Quadir 2013, 329).
USAID is the main advocate of the pro-poor agenda within the US government, but its position as a sub-cabinet agency under the umbrella of the Department of State demonstrates that development objectives are subordinated to diplomatic priorities (Hook 1993; Lancaster 2007). Conversely, aid agencies with an independent cabinet-level structure appear to have more autonomy in deciding ODA allocations (Gulrajani 2014). The British Department for International Development (DfID) and the German Ministry of Development (BMZ) are probably the most autonomous aid agencies among DAC donors. However, their bureaucratic configurations are different: DfID has cabinet status and is detached from both the Foreign Office and the Prime Minister’s Office (Breuning 1995; Gaskarth 2013; Lee, S & Beech 2011), while in the case of Germany, the division of ODA responsibilities is organised into policy-making, which falls to the Ministry of Development, and implementation, which falls onto GIZ -German Agency for International Cooperation- (Riddell 2007, 65).

Because in most cases ODA is used as a tool of foreign policy, despite the aid agency having a cabinet position, development assistance programs are rarely granted total independence. When agencies are at cabinet level, ODA allocations are still subject, although perhaps to lesser degree, to foreign policy goals, trade interests or national security priorities (Breuning 1995; Gaskarth 2013; Lee, S & Beech 2011). For instance, after the 9/11 attacks, British ODA was increasingly considered an instrument to ensure the security and prosperity of the United Kingdom, and consequently other government agencies such as the Foreign Office, the Ministry of Defense, intelligence and security agencies, Treasury, and trade and investment offices, became more involved in discussions around budget and allocation of ODA (Hossain 2014; Simpson 2011; Woods 2005).

When ODA responsibilities are fragmented, aid agencies tend to have a weaker voice and it becomes more difficult to advance pure development objectives (Lundsgaarde 2012, 55). The case of Japan shows a very fragmented aid bureaucracy, in which there are several agencies involved in ODA policy: JICA (Japan International Cooperation Agency), the implementing arm, is subordinated to the Ministry of Foreign Affairs; the Ministry of Finances decides on the distribution of loans; and the Ministry of Trade and Industry (MITI) and
the Economic Planning Agency jointly decide on the technical assistance to be offered (Lancaster 2007). Although a complex decision-making structure, this bureaucratic organisation denotes a comprehensive national strategy subordinated to the interest of the donor rather than to the development priorities of recipients. In brief, Japanese ODA seeks to promote peace and prosperity, while ensuring economic self-sufficiency (Woods 2005).

For France, ODA contributes to enhancing its sphere of influence over former colonies. ODA became a key element in French diplomatic relationships with Africa and is considered the ‘lubricant’ of the France-Africa diplomatic network (Alesina & Dollar 2000; Lancaster 2007, 2008). ODA decision-making is heavily concentrated in the executive branch, but is fragmented among several agencies, including the French Agency for Development (AFD), the ministries of foreign affairs, finance, education and research, as well as the Presidential Palace (Lundsgaarde 2012; Riddell 2007, 63-65). Such fragmentation causes major inefficiencies, lack of coordination and competition for resources, and makes it difficult to form a coherent voice that can advance development objectives.

Another example of fragmented bureaucracy is the US, where to address slow and poor results from USAID, after the 9/11 attacks the Bush administration established the Millennium Challenge Corporation to manage ODA contributions (Chin & Quadir 2012, 499; Mawdsley 2007; Riddell 2007, 95). A model with several aid agencies, like the US, undermines coordination efforts within the government, creates inefficiencies, enables the misuse of resources and hinders the advocacy of the aid bureaucracy as a unified voice to push forward development motivations as the main drivers behind ODA (Lancaster 2000a). In the Netherlands, ODA management was spread among different departments, including development cooperation, finance, foreign affairs, education and defence, which made ODA budgets vulnerable to the inclusion of non-development purposes into ODA allocations (Van der Veen 2011, 111).

Finally, to further stress the influence of bureaucratic arrangements on ODA policies, in the last twenty years Canada, Australia, the Netherlands, New Zealand, Japan, Denmark, France, the US and the UK carried out reforms to
restructure their ODA strategies. Australia, Canada, Denmark and New Zealand merged their aid agencies into their ministries of foreign affairs, a move that emphasises the use of ODA to advance foreign policy objectives (Bracho 2015, 41; Brown 2008; Lancaster 2007; Lundsgaarde 2012; Shaw, G. 2011). In contrast, others countries such as the UK and Germany gave stronger power to their aid bureaucracies and ‘upgraded’ their agencies to cabinet level, transforming them into ministries or departments: such measures appear to stress the autonomy of ODA programs for the British and German governments and the goal to pursue more development-like objectives (Lancaster 2007; Riddell 2007, 65-67), even though, as previously noted, having full cabinet status does not grant full autonomy to aid agencies.

To conclude, Lancaster (2007, 22) notes that in contrast to other public policies, in ODA formulation the bureaucratic organisation determines the amount of influence an aid agency can exert as the unifying voice to advance developmental objectives. The location and subordination of the aid agency within the broader bureaucracy impacts the ability of the aid bureaucracy to advance the development-aid agenda in policy-formulation against the interests of other actors, including the rest of the government, as well as non-government actors, including lobby groups.

2.4. Non-material factors

This last subsection covers non-material elements that, according to Lancaster (2007), Van der Veen (2011), Lundsgaarde (2012) and other international relations experts including Goldstein and Keohane (1993), Wendt (1994, 1999), Abdelal (2009), Hopf (2002, 2014) impact on foreign policy-formulation and, therefore, influence the behaviour of international actors. Notwithstanding that public support, social values, personalities and elites have significant influence on the domestic image that a nation projects on the international scene, the focus of this research is on non-material factors such as perception, reputation, respect and the image that a country aspires to at the international level.
a) State identity, international image and national self-perception.

The US model is characterised for putting geostrategic interests at the core of ODA allocation process. Geostrategic motivations driving the US aid model are intertwined with the emphasis of decision-makers and the general public on the role that the US has as a superpower and its responsibilities as such on the global stage (Huntington 1971). While commercial interests have an important place in German and Japanese ODA policies, these two countries also seek to acquire (or enhance) their reputation and, especially, to consolidate their membership of the international community through ODA practices. Both countries have the desire to restore their reputation as responsible and respectable actors on the global stage (Eyben & Savage 2012; Lancaster 2007; Walt 1998). For Japan, this element is even stronger, since values such as honour and pride are deeply anchored in Japanese society and echoed in public policies. Japan accepted its responsibility in the burden sharing of poverty alleviation and has been using ODA as an instrument to gain respect and recognition from the international community (Hook 1995; Lancaster 2007).

Former colonial powers, including France, the UK, the Netherlands, Italy and Belgium, seek to improve their image and reputation through ODA. The aim is to restore their prestige and status in the eyes of former colonies (Bracho 2015; Van der Veen 2011). As previously noted, France focuses its attention on Africa, reflecting the weight colonial ties still have in French foreign policy. Detractors of these arguments note that such behaviour results from ‘guilt’ and ‘wrong doing’ during colonial eras (Kapoor 2008; Lee, K W 2012; Schelp 2005).

ODA is thus used as a tool to improve the French international image, to expand French ‘rayonnement’, to present France as the superpower it considers itself to be, and to place France back at the front rank of global affairs (Hook 1995, 47; Lundsgaarde 2012, 251).

The British ODA program is believed to help restore the UK as a former superpower, to promote British values and ‘Britishness’ around the world. The quest to preserve liberal values such as individual liberties helps to create this self-identity as the defender of freedoms (Gaskarth 2013, 71). There is a spreading belief among UK policy-makers about the importance of a strong state identity and a sense of Britishness in foreign policy (Biccum 2010, 3, 7;
Breuning 1995; Lee, S & Beech 2011). In other words, international actions should reflect the domestic perception of a nation and ODA is one of the foreign policy instruments to project this perception onto the international scene.

In the case of the Scandinavian countries, it would at first sight appear that image and reputation give prominence to development and humanitarian goals (Neack 2008, 161). Both the Danish and Norwegian models are heavily influenced by the desire for a good image and good reputation. In the case of Denmark, national image is probably one of the most important factors. Danes seek to export their welfare state model and wish to be seen as ‘doing well’ to populations in need (Lancaster 2007; Lundsgaarde 2012). In the same way, Norwegian policy-makers believe that the reputation of the country is improved by the salience of humanitarian goals in its ODA policy. The Norwegian ODA strategy could be summarised as follows: ‘looking good by doing good’ (Van der Veen 2011). Similarly, the Netherlands, once considered a trading power, wishes to portray itself as a good global citizen (Neack 2008, 84), whereas Italy aims to increase the international visibility of the ‘Italian Grandezza’. Finally, Belgium is concerned about its image compared to similar countries and tries to emulate other donors, especially the Netherlands (Van der Veen 2011). In short, traditional donors use foreign development assistance to improve their international reputation and to display an image of a virtuous nation.

b) Public support and social values
Moral and religious values broadly accepted by the public can be found at the top of the government apparatus. Values and beliefs permeate through pressure groups onto public servants, but values and beliefs are also implanted in the psyche of decision-makers by the fact of being members of society (Chaturvedi, Fues & Sidiropoulos 2012, 245; Hook 1995; Warmerdam & Haan 2011, 7). In the specific case of ODA, due to inefficiencies in public spending and little backing for welfare state practices, public support for ODA is relatively limited (Lancaster 2007; Lundsgaarde 2012). The exception to this is when humanitarian crises happen, provoking the engagement of public opinion in the ODA debate. Collective moral responsibility seems to grow sharply when the public is aware of human suffering, which in turn increases pressure in favour of
In Germany there is a consensus about the responsibility of the rich to assist the poor. This is reflected in private contributions and NGO networks that actively lobby in favour of ODA allocations (Lancaster 2007; Riddell 2007). Public opinion agrees that the state has the obligation to help Third World countries. For German conservatives, ODA is a Christian duty, while for others Germany has an obligation to assist in the same way that it received help through the Marshall Plan in the wake of World War II (Lancaster 2007). In the Danish context, citizens see foreign assistance as an extension of the welfare state (Lumsdaine 1993; Warmerdam & Haan 2011). Danish public support coalesces around the duty to assist human suffering and the belief that the state is the appropriate vehicle to do so.

c) Personalities and elite involvement
There is the general belief that the French desire for diffusion of values and culture around the world is a core incentive in French development assistance (Hook 1995). The French presidential system, in which the executive has strong influence over foreign affairs, and the close personal relations between French and African elites (commonly known as the Françafrique elite) are strong drivers of French ODA allocations (Lundsgaarde 2012, 53). This underlines the importance of African leaders assumed to have direct access to the highest level of the French government, even above the Minister of Foreign Affairs. These links with African elites are further strengthened by the involvement of personalities, such as former presidents de Gaulle and Mitterrand: during their administrations ODA was often allocated based on political imperatives and personal preferences instead of on actual development needs (Lundsgaarde 2012). Ideas related to universal values conceived in France, its role in the world and the spread of French language and culture were particularly emphasised by President de Gaulle, who believed France had a prominent role to play among superpowers (Hook 1995). The use of ODA as a prime vehicle to maintain a sphere of influence and to support claims of being a major superpower explains why French leaders maintain an ODA program in
countries led by African dictators with poor human right records (Lancaster 2007; Schraeder 1998).

Other examples of the engagement of personalities in favour of ODA include President Bush’s PEFPAR initiative, President Kennedy’s *Alianza para el Progreso* in Latin America, the (re)emergence of a Brazilian horizontal cooperation strategy during the administration of President Lula and the German upgrade of development assistance to cabinet level by creating the BMZ (Ministry for Economy and Development) under the administration of Chancellor Adenauer (Christensen 2013; Hook 1995; Lancaster 2007; Riddell 2007). In brief, this section notes that intangible elements also impact on policy-making and ODA allocations. The examples cited above show that for traditional donors, non-material factors have an important impact on ODA policies. Significantly, this phenomenon is not exclusive to DAC countries — in fact, for new donors non-material factors are even more relevant in their development assistance policies, as the case studies will reveal.

### 3. TRADITIONAL ODA POLICY FORMULATION

In the previous section, I defined the four variables involved in ODA policy-formulation and illustrated their role in policy-making with examples drawn from the literature review. The next task is to present a brief overview of ODA policy formulation processes through the lens of the three authors of reference. Carol Lancaster (2000b, 2007, 2008), Anne Maurits Van der Veen (2000, 2011) and Erik Lundsgaarde (2012) conducted independent studies on traditional ODA models, including Belgium, Denmark, France, Germany, Italy, Japan, the Netherlands, Norway, Switzerland and the USA. The following subsections will show how the four variables interact in policy-making. The three authors supported their studies with foreign policy analysis and international relations theory. While there are similarities in the focus of the three analyses, each author takes a different approach and stresses a specific variable. I contend that synthesising the three perspectives results in a more comprehensive method of enquiry that offers a broader perspective of the motivations driving ODA policies.
3.1. The views of a senior bureaucrat: C. Lancaster

Carol Lancaster presents a seminal analysis of ODA models of five DAC countries: the USA, France, Japan, Denmark and Germany. The theoretical foundation of Lancaster’s analysis departs from the realist conception that foreign assistance is a tool to advance the national interest of donors. As such, ODA is not offered selflessly to promote development and contribute to poverty alleviation, but rather is also intended to further the interests of donors.

Lancaster bases her analysis on the four policy-making variables described above but gives special attention to the bureaucratic position of the aid agency. In her view, the position and influence of the aid agency within the bureaucratic structure plays a fundamental role in ODA allocations. By the same token, Lancaster concedes that institutional settings enable interest groups to access and cajole decision-makers. In addition to observing the four variables, Lancaster puts forward the need to analyse how ODA allocations are composed: by this she means how much is given, which are the target countries, which organisations are involved in ODA delivery, how resources are channelled, to which sectors, and under what terms and conditions ODA is given. She claims that breaking down ODA packages can provide information about the intention of donors, although her work does not go into this in detail.

Lancaster indicates that bureaucratic organisations are characterised by three interrelated factors. The first one is the degree of unification of aid responsibilities. For example, there may be several agencies with different roles, such as one in charge of policy-making and another one in charge of policy implementation. The second factor is related to the location of the aid agency within the broader bureaucracy: for example, if the agency is under the umbrella of the ministry of foreign affairs or trade, or under the presidency, its motivations would be different, and development and poverty eradication goals would become secondary to diplomatic, commercial or political interests. Finally, the organisation’s status within the bureaucratic hierarchy matters,

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meaning that depending on the level where the aid agency sits—for instance cabinet or secretary level—the stronger the agency’s autonomy and advocacy should be (Lancaster 2008, 51).

Lancaster notes that the more fragmented the bureaucratic structure, the less development-oriented are the ODA allocations. One of the main contributions of her analysis stems from her expertise and firsthand knowledge of the aid bureaucracy that she acquired as a senior USAID officer. Lancaster concludes that on one hand, the interplay of diplomatic and development objectives and domestic politics determines ODA policies in the selected case studies of her analysis and, on the other hand, that bureaucratic organisation has significant characteristics that shape the ODA policies of DAC donors.

3.2. Framing ODA policy-making: A.M. Van der Veen
The founding premise for Van der Veen’s analysis is that ideas about goals and purposes are central to ODA policy-formulation and its implementation. In the author’s view, the international relations literature emphasises material goals as the main purpose of development assistance and underestimates the influence of ideas, values and identity in policy-making. In Van der Veen’s argument, ideas are organised into three broad categories. The first one includes core values and beliefs that stem from national identity. The second group are cognitive and normative attitudes or frames, which Van der Veen defines as ways of thinking or ‘mind-sets’ in which identity, beliefs, values and ideas provide the background for policy-formulation. The third category refers to specific ideas about policy options. Van der Veen (2011, 27) indicates that frames become the connectors between core beliefs and values and ideas that are translated into public policies.

According to Van der Veen’s analysis, frames influence policy-making processes in Belgium, Italy, the Netherlands and Norway. Although international events had some impact on the frames of these countries, such influence was

32 Whereas being a senior bureaucrat within USAID is a major advantage for a clearer understanding of ODA models, it should not escape the reader that Lancaster’s background has a large influence on her views on ODA policy-making.
33 Van der Veen (2000, 2011).
rather small compared to the impact of the domestic context. This argument is
grounded on the fact that in Van der Veen’s case studies collective ideas
permeate into legislative debates thanks to the active involvement of
parliamentarians in ODA policy-formulation. In the countries of his analysis,
domestic ‘mind-sets’ consequently proved to be quite resilient despite
international pressures.

Van der Veen identified seven frames, or mind-sets, that range between self-
interest and selflessness (2011, 10):
1) In the security frame, donors seek to increase their physical security.
2) In the power and influence frame, donors aim to get or increase power by, for
example, gaining leverage over others, or winning allies and positions of
influence in international fora.
3) In the wealth and economic self-interest frame, donors pursue economic
interests.
4) In the enlightened self-interest frame, donors contribute to global public
goods, for example, peace, stability, environmental health, etc.
5) In the reputation and self-affirmation frame, donors aim to establish and
express a certain identity in international relations or to improve their
international status.
6) In the obligation and duty frame, the goal is to fulfil historical or role-related
obligations.
7) In the humanitarian frame, donors contribute to the wellbeing of and provide
relief to vulnerable populations.

Van der Veen’s work concludes that ODA allocations vary depending on the
salience of one frame over the others. This refers to the prominence of certain
core values and beliefs at a given point of time. These conclusions confirm
constructivist premises where emphasis is given to the role of ideas and values
and to the evolution of norms and institutions from policy instruments to state
goals. For Van der Veen, non-material goals are reproduced in mental frames
that are relevant to decision-makers and to public opinion and, consequently,
are translated into public policies. While Van der Veen’s focus was on one
variable, ideas, he concedes that other factors also impact on ODA policy-
making.
3.3. **The domestic politics of aid: E. Lundsgaarde**

Finally, Lundsgaarde’s analysis stresses the attributes of development constituencies, the quality of domestic institutions and intra-government politics as crucial factors that influence ODA policy-making in four case studies: Denmark, France, Switzerland and the USA. Lundsgaarde claims that interest groups have the largest influence in ODA policy-formulation, but further notes that without adequate institutional arrangements it is difficult to foster involvement in ODA policy-making by non-government actors.

In most of the case studies in Lunsgaarde’s work, development assistance has a low priority in public debate and is not generally very salient in budget negotiations either. On rare occasions ODA becomes the topic of electoral campaigns, but public opinion is usually ill-informed, leaving government actors a large margin of manoeuvre to shape ODA policies according to their own objectives. Institutional settings, however, open paths for lobby groups to advance their own agendas. The most involved interest groups in ODA policy-making are the NGO community, businesses and the bureaucracy itself.

NGOs represent the voice of vulnerable populations that do not have the capability to access decision-makers in donor nations. NGOs are often moved by moral beliefs, but also by their engagement in the field as subcontractors and by their dependency on funding. Bigger NGOs, usually with more resources, have a larger capacity to press for policy changes. Business lobbies engage in ODA through the implementation of projects, procurement, and especially when there is the potential to receive benefits, such as market access and investment opportunities. In some cases, private corporations and NGOs share similar interests and can align their agendas in favour of development goals, but in most cases business and NGOs see each other as competitors. Tension rises when deciding the allocation of monies: business lobbies, supporting commercial interests, push to channel ODA towards middle-income recipients where economic potential is larger; while poverty alleviation and development

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34 Lundsgaarde (2012).
interests drive NGOs to lobby in favour of ODA allocations to less-developed nations where development needs are larger. Businesses have more resources and often better access to policy-makers than NGOs, so they can more easily advance their agenda. In contrast, NGOs have moral authority and can gather greater popular support. Lundsgaarde defines the institutional settings as formal rules, compliance procedures and standard operating practices that structure the relationship between individuals, the polity and the economy. Institutional settings limit the power of actors and can counterbalance the fact that interest groups have limited resources to negotiate, for example, by establishing channels that provide access to decision-makers or by providing the means to cajole parliamentarians or the aid bureaucracy.

Lundsgaarde’s framework of analysis can be broken down as follows: 1) NGO-state relations, 2) interest groups politics, 3) institutional settings and 4) the influence of bureaucratic actors. On this last point, it must not be forgotten that bureaucrats also bargain to obtain larger budgets. His conclusions indicate that ODA outcomes are shaped by the preferences of government actors whose actions are constrained by institutional settings.

The reason I suggest combining the approaches of Lancaster, Van der Veen and Lundsgaarde is because, to fully understand ODA policy formulation, all variables need to be considered as elements of a single policy-making process. This is that lobby groups (the variable Lundsgaarde focuses on) are not able to access decision-makers and contribute to policy formulation without suitable institutional settings. ODA cannot be implemented without an adequate bureaucratic organisation (as Lancaster emphasises). Finally, non-material factors (to which Van der Veen gives most of his attention) give purpose to the formulation and implementation of development assistance policies. These elements become even more relevant when decision-makers and the public are able to transmit values, ideas and beliefs into policy-making through conducive institutional channels. As a result, the methodology and the focus of each of the three authors contributes to building a comprehensive tool for analysing the motivations behind development assistance which are the focus of this research.
As noted earlier, the scope of this research is limited to the outward expression of motivations for the provision of South-South Cooperation, therefore the nature of the internal policy discussion in the case studies is beyond this project. The state is not a monolithic entity, the discussion on the four policy-making variables exposes that there are debates and negotiations within the formulation process of development assistance policy, but the focus of this thesis falls onto the foreign expression of such internal processes, being this the motivations driving middle-income countries’ development assistance policies.

4. TRADITIONAL MOTIVATIONS IN MICs COOPERATION POLICIES

With the typology of traditional motivations driving ODA presented and each category explained, the four policy-making variables defined and analysed, and the approach of each author of reference examined, we can now turn to the analysis of MICs’ development assistance policies. The frame of reference presented in section one of this Chapter enables us to identify cases where development assistance provided by non-DAC donors are motivated by reasons similar to those of traditional donors.

Under the category of diplomatic and political motivations, Taiwan uses development assistance to seek international recognition in the same way that China offered foreign assistance to get a permanent seat on the UN Security Council in the 1960s (Kragelund 2008, 570-571). Venezuela tries to contest Brazilian leadership and US hegemony in the Americas, as well as challenging Western global dominance, through its cooperation program PetroCaribe (Burges 2007; Mawdsley 2012b, 167). Cuba seeks to promote Third World solidarity and anti-US support in exchange for Cuban development cooperation (Ojeda 2010a).

Moreover, emerging powers, such as Brazil, China and India all provide foreign assistance entwined with commercial interests, especially in countries endowed with natural resources and potential export markets (Kragelund 2008, 573-574; Naim 2007; Woods 2008, 14). In terms of cultural aid, some new donors offer development assistance to countries with shared cultural heritage to strengthen
political relations, as is the case with Mexican flows to Central America and Brazilian flows to Portuguese-speaking nations in Africa (Ayllón Pino & Surasky 2010; Shaw, Gaynor 2011, 7). Development assistance from Arab donors is often channelled to promote and strengthen Islam (Kragelund 2008, 565). Almost without exception and regardless of their level of development, developing countries are prompt to respond to humanitarian crises even when these happen in developed Western nations. Examples of this are the speedy assistance offered by developing nations to victims of hurricane Katrina in the Southern US and the earthquakes in Japan and New Zealand.

Most cooperation agencies in MICs are placed under the umbrella of the MFA. There are some exceptions, such as the case of China where the Ministry of Commerce is the leading coordinating agency, or Colombia where the cooperation agency is within the realm of the presidential office. Economic and commercial interests are the main driver of Chinese SSC and such motivations are coherent with its bureaucratic structure (Quadir 2013, 329). Colombia, for its part, has been an active supporter of SSC, hosting several international meetings on development assistance matters and strongly pushing for SSC to be included in the new aid agenda debate (Nivia-Ruiz 2010c). Such activism gives Colombia a higher profile in the international scene.

There are limited lobby groups that can exercise influence on emerging donor’s cooperation policies. In Brazil, SSC or horizontal cooperation is believed to be a tool to open markets and promote Brazilian investment, but these efforts are usually led by the Brazilian government and are at best weakly supported by the private sector. Despite the commercial imperatives, the Brazilian case is quite different to the practices of traditional donors, such as Denmark or Japan, where the private sector is strongly engaged in ODA policy-formulation. The Brazilian business sector had been operating in Africa long before the re-emergence of Brazilian SSC under the Lula administration (2003-2011) and it is not really interested in following the government’s latest incursions into Africa. While Brazilian corporations appreciate the potential that the African market represents, their lucrative interest seem to conflict with those of the government (source: interviews with senior government officer J and with M Saraiva UERJ).
While there are very good examples of civil society engagement in developing countries, NGOs are not really involved in SSC in the field. Civil society in some developing nations challenges the use of national resources to promote development in a third nation when there are still so many domestic demands to fulfil (Bracho 2015, 22; Walz & Ramachandran 2011). As a result, new donor governments do not usually publicise their development cooperation efforts (except for humanitarian assistance) and tend to allow only restricted access to development assistance policy-formulation.

Regarding institutional settings, policy-making is usually monopolised by government officers in the executive branch, a restriction that is even more pronounced in foreign policy due to the expertise concentrated in diplomats. There is some input from parliaments, but it is often limited and related to issues of high priority such as national security or matters associated with border management. International development cooperation policy is formulated within the realm of foreign affairs and frequently among a very small group of decision-makers. Channels to access policy-makers in MICs are relatively limited. While there are initiatives to increase exchanges with academia and civil society, these sectors believe that their views are not seriously considered by policy-makers. Finally, media is little interested in reporting issues related to foreign policy, let alone development assistance, with the exception of situations related to border security or humanitarian crises.

Development assistance, like other public policies, is influenced by the international and domestic context. International development assistance is a useful instrument of foreign policy and has become increasingly salient in the foreign policy weaponry of MICs. New donors have found in SSC a means to reach goals believed to be essential for their survival. The examples above demonstrate the use of SSC by MICs to advance their national interest in realist terms. In addition to this, the pursuit of non-material goals —including strengthening national self-esteem, acquiring prestige, improving international reputation, getting recognition from Northern countries, winning respect from peers and securing membership to the decision-making club— is equally, and often more, relevant to MICs than it is for traditional donors. The weight of these elements is enough to push MICs to implement domestic transformations. In
some cases, MICs follow reforms suggested by international regimes, such as changes in institutional settings, bureaucratic structures and delivery practices; while in some other cases, MICs prefer to conduct domestic transformations according to their own principles, as the evidence gathered in the case studies of this thesis shows. In the following section, I return to the importance of non-material factors in development assistance policy-making.

5. THE IMPACT OF NON-MATERIAL FACTORS ON THE FORMULATION OF DEVELOPMENT ASSISTANCE POLICY

ODA is a mechanism of foreign policy that receives strong influence from non-material factors. While the structure of the aid regime plays an important role on how states shape their policies, and therefore influences the international behavior of countries, non-material elements such as identity, image and self-perception are as important as structural factors (Barnett 2008). Countries try to behave in a way perceived as appropriate and acceptable to the international community, for instance the case of candidates to the EU (Abdelal et al. 2001; Hopf 2002; Subotic 2011). Nations choose to assist populations in need under the basis of ethical obligation or moral responsibility (Lumsdaine 1987). States act in a way that reflects positively on their national self-perception and on the perception of domestic constituencies (Kangas et al. 2014; Lundsgaarde 2012).

In the context of development assistance, norms and rules that initially were contested became generalised and, eventually, internalised by most DAC donors (Lumsdaine 1993). Today, ODA offered by traditional donors is a regular and expected feature of Northern countries' international action. Carol Lancaster (2007, 61) sums this as follows:

...the widely shared norm, in both rich and poor countries, that the governments of the former should provide concessional public resources to better the human condition in the latter gradually took shape and gathered strength in the second half of the XXth Century. By the end of the century, foreign aid was no longer an innovation but a common and expected element in relations between rich and poor countries.
Neorealists claim that the international system is anarchical in the sense that there are no hierarchical structures and all units are equal (Waltz 1979). As a result, the main interest of states is survival: as rational agents, states seek to acquire and increase power that in the realist view will provide them with security and will increase their chances of survival (Neack 2008). But states also seek secondary objectives, such as ambitions to conquer the world and the desire to acquire prestige, recognition and glory (Keohane 1986). In the countries presented as reference cases for the analytical framework of this research the image, prestige and reputation that donors aspire to acquire is a recurrent factor that has a strong influence on the formulation of ODA policies. The level of intensity varies from case to case, but it is a common feature in DAC donors, as seen by the prominence in ODA policies of Britishness, French rayonnement, Italian Grandezza, Japanese honour, German reputation, Danish welfare or Norwegian prestige (Lancaster 2007; Lundsgaarde 2012; Van der Veen 2011).

The desire for recognition, acceptance, respect, legitimacy, status and prestige drives states to comply with norms, to transform institutions and to behave in certain manners. Such practices serve as signals indicating to other actors whether a nation is member of a club or not. In this case, the membership refers to the club of ‘responsible actors’, which implies that they behave according to a role prescribed by the membership of this group. Abdelal et al. (2006) note that states conform to norms and roles in different ways: first, by mimicking the behaviour of other states; second, thanks to certain incentives, such as prestige or reputation, states conform to established norms; and third, via material incentives that can be gained through compliance with the said norms, for instance, membership in decision-making bodies or the signing of a trade agreement. In other words, states behave or implement domestic reforms according to what is expected as the appropriate behaviour of a grouping. In the case of ODA, states, and especially MICs, mimic peers and show that they are (or can be) respectable members of the community of nations by contributing to the fight against global ills.

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35 Belgium, Denmark, France, Germany, Japan, Italy, the Netherlands, Norway, Switzerland, the USA and the UK.
Development assistance is embedded in the practice of giving and receiving (Nair 2013, 637). The one who offers a gift appears to do it selflessly and it is believed that s/he does not expect anything in exchange. The receiver, however, falls into the debt of the giver and while perhaps the receiver cannot offer something material in return, while not automatic, its highly likely that s/he would reciprocate with loyalty, respect, recognition and honour. A similar phenomenon occurs between states: rich countries offer assistance on the grounds of ethical and moral duty, but somehow donor nations expect the recognition of their peers and the loyalty of recipient nations (Mawdsley 2012b, 146-147; Ndi 2010, 124). Despite arguments about detrimental effects on recipients, donors still maintain ODA as a state policy because it creates an addiction in donor countries (Bauer, P & Yamey 1982; Bueno de Mesquita & Smith 2009; Easterly 2006; Moyo 2009; Riddell 2013). As Ilan Kapoor (2008) puts it, the incentive of being recognised as a generous country looms large in the imagination of industrialised countries. In other words, donor nations get addicted to displaying an image of ‘doing good by doing well’ (Goldsmith, Benjamin E. et al. 2014).

Some schools of thought consider development assistance a weapon in the foreign policy armoury of states (Morgenthau 1962). Neorealists assume that states are rational agents and calculate their behaviour: under what is known as the logic of consequences, states assess the costs and benefits of their international actions and use these assessments to decide whether or not they will follow existing conventions. Similarly, constructivists contend that, under the logic of appropriateness, actors behave in terms of what ideational structures, such as regimes or aspirations for membership, suggest as the ‘right or appropriate’ thing to do (Abdelal et al. 2006; Barnett 2008; Hopf 2002).

Development assistance follows both the logic of consequences and the logic of appropriateness. According to the logic of consequences, donors offer ODA because it brings direct benefits, such as commercial opportunities, or indirect benefits resulting from global public goods, such as peace and stability. At the same time, if nations do not offer ODA they may pay an opportunity cost by, for example, missing out on new export markets or not gaining the support needed
to join an organisation. In contrast, under the logic of appropriateness donors offer ODA because it is the right and expected thing to do. States behave in an ethical way because it is believed to be ‘appropriate’ and accepted by the international community, or because it is an expected behaviour required for the membership to a certain cohort. In short, the behaviour entailed by offering ODA reflects positively on the international reputation of states and enables donor countries to become accepted as members of the club of responsible nations. At the same time, in the domestic realm ODA allocations can contribute to enhancing the image of donor governments and gathering support from domestic public opinion.

In the development-aid regime, assisting poor countries has become an expected role of richer nations. At first some donors were reticent to adopt this practice, but eventually ODA principles became internalised and institutionalised into ODA policies, as presented in the literature review section. Today, offering ODA is undertaken automatically by most Northern countries. In other words, donors behave based on their desire to gain acceptance and so calculate actions and follow conventions by complying with norms and adhering to regimes (Hopf 2002, 14). For example, candidates for entry to the European Union comply with standards that appear to be in common use among European states, including offering ODA packages.

In the case of MICs, offering development assistance is not yet a behaviour expected by peers, recipients or even domestic public opinion. It is the MICs themselves that are pushing for the provision of development assistance, so they can be identified as donors and, especially, be considered as ‘virtuous nations’. The aspiration of a state to become a member of a group and to obtain the respect of peers drives countries to comply with rules and adhere to regimes, which entails the transformation of domestic structures, including institutional settings, bureaucracy and practices. New donors assess that by offering development assistance, they can fulfil their desire for a good reputation and accomplish their aspiration of being considered respectable and influential global actors.
The examples presented in section four of this Chapter demonstrate that MICs offer development assistance with the aim of advancing the national interest in the same way as traditional donors. MICs also engage in development assistance to comply with rules and norms which enable them to seek membership in the group of ‘responsible global actors’. For both traditional and new donors, non-material goals such as prestige, self-esteem, reputation and respect, are significantly important for development assistance policy-formulation and implementation. Mawdsley (2012b, 162) goes so far as to suggest that both traditional ODA and SSC offer a narrative around a state’s identity. On the one hand, morality and charity become part of an obsession in the Western psyche with being seen as ‘generous’ nations; while on the other hand, SSC is based on solidarity and mutual respect, concepts that are strongly anchored in Southern imaginaries. The evidence presented in the case studies in the following chapters supports such arguments.

In this Chapter, I presented how I built the theoretical framework for this research. As earlier noted, academic research on motivations and on new donors is scarce, which led me to draw on existing studies about traditional ODA to build a framework of reference, which is summarised in Table 4 in section one of this Chapter. I then explained the role and importance of the four policy-making variables in ODA (institutions, lobby groups, bureaucracy and non-material actors), revising the approach of each one of the three authors of reference to present a comprehensive view of ODA policy-formulation processes. With the support of this frame of reference, I identified examples where MICs use SSC driven by traditional motivations. Finally, the focus turned to the role played by non-material factors and their strong influence on traditional ODA policy-making. I put forward examples of traditional donors and extended the analysis to the importance of non-material factors in SSC policy-making. This last point is especially relevant because of the limited material capabilities of MICs and their ambition for international reputation, respect and recognition.
Nations in general seek to conform to expectations so they can signal that they have the credentials to be a member of a group and that they behave according to the prescribed rules for membership. MICs rely on reputation as a cornerstone of their foreign action. Due to the desire to improve their image, reputation and prestige, consensus collector MICs are willing to implement domestic changes transforming institutional settings, bureaucratic structures, delivery practices and processes according to guidelines proposed by international regimes. However, consensus builder MICs conduct such domestic transformation within their own framework, rather than following international guidelines. In the case of development cooperation, domestic changes expose the aspiration of MICs to become donors and to obtain the reputation of reliable and responsible members of the community of nations, both to the eyes of the industrialised North and vis-à-vis to the Global South.

As previously noted, this frame of reference is the tool for the analysis of the two case studies of this research. It was also a crucial instrument to guide fieldwork and for isolating the variables and causal mechanisms that the researcher needed to observe during the collection of data and the analysis of case studies. By drawing on this framework, the focus of the research was directed towards the importance of non-material factors and how these influence development assistance policy-making and produce significant domestic changes in MICs. The impact of non-material factors in the domestic realm has such relevance that it drives MICs to transform institutional settings, bureaucratic structures, policy formulation procedures and delivery practices. In most cases, MICs conduct such transformations according to guidelines established by the group that MICs aspire to belong to. The influence of non-material factors in development assistance is even stronger on new donors than on traditional donors, as per the argument put forward throughout this research and supported by the evidence presented in the case studies below.
CHAPTER IV

SOUTH-SOUTH COOPERATION: a new ‘old’ trend?
This chapter introduces the second part of the thesis: the case studies. By looking at the cases of Brazil and Mexico, this research seeks to analyse the motivations behind the engagement of MICs in the provision of development assistance, especially when these nations face a myriad of domestic challenges. MICs’ motivations are similar to those of traditional donors, but with a shift in focus to the self-esteem and reputation dimension of the national interest. The respect, reputation and self-esteem aspects have a great impact on shaping institutional settings, bureaucratic structures, procedures and delivery practices of the SSC policies of MICs. The purpose of this chapter is to dissect the origins, ideology, principles, organisation and modalities of SSC to better understand its underlying motivations and the impact of the reputational aspect on SSC policies and domestic transformations. These elements will be presented against the backdrop of traditional ODA models laid in the theoretical framework.

The chapter is divided in two parts. The first part presents the emergence and evolution of SSC since its initial appearance at the 1955 Bandung Conference through to the first decade of the new millennium. This account navigates the
ideological foundation of SSC fifty years ago and its transformation into an assertive tool of foreign policy used by MICs to contest the hegemony and the regimes established by the West. In Sections 2 and 3, I return to ECOSOC’s definition of South-South Cooperation, introduced in Chapter I, and break down the guiding principles of SSC to explain how MICs use them to justify SSC and how traditional ODA and SSC compare to each other. Finally, I present the most representative modalities of SSC. Understanding the characteristics of SSC uncovers MICs’ ambitions to increase their visibility, gain respect from traditional donors and likely to win the admiration and loyalty of less-developed nations, as we will see in the case studies.

1. HISTORICAL ACCOUNT: THE RE-EMERGENCE OF SSC

South-South Cooperation is not new. It emerged more than fifty years ago, but what it is new is the rise of contributions and the increasing use of SSC as an assertive tool of foreign policy for middle-income nations (MICs) (Ayllón Pino 2013, 128; Chaturvedi, Fues & Sidiropoulos 2012). By the turn of the Millennium, MICs put aside the Third World solidarity that initially characterised SSC’s rhetoric to transform it into an instrument to gain respect, increase reputation and improve their image in the global scene. SSC’s original guiding principles that emerged from the Bandung conference are still essential to the discourse of new development partners, but the underlying motivations of SSC evolved, making SSC an assertive tool to advance the national interest of MICs. When SSC was initially framed under the conceptions from Bandung and the Non-Aligned Movement, developing countries challenged Northern regimes from the periphery. Now, in part due to MICs’ successes in becoming part of the global decision-making club, MICs have started challenging Western hegemony from within, as explained below.

According to Xalma (2013, 33-36), the evolution of South-South Cooperation can be organised in three stages. The first stage, from 1954 to the late 1990s, is characterised by economic and technical cooperation: negotiation of projects usually took place within broader frameworks of economic and political dialogue between developing nations. In the second stage, from 2000 to 2007, SSC re-
emerged, the number of new donors multiplied and South-South contributions grew. Finally, the third stage, from 2008 to the present, is characterised by the boom of SSC initiatives and is considered a breakpoint, since SSC stopped being treated as a marginal practice and was given a more central place in the aid-development agenda.

The origins of SSC go back to the 1955 Asian-African Conference held in Bandung, Indonesia. The Summit revealed the existence of a Southern conscience and opened a window for Third-World nations to voice their concerns (Bracho 2015, 5). Southern relations became both the objective and the means to foster political dialogue, to increase influence in international organisations and to reduce asymmetries in the global economy. Developing countries realised the need to join forces and take advantage of Southern cooperation as a way to emancipate themselves from the industrialised North and to find suitable solutions to Third-World problems (Morais de Sa e Silva in Roy, Rathin & Andrade, Melissa 2010).

The Bandung Conference occurred in the context of a polarised world and during the post-war wave of decolonisation (Bracho 2015, 6; Leite 2012, 14). In the spirit of Bandung, cooperation was conceptualised to reinforce relations between Southern nations against the North. Nonetheless, developing nations recognised the need for Northern resources and technology to foster economic development (Ayllón Pino 2013, 21; Bracho in Chatham House 2012; Xalma 2013, 33). Bandung officially gave birth to a Third-World conscience and to Southern solidarity. From this moment on NS ODA and SSC evolved as two parallel practices (Ayllón Pino 2013; Bracho 2014; Herbert 2012; Tortora 2011).

During the 1970s, Third-World countries favoured Southern cooperation initiatives as one of the tools to promote self-reliance, self-sufficiency and endogenous development (Morazán, Sanahuja Perales & Ayllón Pino 2011, 105). The spurt of Southern cooperation activity that emerged in these decades was mainly due to the collapse of the Bretton-Woods international monetary system, the rise of commodity prices, the first signs of détente, the wave of
decolonisation and the enthusiasm around dependency theories put forward by Prebisch and UN ECLAC (Ayllón Pino 2013, 29).36

Major Southern development initiatives were carried out in the 1970s: the Tazara railway between Tanzania and Zambia was built by China (Kragelund 2014, 150); Mexico offered India improved seeds that were used during the ‘Green Revolution’ (Figueroa Fischer 2014, 41; Leite 2012, 10); Arab countries, such as Kuwait, Saudi Arabia and the United Arab Emirates, established development funds to provide grants, loans and technical assistance (Mawdsley 2012b, 66); Brazilian cooperation to Guinea Bissau started in the domains of education, health, public service, police and military capacity building, agriculture, trade and industrial training (source: interview with senior diplomat posted to Brasil T); and Cuba started exporting its social model and promoting capacity building to countries in Latin America, Africa, Asia and the Pacific (Ojeda 2010a).

In the 1980s, SSC lost impetus due to the oil shock, the debt crises and the exhaustion of the import substitution industrialisation model, all of which highlighted the need for economic reforms and led to the implementation of neoliberal principles through structural adjustment programs (Leite 2012, 12; Tarp & Hjertholm 2000). Developing countries neglected the potential of SSC and instead focused on their own recovery. Nevertheless, by the end of the decade economic revival and technological progress allowed developing nations to slowly retake SSC efforts (Ayllón Pino 2013, 36-37).

In the 1990s, traditional ODA was marked by ‘aid fatigue’ resulting from budgetary constraints and the challenges posed by the implementation of aid effectiveness principles (Kharas 2009, 12; Moyo 2009, 25; Thorbecke 2000). The declining of traditional ODA due to aid-fatigue opened a window of opportunity for new donors, resulting in a resurgence of SSC (Cabral & Weinstock 2010b, 24). Steady economic growth observed at the beginning of

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36 Raul Prebisch and the CEPAL school contended that cooperation through economic integration would enable developing countries to take advantage of the economies of scale offered by larger markets, as well as, fostering technical and knowledge exchange (Couto 2007, 51; Flechsig 1991, 100).
the decade in some emerging economies contrasted with rampant poverty and deteriorating macroeconomic conditions in most of the developing world. The consequences of the Mexican, Russian, Brazilian and Asian financial crises were echoed by social movements such as the Zapatists in Mexico, the Bolivarian revolution in South America, and the African Renaissance, which forced developing nations to seek alternative models to neoliberalism to stimulate socio-economic development (Martínez 2011, 11; Ndi 2010, 128; Sethi 2011, 72).

By the end of the 1990s, developing countries found themselves marginalised from the benefits of globalisation and therefore questioned the success of the neoliberal model promoted by Western international financial institutions. This sentiment was reinforced by the rise of newly industrialised countries in Asia (the ‘Asian tigers’) that demonstrated the value of state involvement to foster the knowledge and technology required for endogenous development. At the end of the decade, SSC re-emerged with impetus. The neoliberal doctrine, structural adjustment programs and their consequences exposed the need to seek alternatives models to promote economic development (Leite 2012, 16, 21). Developing countries rejected the idea of a single superior model of development proposed by the West and stressed the importance of each nation implementing a model suitable to its own conditions (Argawal in Chaturvedi, Fues & Sidiropoulos 2012, 38; Mawdsley 2012b, 77; Six 2009, 1106-1107, 1109). As a result, SSC gained momentum during the first years of the new millennium.

A growing number of new donors and renewed SSC efforts translated into larger flows, additional modalities and a greater number of South-South initiatives. Xalma (2013, 26) notes that the new millennium was characterised by the displacement of MICs as ODA recipients in favour of LDCs, the emergence of dual actors (both providers and recipients), and the boom of SSC initiatives. In the view of Ayllón Pino (2013, 16), the re-emergence of SSC during this period resulted from: 1) MICs’ sustained economic growth; 2) the growing share of emerging powers in global GDP; 3) the success of MICs’ economic, social, technical and scientific public policies; 4) the formulation and implementation of more assertive foreign policies by MICs; 5) the rising
influence in global politics of Southern coalitions, such as BRICS; and 6) more resources and increased institutional capacities that allowed Southern countries to reinvigorate bilateral relationships. In brief, MICs relegated the romanticism of Southern solidarity characteristic of the second half of the 20th Century to a rhetorical device and transformed SSC into an assertive instrument to advance foreign policy interests and, especially, to increase their global presence and improve their international image.

By the beginning of the millennium, SSC slowly gained a more central position in the aid-development agenda rather than just being a marginal practice. On the institutional side, pressure grew on traditional donors to recognise SSC (Ayllón Pino 2013, 42). The first instance was at the 2002 Development Finance Conference in Monterrey, where SSC and triangular cooperation were identified as sources for development financing. In 2003, the term SSC was coined and in that same year UNDP created the Special Unit for SSC. In 2008, the UN Development Cooperation Forum emerged within ECOSOC as a space for discussions on development and cooperation. That same year the Accra Action Agenda (AAA) sponsored by the OECD recognised the contributions of SSC and encouraged Southern providers to implement the aid-effectiveness principles stated in the 2005 Paris Declaration. The AAA also reiterated the complementarities between ODA and SSC. In 2010, OECD created the SSC-Task Team, in which developing countries, such as Colombia and Indonesia, led some discussions. Similarly, the 2010 G20 Summit final declaration recognised the potential of SSC and the importance of creating synergies with traditional ODA practices (Ayllón Pino 2013, 33-34; Bracho 2015, 28; Davies 2011, 28; Schulz 2010, 3; Tortora 2011; Xalma 2013, 35). These initiatives to include SSC in the agenda of international specialised forums are backed by both traditional donors with an interest in coercing new development partners into aid-effectiveness principles, and by traditional donors hit by the GFC who are keen to share the burden of development financing with emerging economies. By the same token, most MICs saw in SSC a way to gain visibility, respect and influence in the international arena.

The differences between SSC and ODA were officially acknowledged in the 2011 Busan High Level Forum sponsored by the OECD. According to Bracho
(2014, 104; Chatham House 2012), the recognition and inclusion in the aid agenda of the concept of SSC and the existence of new providers, opened a path for better understanding of the differences and complementarities between SSC and ODA. In Busan the principle of ‘shared but differentiated responsibilities’ was adopted in the development-aid sphere (Bracho 2015, 21, 35; Mawdsley 2012b, 217). This meant that, while developing countries contributed to global development and poverty eradication, their limitations had to be considered. New development partners argued that they could not be evaluated under the same standards as traditional donors. Even though the principle of shared but differentiated responsibilities had been used in other international discussions, including climate change, traditional donors and Western institutions seemed sceptical of the real commitment of new donors to international development assistance. The DAC and its associated states believed that this was only a strategy from new donors to overlook international standards, such as aid-effectiveness, respect for human rights and environmental preservation (Chatham House 2012; Chaturvedi, Fues & Sidiropoulos 2012, 9; Eyben & Savage 2012, 460; Kharas & Rogerson 2012, 211; Kim, S & Lightfoot 2011, 34; Rowlands 2008, 245; Soria Morales 2011, 100).

The new development partners welcomed the recognition of SSC and the new category of dual actors (both as recipient and as provider), but argued that, while the Busan outcomes had a larger scope than the meetings of Paris and Accra, such initiatives were still engrained in Western narratives (Bracho 2015, 35). On the one hand, the new development partners claimed that after the 2008 GFC the West had lost its moral authority and emerging powers had increased their global influence. And on the other hand, ODA seemed to be anchored in the precepts of economic growth, poverty alleviation and neoliberalism. New donors contended that development was a multi-dimensional phenomenon that goes beyond the mere fight against poverty and promotion of economic growth, and that SSC was conceived under a broader approach (Eyben & Savage 2012, 465, 467). In other words, MICs claimed that SSC has a more holistic approach than traditional ODA.
Emerging donors proposed the creation of a space for discussions where ODA and SSC were seen as complementary practices. Most developing countries agree that the UNDCF is a suitable platform for SSC discussions but this initiative has not gathered enough traction, partly because universal membership and the slow UN bureaucracy hinder the ability to easily reach consensus, especially as the UN is unable to grapple with the differences between Southern countries (Bracho 2014, 107; Prado Lallande 2015, 5; Schulz 2010, 2). As expected, traditional donors were clear they would prefer to concentrate their discussions within DAC-associated platforms and to promote the application of aid-effectiveness principles. Some of the major new donors, often consensus builders, prefer to keep a lower profile in these discussions to avoid alignment with international commitments and to maintain autonomous practices. Conversely, smaller new donors, usually consensus collectors such as Mexico, Chile, Indonesia, Egypt, Turkey and Colombia, engage in initiatives proposed by the DAC, for instance, the SSC Task-Team and the Global Partnership for Effective Development Cooperation but, without the participation of most donors, and especially the major emerging providers, these initiatives have limited legitimacy (Maruri 2010; Schulz 2010, 4). Other platforms, such as BRICS or IBSA, lacked representativeness and failed to gather enough support to challenge the DAC (Quadir 2013, 332). The G20 could perhaps present a viable option, but only a few of the new development partners are members of this Group (Davies 2011, 14; Kharas 2011, 5).

The 1955 Bandung Conference was the first step by countries in the periphery to challenge the dominant system, to restructure inequalities and to eliminate the North-South gap (Golub 2013, 1004). As developing countries looked for autonomous models of growth, SSC appeared as a space for the exchange of experiences, knowledge, technology, resources and the know-how that fosters the development of national capabilities. By the same token, SSC became more attractive to recipient nations since it offered suitable solutions to their circumstances. Because new donors face similar domestic challenges, recipients are more likely to mirror practices successfully implemented by new donors, rather than those solutions imposed by Northern countries (Park 2011, 39). Today, SSC offers recipient countries viable alternatives for developing nations and additional resources to foster economic development. In addition to
benefits for recipients, new partners increasingly use SSC as an instrument to advance foreign policy interests, including gaining respect and reputation and improving self-esteem and international image.

Throughout this account, we can observe how SSC has a different historical background from traditional ODA. Both traditions evolved in parallel but developed around different understandings, as noted in the background and literature review in Chapter II (Bershanti 2013, 18; Chatham House 2012; Tortora 2011, 1). At this stage, whilst there is some progress on the recognition of the benefits offered by SSC and the importance of emphasising complementarities with ODA, there is still limited understanding of the motivations driving SSC. Today, both ODA and SSC are considered instruments to advance the interest of the provider, the key difference being the emphasis given by MICs to self-esteem, reputation, respect and prestige. In the following sections, I will present the differences between SSC and ODA in terms of guiding principles, definitions and practical modalities. This, in turn, will provide elements to better understand the motivations driving MICs' engagement in development assistance put forward by the case studies in the following chapters.

2. CHARACTERISTICS OF SSC: IS IT DIFFERENT TO ODA?

According to the definitions in the conceptual framework of this thesis, SSC and ODA both seek to promote economic development and to improve the welfare of populations through the transfer of public resources to third countries. However, since the items included in each of the two concepts vary, it is difficult to compare them in terms of financial and material contributions. The DAC states that ODA should have at least a 25% grant element and should not include military aid, some aspects of peacekeeping operations, counter-insurgency and counter-terrorism support, social and cultural initiatives, military applications for nuclear energy and anti-terrorism activities (OECD 2012c). For its part, SSC includes grants and concessional loans, financing of projects, programmes, technical cooperation, debt-relief, humanitarian assistance and
contributions to multilateral institutions and development banks (ECOSOC 2010).

SSC providers have not agreed on a definition, let alone on a quantifying methodology, standards or practices. Some new development partners, for instance Brazil or India, are quite critical about the practices of other new donors, such as China, and prefer to keep their distance from them (source: interview with senior government officer J). Most emerging donors organise their cooperation efforts under common principles, however, their offer encompasses a diverse range of modalities, which makes quantification and comparisons difficult (Cabral & Weinstock 2010a, 24; Mawdsley 2012b, 263; Six 2009, 1110). Most new donors are still attached to the guiding principles of SSC that emerged in the 1955 Bandung Conference, were reaffirmed by the 1978 BAPA\textsuperscript{37} and restated by the 2009 UN High-Level Conference, which are as follows (UNDP 2012):

- Respect for national sovereignty.
- Non-interference in domestic affairs.
- Promotion of national ownership.
- Partnership among equals.
- Non-conditionality.
- Mutual benefits.
- Mutual accountability and transparency.
- Development effectiveness.
- Coordination of evidence- and results-based initiatives.

Development partners also agree that SSC is characterised by its voluntary nature as a sign of solidarity to other nations. SSC is usually demand-driven, so Southern providers claim to quickly address the needs of recipients, even though SSC is often framed under high-level visits and projects are agreed between high ranking officials who have limited knowledge of the real needs of

\textsuperscript{37} The 1978 Buenos Aires UN Conference on Technical Cooperation between Developing Countries gave birth to the Buenos Aires Plan of Action (BAPA). The Plan represented the theoretical foundation and the practical guide for technical assistance, indicating that SSC should contribute to respond to challenges faced by developing nations, especially self-reliance (UN SU/TCDC & Countries 1994).
the population and the capacity of recipients to absorb aid resources (Ayllón Pino 2013, 47; Bershanti 2013; Bracho 2015, 7; Chaturvedi, Fues & Sidiropoulos 2012, 9). So, despite the narrative attached to it, in practice SSC is not really demand-driven, but rather allocated depending on the purpose of the provider.

Southern providers claim that SSC’s guiding principles are aligned with aid-effectiveness. When Southern providers stress respect for the principles of national sovereignty, non-interference in domestic affairs and the horizontal character of SSC, they claim to foster ownership and harmonisation, as suggested by the Paris Declaration (Bracho 2015, 8; Cabral & Weinstock 2010b, 26). *Respect for national sovereignty and non-interference* is presented as a means of opposing colonialism and foreign intervention. Traditional ODA is perceived as a form of neo-colonialism; in contrast, SSC claims to respect the sovereignty of partners by avoiding interference in domestic affairs (DuBois 1991, 3; Eyben & Savage 2012, 462; Prado Lallande 2009, 42). Some MICs, however, intervene in the domestic affairs of smaller nations, for instance, Brazil in Guinea-Bissau (Abdenur, A E & de Souza Neto 2013b).

MICs contend that allowing greater involvement by the beneficiary results in increased *harmonisation* of national priorities, larger *ownership* and better use of local expertise and domestic resources (Bracho 2009, 9; Maruri 2010, 16-17). The emphasis on *horizontal* partnerships as opposed to hierarchical relationships is key for the discourse of Southern providers (Schulz 2009; Xalma 2013). SSC is presented as a partnership instead of an imposition based on asymmetries, as ODA is perceived by developing nations. By the same token, recipients praise the virtues of SSC because they believe new donors treat them like equals rather than former subjects (Carrillo & Vazquez 2014, 12; Jung, Makino & Kharas 2011, 47; Mawdsley 2012a, 234; Pauselli 2013, 4; Roussel 2013, 814; Walz & Ramachandran 2011, 17). The discourse of MICs, however, is not always in tune with practice. While SSC implies the involvement of two developing countries as partners, their level of development and political influence is not always equal, so that in reality recipients of SSC are not at an equal level, but rather in a situation of subordination to new donors.
CHAPTER IV

The SSC principles of *non-conditionality* and *mutual benefit* contrast with ODA practices of tied-aid and conditional schemes. SSC claims to create win-win situations (Bracho 2015, 7; Carmody 2013, 134; Maruri 2010; Tortora 2011). New development partners believe that their status as middle-income countries and developing nations ‘justifies’ their right to mutual benefits (Cabral & Weinstock 2010a, 26). Nonetheless, wins from SSC are not necessarily equally distributed. For instance, the lines of credit offered by India and China at preferential prices are often more advantageous to those providers than to the recipients (Mawdsley 2012b, 118; Rowlands 2012, 638). Examples like this are evidence of the use of SSC as an instrument to advance MICs’ foreign agenda in a similar manner to that of traditional donors.

Under the banner of *national ownership* and *mutual accountability*, SSC aims to promote recipients’ involvement in cooperation initiatives (Davies 2011, 4). Development partners contend that SSC must promote self-confidence and self-reliance, and that recipients’ engagement in all stages of projects is a way to achieve these ends (Bobiash 1992, 9; de Abreu 2013, 3; Eyben & Savage 2012, 459; Gore 2013, 773; Leite 2012, 23; Nel & Taylor 2013, 1092).

In terms of *results-based* initiatives, SSC is presented as having a stronger *development approach* and as being more cost-effective than traditional ODA. New development providers claim to have a more comprehensive approach based on development, rather than just poverty alleviation as in the case of traditional ODA (Mawdsley 2012b, 129). MICs argue that SSC should be assessed on the progress made in terms of development and economic self-reliance instead of only on reductions in the number of people living under poverty lines (Roussel 2013, 807). Without considering comprehensive definitions of poverty and development, it would be difficult to achieve this goal (source: interview with UN officer). However, some progress has been made in this regard: traditional donors recognise that ODA by itself cannot ensure development and that ODA must have a broader approach to ensure maximal benefits. MICs believe that policies, such as trade, agriculture, investment, energy, security and migration, must be aligned under a single development perspective to give SSC a comprehensive approach that at the same time justifies the donor’s ‘right’ to mutual benefits (Bershanti 2013, 17; Davies 2011,
Unfortunately, the 2015 Addis-Ababa Action Agenda failed to officially include the use of multi-dimensional concepts to define poverty and development, despite great insistence from MICs (AMEXCID 2015a, 18).

In the view of MICs, SSC is more cost-effective than ODA. Most SSC contributions are based on technical assistance offered by expert staff and using local domestic resources, instead of calling in foreign consultants or using imported goods as ODA does. SSC pursues closer collaboration with recipients, by identifying common challenges. Emerging donors have greater familiarity with the context of recipients and therefore their solutions are believed to be better suited to the problems faced by recipients than the solutions offered by traditional ODA donors (Abdenur, A E & Fonseca 2013, 1484; Burges 2012, 27; Cabral & Weinstock 2010b, 2; Davies 2010b; Gore 2013, 774; Roy, Rathin & Andrade, Melissa 2010, 19; Schulz 2009, 6).

MICs present SSC as more developmental than traditional ODA. SSC is portrayed as detached from self-interest, when in reality it is not. SSC is believed to be fairer than ODA because it is rooted in self-determination and solidarity, rather than in moral duty resulting from colonial ‘guilt’. SSC’s advantages over traditional ODA result from a better understanding of the priorities and challenges faced by LDCs (Park 2011, 49). New donors promote the discourse of solidarity and mutual benefits as founding stones of SSC, while in reality foreign policy interests permeate such initiatives. While SSC was born from Third-World solidarity, today new development partners put aside solidarity and present a discourse based on ‘win-win partnerships’ in which new donors are able to advance their foreign policy agenda (Mawdsley 2012a, 256; Morazán, Sanahuja Perales & Ayllón Pino 2011), as it will be exposed in the case studies.

Developing countries stress the horizontal character of SSC in contrast to the hierarchical relations and imposition that characterises traditional ODA (Sanahuja in Roy, Rathin & Andrade, Melissa 2010). In reality, there are large asymmetries between donors and recipients of SSC. It is not fair to assess
MICs, LDCs or highly indebted poor nations against the same criteria. As pointed out by Nivia (Morazán, Sanahuja Perales & Ayllón Pino 2011, 24), new development providers tend to exaggerate altruistic discourses, when in reality SSC clearly underpins foreign policy objectives resulting in domination by bigger nations. In other words, Southern providers have learned to exploit the virtues of SSC to advance their foreign interests in the same way traditional donors use ODA. Despite good intentions, emerging donors, just like traditional donors, do not always have the recipient’s best interest at heart. While the Bandung principles emerged as a reaction to colonialism and foreign interference, today SSC has become an instrument to advance MICs’ foreign policy interests despite the rhetoric attached to it (Tortora 2011).

These critiques aside, the rise of MICs as development providers is inciting changes in the international development assistance architecture (Bracho 2015, 12). The incursion of new providers in development assistance efforts results in a larger pool of resources. In addition to schemes with less conditionality, SSC combines with direct investment and market opportunities that are more attractive to LDCs (Gore 2013, 770). Such new alternatives offer recipients leverage to negotiate with traditional donors and IFIs, and at the same time recipients become invaluable sources of support for MICs in international fora. Some traditional donors and the DAC argued that SSC was detrimental for LDCs, claiming it delays the implementation of structural reforms that, in Western opinion, are crucial for sustainable development (Davies 2011, 6). Moreover, some new development partners’ schemes are said to be characterised by a lack of transparency, disregarding social and environmental standards and compliance with aid-effectiveness principles, all of which according to the DAC and its members undermine efforts towards good governance (Davies 2010b, 65; Quadir 2013, 331; Six 2009, 1114). MICs, for their part, defend their practices on the basis of ‘non-interference’ in the domestic affairs of recipients.

New development partners are driving silent changes to the development assistance regime. Whilst financial contributions are still low, their incursion into the aid regime is provoking reactions from and preventive actions by traditional donors. Such changes are gradually transforming North-South ODA practices,
as demonstrated by the increasing participation of traditional donors in triangular cooperation (sources: interview with foreign diplomats V, W, Z and AA posted to Brazil and Mexico; Roussel 2013, 810; Schulz 2010, 2) and the linkage of trade practices to development assistance allocations (Browne 2000; Lancaster 2007; Lundsgaarde 2011a; Pratt 1999; Shaw, Gaynor 2011; Solheim 2013). These illustrations show that, even when there are conceptual differences, somehow in practice ODA and SSC are becoming more similar (Bracho 2014, 111).

3. HOW DO DEVELOPMENT PARTNERS OFFER SSC?

We now turn to the modalities of SSC that reveal the emphasis given by MICs to international image, reputation, respect and recognition. The bulk of SSC is conducted bilaterally because MICs believe that their visibility would be reduced when engaging with multilateral bodies (Ayllón Pino 2013, 51; Kim, E M & Lee 2013, 787; Quadir 2013, 334; Rowlands 2012, 644). The same rationale applies to triangular cooperation, although this perception has gradually changed. MICs claim that traditional donors’ involvement in development projects overshadows Southern contributions. In recent years, however, traditional and emerging donors have realised the potential that exists in the complementarities of SSC and ODA (Ashoff 2010; OECD 2009) and the opportunity to expand their presence and visibility.

In general, the first countries that SSC targets are their neighbours, as MICs usually have common challenges and a better understanding of culture, language and priorities in their immediate region (ECOSOC 2008, 17). SSC helps to enhance regional ties, and for this reason South Africa directs most of its aid to African countries; Mexico to Central American and Caribbean nations; India offers most of its cooperation to Bhutan, Afghanistan and Nepal; and Turkey to the Caucasus, Central Asia, the Balkans and Eastern Europe (Davies 2010c, 33-34; IPEA & ABC 2013, 19; Jung, Makino & Kharas 2011, 43-46). However, new development partners are increasing their cooperation with countries outside their immediate neighbourhood, such as the case of Brazil with Portuguese speaking African countries, Turkey with East Africa, and China
and India with Africa (Ayllón Pino 2013, 51; Burges 2014; Davies 2008, 4; Harte 2012; Stolte 2012). This shows the desire for further engagement in global challenges and the ambition of MICs to be perceived as global actors.

Besides reasons of shared geography, historic legacy and cultural affinity, emerging donors allocate SSC according to strategic objectives and commercial priorities (Mawdsley 2012b, 112). MICs believe that bilateral trade is an important incentive for development assistance flows. Financial tools associated with commercial exchanges—such as concessional loans, lines of credit and debt relief—are used to access markets and open investment opportunities, as seen in schemes implemented by China, India and South Korea’s export-import banks (Ayllón Pino 2013, 51; ECOSOC 2008, 20; 2012, 25). As expected, these tools rarely meet the conditions set by the DAC to meet the definition of ODA (Mawdsley 2012b, 117-118). Due to the lack of reliable data on SSC flows, it is difficult to identify direct links between SSC and trade and foreign direct investment. MICs, however, argue that SSC improves relations between partners and therefore it is not surprising that trust and mutual understanding gained through development cooperation can permeate to other bilateral aspects such as trade and investment (Maruri 2010, 21; SEGIB 2012, 15). In other words, SSC paves the way for closer relations between developing countries and, as noted earlier, SSC slowly becomes an effective way for MICs to ensure loyalty, support and alliances from recipient nations.

In contrast to traditional ODA, Southern providers suggest that SSC is based on partnerships with mutual benefits, so they justify incorporating other aspects besides development assistance. New donors argue that mixing SSC with practices such as trade is intended to foster sustainable endogenous development (Carrillo & Vazquez 2014, 16; Mawdsley 2012b, 35). In contrast, most traditional donors and international organisations contend that mixing trade with development assistance undermines aid-effectiveness and governance progress; besides distorting markets, a predominance of trade interests in development cooperation can overtake poverty reduction and good governance goals (Carothers & De Gramont 2013, 9; Six 2009, 1114). In addition, the DAC and its members contend that SSC is usually offered without conditionality and therefore recipients may put off reforms deemed necessary
for long-term development. Furthermore, DAC donors and IFIs are sceptical of SSC because of alleged support to ‘rogue’ regimes (Carmody 2013, 119; Naim 2007; Walz & Ramachandran 2011, 8; Woods 2008); however, such arguments are hypocritical since DAC countries maintain relations with these nations and, while not always in the form of ODA, Western multinational corporations often operate in so-called ‘rogue’ countries (ECOSOC 2008; Mawdsley 2012b, 116-118).

SSC is based on the success and advantages of MIC economic models. In the initial stages new development partners usually offer assistance in productive sectors, filling gaps in domains abandoned by traditional donors who have directed ODA towards social sectors (Ayllón Pino 2013, 51; Chaturvedi, Fues & Sidiropoulos 2012, 24; ECOSOC 2008, 25; Kragelund 2008; Lundsgaarde 2011b, 2; Mawdsley 2012b, 129). The 2017 SEGIB report on Latin America’s SSC notes that over half of development cooperation initiatives in the region were in economic sectors, including agriculture, fishing, trade, tourism, transport, communication and energy infrastructure (Davies 2010b, 41; ECOSOC 2012, 52; SEGIB 2017). New development partners engage in social sectors, too, for example, the case of Brazil exporting its social program ‘Bolsa Familia’ or Cuba’s involvement in capacity building and the training of health practitioners (Davies 2010b, 45-46; Ojeda 2010a; Stolte 2012, 13).

Other modalities of SSC include large high-profile construction projects, such as stadiums, conference centres and buildings to host parliaments, ministries or official residences. These public works are not development priorities at all, but recipient countries see them as a sign of modernity, dignity and respect. New donors, for their part, perceive these big construction projects as symbols of solidarity and, of course, as a sign of their prestige as sophisticated countries and as donors (Davies 2010c, 41; Mawdsley 2012b, 135). As a result of these kind of projects, concerns about SSC practices are raised not only in relation to social and environment standards, but also with respect to the long-term focus of new donors and their real contributions to the economic development of recipients (Davies 2010c, 44). Despite the limited impact of high-profile buildings on the development of nations, this sort of project symbolises the soft-power that enables emerging donors to increase their level of persuasion and to
gain support from LDCs (Ayllón Pino et al. 2013, 51). These examples further demonstrate the instrumental use of SSC as an assertive tool to advance foreign policy interests and to signal the importance MICs give to reputation and prestige.

Because technical assistance is the scheme most frequently used by Southern donors, definitions of SSC often narrow it down to technical assistance only, as noted in the conceptual framework in Chapter I. Such definitions mistakenly overlook other aspects, and neglect the diversity of SSC schemes (Bracho 2015, 28; Kharas 2007, 7). Technical assistance makes use of the comparative advantages of developing countries (Mawdsley 2012b, 129); the key strength of SSC in contrast to ODA is the expertise developed by new donors and its ability to adapt and transfer techniques for the fruitful use of other nations. According to Cabral and Weinstock (2010a, 2), technical assistance refers to the transfer, adaptation or facilitation of knowledge, ideas, technologies and skills, and its main objective is capacity building. Confirming its importance, the Accra Action Agenda recognised technical assistance as a key practice to achieve endogenous development in developing nations (Schulz 2009, 2; Walz & Ramachandran 2011, 20), but also as a tool to advance national interests.

Technical cooperation can be a stand-alone element or part of a broader program. It can be offered in the form of consultancies, donations of equipment and tools, education and training, scholarships, study tours and familiarisation visits, research collaborations, provision of skills and know-how or transfer of technology (Mawdsley 2012b, 122). The low cost of technical assistance resides in the engagement of experts from developing countries and the use of local resources rather than hiring foreign consultants, as traditional ODA usually does (Bobish 1992, 157). Critics of technical assistance believe that it is not a very efficient way to foster development. In the opinion of Easterly and Pfutze (2008) technical assistance is not cost-effective and lacks transparency.

Another scheme that is often used by new donors is ‘cooperación compensada’, which consists in offering SSC in exchange for goods, services or technology. This modality has been frequently used by Cuba which, for instance, offers training to health practitioners in exchange for oil or other goods at preferential
prices (Ojeda 2010a). The Cuban cooperation was born out of a need for the island to foster autonomy and self-reliance, but at the same time Cuban SSC became a powerful tool to win allies (Feinsilver 2008; IBON 2010).

Humanitarian assistance comprises a significant share of SSC. Traditional donors, MICs and LDCs all provide humanitarian cooperation regardless of whether crises occur in the industrialised North or in the Global South. Some examples of Southern humanitarian assistance are Sri Lanka and Cuba’s offer to the US after the 2005 Hurricane Katrina, or Mexican and Indian assistance to Japan after the 2011 tsunami (Mawdsley 2012b, 115). Morgenthau stated that humanitarian aid is the only kind that is not political, but can perform a political function (Morgenthau 1962). Countries such as Mexico, Turkey, Nigeria, Kenya, Indonesia and Venezuela assertively use humanitarian interventions to advance foreign policy interests and gain international exposure (Mawdsley 2012b, 103). This suggests that humanitarian assistance provides new development partners with further legitimacy, greater visibility, increased presence in a certain region and of course the good reputation of being nations engaged in the fight against global challenges (Lucatello 2011, 172).

Triangular cooperation has become popular for both traditional and emerging providers. Donors value the complementarities of SSC and ODA and the potential of joint cooperation to maximise the impact in recipient countries (Morais de Sá é Silva in Roy, Rathin & Andrade, Melissa 2010). This kind of project involves the participation of two donors, usually a traditional donor and an emerging donor. Some new donors, especially those seeking further autonomy through SSC, are reluctant to engage in these initiatives, usually due to fear of being coopted into Western-like principles and being overshadowed by larger donors (Lundsgaarde 2011a). In other words, new donors use SSC as a tool to increase their visibility and gain respect and reputation but believe that participating in triangular cooperation would not offer the same benefits in terms of reputation and respect that bilateral cooperation does. A further practical consideration is that triangular cooperation presents difficulties mostly related to coordination, transparency and accountability (Ashoff 2010, 23).
As will be noted in the following chapters, traditional donors promote triangular engagement with new donors who have previous experience in bilateral ODA. For instance, Japan partnered with Mexico and Brazil to implement projects in Central America and Portuguese-speaking Africa, respectively; Spain executed projects with Argentina in South America; and the UK joined Brazil in capacity building initiatives with African nations (OECD 2009). Multilateral organisations such as the UNDP, the World Bank and regional development banks also engage in triangular projects with MICs. Ashoff (2010, 23) notes that triangular projects involving donors as providers emulate successful bilateral initiatives previously offered under bilateral ODA schemes.

According to Ayllón Pino (2013) interest from traditional donors in triangular cooperation is growing thanks to the rise of SSC, budgetary constraints in Northern countries and the recognition of complementarities between the two practices. Ayllón Pino further adds that the traditional ODA model arrived at a point of exhaustion, so SSC represents a way to reinvigorate development-aid practices. Cabral and Weinstock (2010a, 28) note that the key to triangular cooperation relies on the fact that the MIC identified as a pivotal nation has dealt with similar challenges domestically and shares economic, geographical, cultural and historical characteristics with the recipients. Northern countries justify triangular cooperation by the need to share the burden of development financing and as an opportunity to downplay their colonialist reputation. For MICs, triangular cooperation represents a source of additional resources to propel the outreach of SSC initiatives (Ashoff 2010, 24; Costa Leite 2014, 33; Davies 2008, 14). Besides enhancing relationships between DAC donors and Southern providers, triangular cooperation represents a way to strength the capabilities of MICs as donors. Triangular cooperation can help new cooperation providers to overcome bottlenecks resulting from lack of funding and provides an incentive to comply with aid-effectiveness (Cabral & Weinstock 2010a, 27; ECOSOC 2012, 27; OECD 2009; Xalma 2013, 37).

There is a growing number of cooperation projects between Southern providers, in schemes framed as South-South-South (SSS) (Davies 2011, 17; ECOSOC 2008, 15). The Pro-Huerta project jointly offered by Brazil and Argentina to Haiti, for example, replicates a successful program implemented in Argentina
that sought to foster food security in the Caribbean nation (Chaturvedi, Fues & Sidiropoulos 2012, 131). Other examples are Operación Milagro and Operación Barrio Adentro jointly executed by Venezuela and Cuba to benefit Latin American countries, including Argentina, Bolivia, Ecuador, Jamaica, Panama, Peru and Uruguay. In these two schemes funded by Venezuela, Cuban medical practitioners offered health services to vulnerable populations (Feinsilver 2008; Ojeda 2010a, 2010b). Finally, the IBSA fund, established by India, Brazil and South Africa, is a joint facility to promote poverty and hunger alleviation (Bershanti 2013, 52; ECOSOC 2008, 17; OECD 2009).

As is evident in this account, SSC encompasses a wide array of modalities that reflect the diversity of Southern cooperation donors. Some new development partners, for example Turkey, are keen to work closer with the DAC and traditional donors. Others tend to be more cautious, for instance, Brazil and South Africa. Yet others, such as Venezuela, India and China, openly reject Northern practices (Mawdsley 2012a, 262). The diversity of SSC contrasts with the mistaken use of labels such as ‘new donors’, ‘emerging donors’ or ‘non-DAC donors’ to encompass a heterogeneous group. SSC includes a growing number of providers and modalities of cooperation that offer a diversity of options to foster sustainable development (Tortora 2011, 4) and provides a larger pool of resources and expertise available for developing nations. SSC offers the possibility of a model suitable to each nation’s circumstances, as opposed to a more universal and rigid approach promoted by traditional ODA. Such diversity of SSC practices is also reflected in the domestic transformations that MICs conduct and that are driven by their ambition for reputation, respect and prestige.

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The activism of MICs in development cooperation is one of the many illustrations of the increasing engagement of these countries in global governance and in the fight against global challenges (Gray & Murphy 2013, 184; Quadir 2013, 321). MICs’ contributions mostly take the form of bilateral
cooperation because it increases their visibility and improves their international reputation (Chin & Quadir 2012, 498). Since each emerging donor has a different concept of what SSC is and what it includes, there is no agreement on a definition or quantifying methodology to evaluate and compare SSC contributions (Gore 2013, 772; Quadir 2013, 324, 331). Southern providers, however, seem to have come to an agreement that the goal of SSC is to build productive capacity and promote endogenous sustainable growth, rather than focusing exclusively on poverty alleviation as the traditional ODA model suggests.

Regardless of the differences in practices and concepts, wherever ODA and SSC seek to improve the wellbeing of populations, both practices underpin foreign policy priorities (Ayllón Pino 2013, 127; Chin & Quadir 2012, 504; Six 2009, 1110). ODA and SSC are not competing schemes, but rather complementary practices that can take advantage of the other’s strengths (Bracho 2014, 113). The key difference resides in the focus on reputation, prestige, self-esteem and respect that is central for MICs. This chapter has outlined the origins, ideology, principles, organisation and modalities of SSC in order to provide elements for further understanding the motivations driving the SSC strategies in the case studies of this research and for identifying their ambitions for reputation, prestige and respect. We now turn to the case studies that support the argument put forward in this thesis to see how, when different MICs offer SSC, their international behaviour and identity causes them to conduct domestic transformation processes very differently.
CHAPTER V

THE BRAZILIAN WAY:
the consensus builder
As noted in the previous chapter, the key difference between ODA and SSC is the focus of MICs on the reputation, prestige and self-esteem aspects of the national interest. Reputational aspects have such an impact that they deeply shape domestic institutional settings, bureaucratic structures, procedures and delivery practices of MICs. Having said this, domestic transformations are conducted differently depending whether a country behaves as a consensus collector or as a consensus builder. This chapter will present the case of Brazil, a consensus builder country. In contrast to consensus collector countries, Brazil aims to implement independent development cooperation practices. Dissecting the guiding principles, definition, delivery modalities, limitations and involvement of domestic actors in Brazilian cooperation reveals how the country uses SSC to gather support from developing nations. Such support is crucial to build consensus and move forward Brazil’s foreign agenda with the purpose of achieving its aspiration to become a global power.

In the period of study for this thesis (from the early 1990s until December 2014), Brazil tried to identify more closely with Third-World nations, distancing itself
from Western precepts and applying its own cooperation model. In contrast to the Mexican case, Brazil does not seek to comply with international standards and global regimes, but rather aims for an autonomous model that enhances its affinity to Third-World nations and strengthens its Southern identity. The desire to ensure support from less developed nations drives Brazil to implement SSC practices far away from DAC standards. For instance, Brazil does not promote channels for the involvement of non-government actors in SSC; Brazil believes that one of the main characteristics of SSC is that it is demand-driven and therefore there is little value in establishing annual programs that outline in advance development cooperation priorities; or the fact that decision-makers contend that the Brazilian Cooperation Agency should keep its bureaucratic dependency on the MFA. In brief, Brazil implements a development cooperation model based on efforts to distance itself from ODA-like regimes and to legitimise itself as a developing nation and as the representative of the Global South.

Brazil's SSC is tinted by its experience as recipient and by the success of its domestic policies in several domains such as agriculture, health, education, human rights, social inclusion and poverty alleviation (Burges 2012, 234; Carmody 2013, 131; Costa Leite 2014, 7). Brazil has been providing development assistance since the 1960s, however, its actions were individual, reactive and occasional, and only recently has its SSC policy became more structured (Inoue & Vaz 2012, 2; IPEA & ABC 2010, 16). After the 1978 Buenos Aires Action Plan, Brazil demonstrated its commitment to Third-World solidarity and steadily increased its development cooperation contributions. In 1987, the Brazilian Agency for Cooperation was established (Agência Brasileira de Cooperação or ABC) as the unit in charge of technical assistance. Originally created to manage the inflows of ODA, ABC eventually became the coordinator of Brazilian overseas development cooperation (Chaturvedi, Fues & Sidiropoulos 2012, 118-119; de Abreu 2013, 4-5; Inoue & Vaz 2012, 513; IPEA & ABC 2010, 26; Vaz & Inoue 2007). Today, ABC is the executive unit of the Ministry of Foreign Affairs in charge of implementing Brazil’s foreign policy in the field of international cooperation (IPEA & ABC 2013, 16). Its main objective is fostering international technical cooperation by linking foreign policy priorities to domestic development responses. SSC has then become an instrument to
expand and strengthen Brazilian economic capabilities, to deepen foreign relations and especially, to increase Brazil’s presence around the world (Arashiro 2011, 119; Inoue & Vaz 2012, 6 and 9; Vaz & Inoue 2007, 19). In other words, SSC can be assumed as a valuable tool to advance Brazil’s foreign interests.

In this chapter, I present the Brazilian SSC model with data collected during field research. The country aims for its cooperation model to increase visibility and gain support, which illustrates the role of reputation, respect and recognition in Brazilian policy-making. The first section of the chapter sets the stage for the application of the theoretical model constructed in the previous chapters of the thesis. To start, I present Brazil’s international activism, its engagement in the development-aid efforts, its self-perception, self-assumed global role and identity as an emerging power with aspirations for global leadership. Then, I introduce the guiding principles and the definition of Brazilian cooperation. According to the theoretical framework of this research, I analyse Brazilian cooperation in practice, including delivery modalities, involvement of domestic actors and structural limitations of the model. The analysis is based on the four variables involved in policy-making (1) lobby groups, 2) institutions, 3) bureaucratic organisation and 4) non-material factors) and the domestic changes, including on institutional settings, bureaucratic structure, delivery practices and policy formulation processes, which new donors conduct to gain recognition and insert themselves in global governance. In the case of Brazil this recognition is mostly to gain the respect and loyalty of developing nations, in contrast to countries like Mexico that seek to be accepted and recognised by Northern organisations, such as OECD.

1. BRAZIL’S INTERNATIONAL ACTION: building consensus

Defining identity is not easy, nor is simple to prove that it is reflected in a country’s foreign policy (source: interview with Prof. M Saraiva, UERJ).

According to Fonseca Jr (1998, 269), state identity is one of the first keys to understanding how states define their international behaviour. There are two elements about Brazilian identity and international action that most interviewees
commented on. The first is Brazil’s self-perception as a big country and the role it aspires to play on the international stage (source: interviews with Prof. M Saraiva, UERJ; Mr. S Leo, Valor Economico; foreign diplomats posted to Brazil R and V; government officer B). Brazilian self-image plays a key role in shaping the country’s engagement, as shown through its international activism and as the voice of the South (Arashiro 2011; Carrillo & Vazquez 2014, 11; Mielniczuk 2013, 1079; Quadir 2013, 333). It appears that Brazil feels that its destiny is to play a bigger role in international affairs. Therefore, Brazilian aspiration to gain greater salience in the global scene is fundamental to Brazil’s foreign policy (Merke 2013, 5). The second element is that Brazil is torn between being an emerging nation, partially developed, and still being a developing one (Soares de Lima 2005, 31). This identity conflict comes from within. Social exclusion, poverty and other social problems lead common citizens and civil society to believe that Brazil is still a poor country, that it has not ‘graduated’ as a recipient of ODA yet and, as such, it is entitled to still receive assistance from traditional donors (Costa Leite 2014; Fonseca Jr 1998, 289).

This suggests that Brazil wants to assume the responsibility of being a big country with economic leadership, but it is not always able to cover the costs that such responsibility entails. Since it still has enormous domestic demands to address, Brazil cannot match the level of contributions to international development assistance of countries of similar economic size, such as the UK or Canada (source: interviews with government officer H; Prof. C Inoue UdeB; and Mr. D Rundee, CSIS; Carmody 2013, 115; Costa Leite 2014, 63; Quadir 2013, 332). The aspiration to be perceived as a powerful country is reflected in the constant urge to challenge global governance and Western principles. Brazil sees globalisation as an asymmetrical process that produces social inequality gaps. Institutions and regimes created by the West hinder the progress of developing countries, causing social disparities. As a result, Brazil sees a need to ‘take control of its own destiny’ and considers that multilateral and global activism is the best way to challenge Western regimes, advance its national interest and gain influence on current international debates (Arashiro 2011; Lafer 2000b). The use of SSC has become a centrepiece for these purposes, enabling Brazil to build consensus around initiatives, to challenge Western hegemony and to move forward its own international agenda.
The search of autonomy has been a constant priority in Brazil’s foreign action and a key element that shapes Brazilian international behaviour (Carmody 2013, 115; Martínez 2011, 4; Soares de Lima 2005, 15). Autonomy is an essential element of Brazil’s self-constructed identity and represents the space for the country to implement its own economic development model (Arashiro 2011, 139). Such autonomy can only be constructed through active participation in the establishment of norms and rules of the international order. Therefore, in contrast to other MICs, Brazilian diplomacy takes an active participation in multilateral forums to challenge from within, to achieve a more protagonist role and to be perceived as an influential actor capable to contribute to the fight against global challenges (Lafer 2000a, 262; 2002). SSC helps Brazil because it offers the opportunity to consolidate alliances, to lure other developing nations, to build consensus around initiatives, to legitimise itself as a Southern nation and to consolidate its leadership among the Global South (Izidro Gonçalves 2011).

The Lula administration’s commitment to fighting poverty, elites’ perception about the country’s size and its international role and the search for social equality and economic development goals are some of the elements that construct Brazil’s self-esteem as a regional power with global vocation (Martínez 2011, 17). In 2002, there was a consensus among elites to transform Brazil into a relevant global actor. This aspiration was perceived as a reflection of its national identity (Soares de Lima 2005, 8). Although Brazil’s regional leadership brought some South American partners to accept Brazil’s inward leadership in the continent, this recognition is not automatically transformed in support of Brazil’s outward leadership to the global level. For instance, Argentina, Colombia and Mexico are reluctant to support Brazilian aspirations to become a permanent member and the voice of Latin America in the UN Security Council. As a result, Brazil is forced to reach out of the continent to seek support from other Southern allies, such as the IBSA countries or African nations. Among other foreign policy instruments, SSC plays then a key role in securing this support (Carmody 2013, 117; Christensen 2013, 273; Martínez

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38 If such reforms were to happen.
The recognition obtained from Southern countries gradually gives Brazil credentials to represent South America’s interests despite initial opposition from Latin American peers (Pinheiro, Laura & Gaio 2013, 32).

SSC helps Brazil to acquire a more independent foreign policy. It shows Brazilian willingness to contribute towards global poverty alleviation and, by the same token, allows Brazil to display its leadership by projecting the image of an emerging power engaged in global challenges (Abdenur, A E & De Souza Neto 2014, 107; Burges 2012; Rowlands 2012, 637; Stolte 2012, 18). In the domestic realm, the perception that Brazilians have of their own country is not that of a big, influential nation (source: interview with Mr. S Leo, Valor Economico). Brazil is the seventh largest economy (World Bank 2018a), a large contributor to international organisations, the fifth largest country by geographical extension (CIA 2016) and the fifth most populous nation (World Bank 2018b). Brazil is Latin America’s largest economy, the second largest trader, holds the largest stock market and is democratically stable (Merke 2013, 5). Due to widespread social inequality, crime and poverty, Brazilians do not believe to live in a country of such great magnitude (source: interviews with foreign diplomat posted to Brazil R; and Mr. S Leo, Valor Economico; Costa Leite 2014, 72). Therefore, Brazil seeks to legitimise itself, both vis-à-vis domestic constituencies and internationally, by ensuring recognition, respect and, especially, support from other developing nations.

The construction of the narrative of Brazil being a giant country and the representative from the South brings along a domestic debate. There is the argument that Third-World solidarity is hypocritical because SSC is not selfless, and it is used to advance economic and foreign policy interests. Besides, widespread social inequality cannot justify the use of national resources to assist populations overseas, when there are still large pockets of poverty in Brazil. The Lula administration put forward the idea of a ‘sophisticated country’, with limitations, but with the resources to overcome them. SSC precisely emphasises on showcasing a sophisticated and modern nation with great potential. This is that by offering Brazilian expertise and sharing experiences on how to overcome Third World problems, Brazilian SSC legitimises the use of
resources to assist other nations and justifies advancing Brazil’s national interest (Burges 2005).

Another factor influencing Brazilian international action is its multi-ethnic composition. For many years, the Portuguese legacy overshadowed the African heritage in Brazilian society and culture; it was when President Lula and his Workers Party came into power in 2003, that the African legacy was recovered. The Lula administration highlighted Brazil’s African heritage, for example, by introducing racial quotas and pointing out natural complementarities between Brazil and Africa (source: interview with government officer E). Brazil’s African identity is a characteristic that differentiates it from other Latin America countries, most of which see themselves as ‘mestizo’ nations; but for Brazil being mestizo is ‘out-dated’ and a sign of a second-tier country. Instead, Brazil sees itself as a multi-cultural nation, the product of international migrations and therefore more developed than the rest of its neighbours (source: interviews with Mr. P Sotero, Woodrow Wilson Centre; Prof. M. Saraiva, UERJ; and Prof. C Inoue, UdeB Lafer 2000b).

Moreover, Brazil faces a dilemma springing from its Latin American location. Brazil does not see itself as a Latin American nation, and indeed its vast territory, relative geographical isolation, and especially its Portuguese heritage, make it a different country to the rest of the continent. Brazil did not have to fight a war to become an independent nation; in fact, it became the seat of the Portuguese Empire in the early 19th Century, unlike any other Latin American nation (source: interviews with foreign diplomat posted to Brazil S; Prof. C Inoue, UdeB; Mr. P Sotero, Woodrow Wilson Institute; government officer E; Lafer 2000b, 1 and 4). Despite this exceptionality, Brazil is aware of its geographic location and thus, good relations with neighbours are a necessity, rather than a choice that is assumed in Brazilian foreign policy (source: interview with government officer G; Lafer 2000a, 8).

One final component of Brazilian international behaviour is its role as a mediator, which has proved to be quite successful in the context of international
negotiations (Soares de Lima 2005, 15). However, Brazilian intermediation
does not come for free: the country takes advantage of this role to gather
support around initiatives and build consensus to move its own agenda forward.
Brazilian South-South engagement must be understood in the context of the
country’s Southern identity, its foreign policy principles (non-intervention,
autonomy, pragmatism, pacifism and universalism) and its experience, both as
recipient of ODA and as provider of SSC (de Abreu 2013, 15; Rowlands 2012,
646).

Brazil’s self-perception as an emerging power and as a Southern country is
reflected on its South-South relations and the priority given to this in its foreign
policy. The image of a developing state promoting poverty eradication shapes
Brazil’s role as cooperation provider and as a leader of the South (source:
interviews with foreign diplomat posted to Brazil V and P). According to Costa
Leite (2014, 12), the redefinition of Brazil as a rising power and as a global
player has a crucial impact on the country’s development cooperation agenda.
In brief, this account suggests that Brazilian development cooperation is used to
produce the image and the reputation of a modern and sophisticated nation and
a global power on the rise, and by the same token helps Brazil to gather
international support to advance its national interest.

2. BRAZIL AS DEVELOPMENT PROVIDER

Brazilian foreign policy experienced some changes at the beginning of the
millennium. The Lula administration grasped the link between external action
and domestic development as a priority of foreign policy and SSC became a
key instrument to combine the foreign and domestic aspects (Arashiro 2011,
119; Inoue & Vaz 2012, 530; Soares de Lima 2005, 13 and 24). Firstly, this was
not a drastic change in substance: regional integration, the use of multilateral
channels and relations with emerging countries remained at the core of the
Lula administration’s foreign policy. The shift was rather a diplomatic and
psychological change related to the country’s self-esteem, in which Brazil

39 For example, the Cotton-4 negotiation explained further below.
increased the emphasis on its potential as a giant country and on how the nation would insert itself into global structures (Burges 2005, 2012). Today, Brazil has diplomatic missions in every country in Latin America and is widely present in Africa. Brazil is willing to engage in major international issues and exert influence to portray itself as a global power (Stolte 2012, 18). Its vast geography, demographic weight and economic potential, along with a multicultural democracy and a vibrant society, are credentials that not many countries have and that give Brazil the status of a major nation and a candidate to become an influential and responsible global actor (source: interview with Prof. M Saraiva, UERJ; Inoue & Vaz 2012, 529; Lafer 2000b; Soares de Lima 2005, 9).

The second element of the Lula administration’s approach was increased engagement with Africa that would build support in international fora and increase Brazil’s presence in the world. Cooperation with Portuguese-speaking countries in Africa became the entry door to that continent (Abdenur, A E & De Souza Neto 2014, 5) where, thanks to SSC, Brazil slowly increased its relations with non-Portuguese-speaking nations, such as Mali, Burkina Faso, Chad, Benin, Togo, Cameroon, Nigeria, Ghana, Namibia, Angola, Kenya, Tanzania and South Africa. Health and agricultural projects have been key in raising Brazil’s profile in Africa: examples are the Cotton-4 project, the construction of an antiretroviral factory in Mozambique and the program ‘Luz para todos’ for electricity supply (Stolte 2012, 14-15; Carrillo and Vazquez 2014).

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40 Mali, Burkina Faso, Chad and Benin submitted a claim to the WTO against USA subventions for cotton. Lula was sympathetic to the African cause and under the request of the four countries, the Brazilian President agreed to support the claim. The WTO ruled in favour of the Cotton-4 countries and they received a compensation that will be used for research and development of cotton production. The second phase of this project was signed off in October 2014 and in addition to the four original countries, Togo joins the scheme (source: interview with foreign diplomat posted to Brazil U).

41 Since President Lula’s second term, especially under Celso Amorim’s tenure as Minister of Foreign Affairs, health diplomacy became an arm of Brazilian soft power, which helped to increase its influence in global health governance. To better illustrate, despite numerous critics, building a retroviral factory in Mozambique had the objective to supply the African continent with medicines and vaccines (source: interview with senior public servant D).

42 Lack of energy is another key challenge for Africa. Brazil engaged in the program ‘Luz para todos’, first with Mozambique and later with South Africa, Angola, Burkina Faso, Cameroon, Nigeria, Kenya and Zambia. Brazil offered to transfer energy technology to African countries through SSC in biofuel production (Stolte 2012, 15).
Brazilian activism is not constrained to Africa: Brazil took an active part in peacekeeping operations in the Middle East and in the Caribbean, especially in Haiti, where Brazil headed reconstruction efforts following the 2010 earthquake (IPEA & ABC 2013, 68; Burges 2012, 26). Brazil uses such opportunities to play a leading role in UN operations and to increase its involvement with Africa through SSC, with the objective of winning the loyalty of LDCs and obtaining a permanent seat at the UN Security Council (source: interview with foreign diplomat posted to Brazil R; Christensen 2013). In other words, while Brazil is eager to assist developing countries, its involvement is not selfless since it wishes to ensure support from developing nations to gain influence in international fora.

Brazil has long been a generous country. But while the first Brazilian cooperation efforts appeared in the 1960s, it was during the Lula administration that SSC contributions peaked. President Lula and his team led a unique marketing exercise to raise Brazil’s international profile, with SSC becoming one of the backbones of this strategy (Burges 2012, 236; Izidro Gonçalves 2011; Martínez 2011, 1). A third element of this approach was to increase Brazilian influence in international fora to advance its national interest, at the same time as responding to requests from developing countries to mediate, for example, in WTO and UNFCCC negotiations.

A fourth element in Brazilian foreign action was the shift in its defence policy: while increasing relations with Africa, Brazil institutionalised its security interests in the South Atlantic. In 2000, Brazil launched a defence policy that considers the Atlantic as its eastern border (Stolte 2015; Vaz and Inoue 2007). This meant that the stability of the region all the way to Africa’s Atlantic Coast, became a crucial item for Brazilian national security. Under this approach, police and military exercises, as well as training and capacity building, with Guinea-Bissau, Namibia and Angola, were offered as part of Brazilian SSC (Abdenur, A E & de Souza Neto 2013b, 112; 2014, 6 and interview with Mr. S Leo, Valor Economico).

Brazil’s aspiration to become a global leader takes the country to exploit the advantages of SSC and to raise its reputation as a responsible nation.
desire for global leadership is based on its role as mediator, facilitator and alliance seeker—for this role, Brazil needs to gain the trust of developing nations and therefore rejects any action that may imply subordination or even association with Western regimes. Brazil uses SSC as a foreign policy instrument to consolidate its position as a development leader and to launch itself onto the global stage as an emerging power (Arashiro 2011; Christensen 2013; Quadir 2013). Brazilian leaders believe that SSC gives Brazil the means to assert itself in the world, to extend its outreach beyond its regional neighbourhood, to engage in global challenges and to consolidate support from other developing nations. Most importantly, Brazil uses its own SSC model as a way to advance its national interest; on the one hand, SSC represents a means for Brazil to improve its economic model, and on the other, SSC helps to improve Brazil’s reputation and increase its visibility worldwide (Burges 2005, 1140; 2012, 243; Martínez 2011, 10). Unfortunately, SSC does not have strong domestic support to date and national constituencies contest the use of national resources to promote development in other nations (source: interviews with Mr. S Leo, Valor Economico; government officer K; and Mr. P Sotero, Woodrow Wilson Institute).

Regarding insertion in the aid-development architecture, Brazil does not aspire to become a member of the DAC or to comply with its guidelines. Brazil contends that restrained membership undermines the DAC, rejects the DAC’s guidelines and refuses the use of terms such as ‘donor’, ‘recipient’, ‘aid’ or ‘ODA’. For Brazil, these terms imply subordination and imposition by foreign powers (source: interviews with senior government officer J and Prof. C Inoue, UdeB). On the one hand, Brazil claims that not being associated with the DAC and traditional ODA gives the country more credibility vis-à-vis LDCs, which represent a key source of support for Brazilian foreign action (source: interview with Prof. M Saraiva, UERJ; Inoue & Vaz 2012, 531; Lundsgaarde 2011b). On the other hand, Brazil has the aspiration to become a major power, so joining an institution such as the DAC would put the country in a position of a ‘late-comer’ who would have to comply with rules already established. This suggest that if Brazil, wishes to consolidate its global leadership, it must endeavour to actively participate in current global debates, such as the ones on the aid-development agenda.
For the South American giant, the UNDCF is the most appropriate body to discuss international development cooperation issues, thanks to its universal membership. In contrast to the DAC, a space within the UN gives Brazil more credibility as the voice of the South and provides the country more leverage to negotiate at the same level as other powers than it would have in a club with limited membership. In addition, universal membership offers a larger audience of LDCs to be cajoled and won over for their support to propel Brazil towards global leadership (Inoue & Vaz 2012, 516; Quadir 2013, 332). Brazil aspires to become a ‘norm-setter’, rather than a ‘norm-taker’ (source: interview with representative from international organisation P), meaning that Brazil prefers not to follow conventions, but to apply a cooperation model that is flexible enough to quickly respond to developing countries, but that also suits Brazilian interests.

In the regional context, Brazil participates in development cooperation discussions within MERCOSUR\(^43\), CELAC\(^44\) and UNASUR\(^45\), and with other developing nations in fora such as BRICS, IBSA and the Community of Portuguese-Speaking Countries. Brazil is highly involved in these platforms and has an influential position. These initiatives have only regional outreach and even then, emerging donors do not always agree on SSC principles, definitions or practices. Whereas Brazil rejects ODA principles and seems to identify better with other emerging donors, it does not fully agree with the practices of all new donors, and is especially critical of China. For instance, according to Brazilian public servants, China uses development assistance as a way to extract natural resources from recipient countries (source: interviews with senior government officer J; foreign diplomat posted to Brazil V; and Mr. S Leo, Valor Economico). Southern engagement represents the importance to Brazil of maintaining its autonomy as a development cooperation provider.

Development cooperation became a cornerstone of Brazilian foreign policy during the Lula administration, and it is one of the tools that has helped to

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\(^{43}\) Mercado Común del Sur (Common Market of the South).

\(^{44}\) Comunidad de Estados Latinoamericanos y Caribeños (Community of Latin-American and Caribbean States).

\(^{45}\) Unión de Naciones Sudamericanas (Union of the South American Nations)
consolidate the country’s regional leadership and strengthen its position as an emerging power (Arashiro 2011, 121; Merke 2013). Brazilian cooperation is free of DAC-like strings or any other Western-like taints, which allows the country to offer development cooperation without constraints and opens the opportunity for Brazil to advance its foreign agenda. Brazilian self-esteem is set to believe that the nation is destined to occupy a special place in the international system and that as a responsible nation it must contribute to global challenges such as poverty eradication, an area in which Brazil has significant expertise. Engagement as a development cooperation provider, gives Brazil the opportunity not only to genuinely contribute to remedying global ills, but also to gain the respect and loyalty of other developing nations, as well as the reputation and prestige of an emerging power actively involved in solutions to global challenges. As noted in this section, Brazil’s engagement in development assistance is not selfless, but is part of a broader strategy to advance the Brazilian foreign agenda.

3. DRIVERS BEHIND BRAZILIAN DEVELOPMENT COOPERATION

Brazilian development cooperation is not new—it dates from the 1960s—but, similarly to other emerging donors, it was only recently institutionalised as policy. During the second half of the 20th Century, development cooperation was mostly concentrated in Brazil’s neighbours and some sporadic cases elsewhere (Carrillo & Vazquez 2014, 13; Quadir 2013, 323). SSC slowly gained prominence in Brazil’s foreign activities and provided support to its foreign policy by concentrating on key areas of Brazilian interest (Chaturvedi, Fues & Sidiropoulos 2012, 123-125). The evolution of Brazilian development cooperation can be broken down into four stages:

1) the creation of an international cooperation system (1969-1978);
2) the boost emerged from the Buenos Aires Action Plan (1978-1987);
3) initial efforts to institutionalise SSC after the creation of ABC (1987-2003); and
The last stage is the one that has seen the largest increase in cooperation flows, geographical and sectorial diversification and a push to institutionalise SSC as a state policy. At the turn of the millennium there was a spike of Brazilian SSC, which was mostly directed to Africa. According to public servants and academics interviewed during field research, the main causes of this trend were the following:

- President Luiz Inácio ‘Lula’ da Silva’s personal interest in Africa: this stemmed from his family background and his passion to fight poverty and social injustice. Lula believed that Brazil had to export the success of its social programs to other countries suffering the same challenges (source: interview with government officer K; Carmody 2013, 112; Christensen 2013, 274). Lula, however, was not a pure idealist and was aware of Africa’s potential: he believed that if Brazilians were to realise that Africa could become the 21st Century’s global market, they would seize the numerous opportunities offered by those nations (source: interview with foreign diplomat posted to Brazil R; Burges 2005, 1141-1143). Under Lula, Brazil’s engagement in SSC became a strategy to counterbalance US hegemony both in South America and in Africa (Carmody 2013, 112). His approach towards Africa included doubling the number of embassies to 35 (Brazilian MFA 2017a) undertaking numerous high-level visits, and organising the first Brazil-Africa forum and the South America-Africa Summit (source: interview with government officer E; Inoue & Vaz 2012, 518; Stolte 2012, 2). The Lula administration increased by more than 30% the number of countries with whom Brazil had diplomatic relations, and of course most of these new relations were with African nations. This strategy sought to ensure market access, business internationalisation and reinforcement of military alliances in the South Atlantic (Carmody 2013, 115; Christensen 2013, 276; Inoue & Vaz 2012, 529).

- Domestic politics. The Workers Party’s (or PT) engagement in favour of social inclusion fuelled Brazil’s interest in the African continent (Abdenur, A E & De Souza Neto 2014, 5). Lula and the PT pushed for greater ethnic inclusion, for example, by establishing quotas in the public service and universities for afro-descendants and adding African history to academic curricula as a compulsory subject. These measures sought to revitalize Brazilian-African
heritage, and in particular to highlight the contributions of African communities in the building of the Brazilian nation. Furthermore, Lula and his followers sought SSC as an instrument to reward African nations for their contributions to the construction of modern Brazil (source: interview with Prof. M Saraiva, UERJ; Stolte 2012, 11). In other words, thanks to SSC, Brazil sought to enhance African heritage and bring together the African and Brazilian communities that had both suffered under the colonial yoke.

- A strategy for market diversification. Brazil aimed to reduce its dependency on the industrialised North, arguing that Southern markets had more potential and were still unexploited (source: interview with government officer L; Arashiro 2011). This strategy aimed for the internationalisation of Brazilian companies, for whom Africa represented a huge untapped market (source: interview with government officer K). While detractors argued that the Brazilian hunger for resources was similar to other emerging powers, such as China, in reality Brazil has a vast natural endowment and, so far, does not depend on imported commodities to fuel its domestic industry (Stolte 2012, 4). The Brazilian strategy towards Africa tries to address the needs of African countries that can be tackled with Brazilian technology and know-how, and at the same time, opens opportunities for Brazilian companies (source: interview with government officer K). Brazilian engagement in Africa is part of a business diversification strategy, rather than internationalisation. Such strategy has been very profitable for companies in the infrastructure and construction sector, such as Odebrecht and Andrade Guterres (Carrillo & Vazquez 2014; Pinheiro, Leticia & Milani 2012, 24; Stolte 2012, 4).

- SSC as an instrument for regional integration. Brazil has been very active in promoting infrastructure integration in South America for underlying strategic interests, such as the construction of energy infrastructure projects in areas bordering Brazil (source: interviews with Prof. C Inoue, UdeB; and government officer G; Pinheiro, Laura & Gaio 2013, 14-17). Brazilian SSC is used to pave the way for market access and uncover foreign investment opportunities (Burges 2012, 12; Carmody 2013, 111; Inoue & Vaz 2012, 529). Besides, regional leadership was key for both Cardoso’s and Lula’s foreign policy and SSC contributes to fostering integration, peace and stability in South
America (Arashiro 2011, 121; Carmody 2013, 111; Inoue & Vaz 2012, 513). But most importantly, Brazilian cooperation is motivated by economic self-interest, since Brazil benefits from the prosperity of its neighbours and partners (Burges 2012, 15; Quadir 2013).

- Increased Brazilian activism on the global stage. The decline of the West and the coinciding rise of emerging economies opened spaces for developing countries to increase their involvement in global governance (source: interview with Mr. P Sotero, Woodrow Wilson Institute; Quadir 2013, 321). Brazil took advantage of this juncture to set its foot at the centre of the international stage and to start its transformation from a middle to an emerging power (source: interview with Prof. M Saraiva, UERJ; Martínez 2011, 2). Brazil’s leadership as a development cooperation provider is helping to consolidate its position in the world (source: interview with government officer L) and SSC offers Brazil the possibility of partnerships with allies that support its aspirations to leadership positions in international organisations, for instance, the WTO and FAO Director-General elections, or to get a permanent seat in the UN Security Council (Burges 2012, 25; Carmody 2013, 113; Costa Leite 2014, 45; Inoue & Vaz 2012, 514; Stolte 2012, 18). Development cooperation helps to advance Brazilian interests and to undermine Western dominance in global negotiations related to trade, health or environment. Brazilian engagement on poverty alleviation, especially in Africa, shows the commitment of the country to fight global challenges, and display its leadership as an emerging power (Burges 2012, 31; Carmody 2013, 128; Stolte 2012, 18).

- Third-world solidarity. Despite pressing domestic needs, Brazil offers cooperation because it has the capability to help other countries that face similar challenges at a relatively small cost (source: interview with government officer J). Brazil’s excellence developed in certain sectors, notably agriculture and health, is the result of assistance received via traditional ODA schemes. Therefore, Brazil believes it has an obligation to ‘repay’ this assistance by sharing its knowledge and technology with other developing nations (de Abreu 2013, 5). Moreover, President Lula argued that Brazil had a ‘moral duty’ towards Africa because of the slave era, claims that were initially dismissed by political elites as an attempt to restore the North-South divide and revive Third-
World ideology (Stolte 2012, 11). Nevertheless, Brazil is perceived as a champion of development. Democratic values, a multi-ethnic society, a tropical geography and its rising trajectory from low- to middle-income country give Brazil legitimacy not only to dialogue with developing nations as a peer, but also to speak on behalf of the developing world (source: interview with diplomat posted to Brazil V; Carrillo & Vazquez 2014, 11; Mielniczuk 2013, 1079; Stolte 2012, 18).

These drivers show that Brazilian SSC is embedded in a broader foreign policy strategy. Especially during Lula’s presidency, SSC became one of the preferred instruments to advance Brazil’s foreign interest: for instance, Brazilian SSC proved to be quite useful for winning both the WTO and FAO director-general elections. The evidence above exposes Brazil’s renewed efforts on South-South relations, but it must be noted that special attention was also given to new market and business opportunities.

Despite Brazil’s discourse in favour of trade, it is a very protectionist country and therefore lags in major international trade alliances (WTO 2017). While South-South relations open opportunities to diversify commercial partnerships, many Brazilians believe that SS relations are only based on ideology without actually assessing if there are any real benefits for Brazil and claim that Brazil is neglecting relations with major economic powers (source: interview with Mr. S Leo, Valor Economico). In reality, North America and Europe are still considered crucial for Brazil’s foreign and trade policy. Although, it cannot be dismissed that Third-World markets represent a great window of opportunity for Brazilian foreign investment and for exports of high added value, such as machinery, equipment or pharmaceuticals (source: interviews with government officer K; and Mr S Leo, Valor Economico). Given the above, it is safe to assume that even developing countries like Brazil are aware of the political and economic opportunity cost from neglecting development cooperation (Lula, 2003). This is particularly relevant when MICs like Brazil need to ensure the support of other developing countries to build consensus and materialise its aspirations to consolidate its regional power to propel its leadership to the global level.
4. PRINCIPLES GUIDING BRAZILIAN COOPERATION

Brazilian development cooperation is usually demand-driven, which means that cooperation projects are offered at the request of recipient countries. The Brazilian response to these demands is justified internationally under the label of Southern solidarity and domestically by constitutional principles guiding its foreign policy, in particular Article IV of the Brazilian Constitution which cites the importance of fostering cooperation among countries and people of the world in favour of human progress (Brazilian Congress 1988).

Although Brazil is eager to assist other developing countries and share successful experiences, there is a strong emphasis on respect for national sovereignty and non-intervention in the domestic affairs of partner states. Brazilian cooperation is not conditional on the implementation of political or economic standards, as is the case with traditional North-South ODA (Quadir 2013, 331). Brazil, however, takes advantage of SSC to access markets and consolidate support from developing nations. The country does not judge the performance of another country regarding human rights records or accountability: Brazil claims that these are domestic issues and should be addressed within the framework of institutions created for those purposes, such as the UN Human Rights Council (source: interview with senior government office J). However, there are critics on Brazilian involvement in Guinea-Bissau and other Latin American neighbours, pointing out Brazil’s interventions in the domestic affairs of sovereign states (source: interview with foreign diplomat posted to Brazil V; Carmody 2013, 128).

Brazil discourse contends that it strongly encourages ownership of cooperation projects by host countries, and emphasises several elements: firstly, projects must emerge from direct requests by interested nations and must address pressing developing needs; secondly, Brazil encourages recipient countries to work closely in the design and implementation of projects; and finally, Brazil aims to foster institutional and capacity building in sectors that may become clusters for endogenous development. This last point is known in Brazilian jargon as cooperaçao estruturante or structural cooperation (de Abreu 2013, 6,
193) and consists of the implementation of programs that not only develop individual capabilities but also foster institutional capacity building (source: interview with government officer C; Carrillo & Vazquez 2014, 63). This approach ensures that institutions contribute to sustainable development and because of this, cooperation projects are believed to have wider outreach (Abdenur, A E & de Souza Neto 2013b, 108 and 115; de Abreu 2013, 6). To better illustrate this point, Brazilian cooperation would focus on developing and strengthening the public health system as a whole or establishing an institution that can train health practitioners, rather than concentrating in individual interventions, such as vaccination campaigns (source: interview with senior government officer D; Carrillo & Vazquez 2014, 23; Quadir 2013, 324). In this regards, a few things to note that contradict the Brazilian discourse; for instance often projects are offered in the framework of high level encounters and not necessarily requested by recipients.

Brazil sees its cooperation model as an extension of its domestic policy successes, and so the legitimacy of its international cooperation rests on its democratic values and its record of lifting more than 30 million people out of poverty in ten years (source: interview with representative from international organisation P; Martínez 2011, 7; Stolte 2012, 13; UNDP 2015). As a result, it appears that developing countries believe that Brazil speaks with legitimacy and can identify with a partner that shares common challenges (source: interview with foreign diplomat posted to Brazil V). New donors contend that developing countries prefer to listen and receive assistance from a ‘peer’ like Brazil rather than from Northern countries that impose ideas and models without actually understanding the reality of developing nations (Quadir 2013, 334).

Just like other new development partners, the South American giant does not accept the use of terms related to ODA. The Brazilian official discourse emphasises the symmetrical nature of its cooperation based on horizontal partnerships and mutual gains (Carrillo & Vazquez 2014, 11; Pinheiro, Laura &

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46 This does not mean that Brazil does not contribute to the fight against tropical diseases, for example. Brazil is deeply engaged in tropical health; however, its objective is to build capacity in recipient nations to fight diseases rather than single interventions. For this reason, Brazil would prefer to fund a project to produce retroviral vaccines instead of investing only in vaccination campaigns.
Gaio 2013, 8): Brazilian officials always refer to horizontal cooperation or cooperação horizontal, emphasising that SSC entails relationships between equals —this is perhaps one of the central principles of Brazilian cooperation narrative and the main characteristic that differentiates the Brazilian model from traditional ODA (source: interview with government officer K). In the voice of Paulo Sotero, head of the Brazil Institute at the Woodrow Wilson Centre: “Brazilian SSC is more inclusive, without preaching, without arrogance and offered in a way in which there is genuine sharing of successful alternatives.” (source: interview with Mr. Paulo Sotero, Woodrow Wilson Institute).

Nevertheless, it cannot be ignored that Brazil is a giant country and therefore cooperation partnerships are rarely established on the basis of equality, since most of its partners are less developed and smaller nations.

According to official guidelines, Brazilian cooperation projects must observe the following principles: 1) alignment with national priorities of recipients; 2) emphasis on national, regional and local impact (in that order); 3) dissemination of knowledge and good practices; 4) transfer and absorption of knowledge, and especially, fostering multiplying effects; 5) emphasis on comprehensive projects that include consulting, training and acquisition of equipment; 6) preference for projects where recipients also contribute, either financially or in-kind; and 7) projects that aim to strengthen relationships between Brazil and partners and that open avenues for cooperation in other fields, such as politics, defence or trade (ABC 2014, 11). The last principle evidences that SSC is an instrument to move Brazilian interests forward and that for Brazil SSC represents the means to pave the way to advance its foreign agenda.

There are several points to note from the above. Because Brazil emphasises country ownership and dissemination of good practices, Brazil presents its SSC as an scheme that appears to be in line with the Paris Declaration and the Accra Action Agenda aid-effectiveness principles. A senior officer from the MFA goes as far as claiming that Brazilian SSC has more legitimacy than traditional ODA because it is not conditional and that, in contrast to other emerging donors, Brazilian development assistance is not associated with economic benefits (source: interview with senior government officer J). Evidence shows that this is not exactly the case, since Brazil uses SSC to open markets and
investment opportunities, even when the official narrative mainly points to international solidarity.

Moreover, Brazil wields SSC as an assertive instrument of its foreign action: for example, Brazil emphasises the absorption of knowledge that has been domestically developed but in line with Brazilian practices, and gives preference to projects that include the acquisition of Brazilian equipment. Brazil concedes that development cooperation could be used to open and deepen relationships with recipients — in other words, SSC is a tool to strengthen Brazilian foreign action, expand its international presence and contribute to its national interest. Brazil openly admits that SSC serves the purposes of the provider and assumes that emerging donors are entitled to such benefits, just as other emerging donors also contend. Brazilian offer of development assistance is not masked behind principles of moral duty, since it is openly used to strengthen economic and political links with partner nations (Chaturvedi, Fues & Sidiropoulos 2012, 120; Inoue & Vaz 2012, 531). SSC is obviously used to foster alliances and get the support from Third World nations that Brazil needs to advance its foreign agenda.

In the previous sections of this chapter, I outlined Brazilian foreign policy and Brazilian development cooperation foundations to set the stage to apply the theoretical framework model of this thesis constructed in Chapter III. Now we turn to dissecting the elements that make up the Brazilian development cooperation system in order to understand its underlining motivations. In the following sections, we will see how Brazil has built a development cooperation model to contribute to its quest for greater foreign policy autonomy, increased influence in global discussions and to propel itself upwards as an emerging power. Such a model does not follow guidelines suggested by Western regimes, such as the ones proposed by the DAC. In fact, Brazil is reluctant to surrender the flexibility of its development cooperation system by transforming its institutions, bureaucracy, policy-formulation processes and delivery practices along the lines proposed by the OECD-DAC. Instead, Brazil tries to distance itself from Western regimes and identify closer with the Global South, the key source of support for emerging Brazilian leadership in the global arena.
5. DEFINING AND MEASURING BRAZILIAN COOPERATION

Just like other emerging donors, Brazil rejects the ODA definition put forward by the DAC\(^{47}\), arguing that there are striking differences between SSC and ODA. In Brazil’s view, SSC involves classic elements of ODA but its definition and scope go beyond traditional North-South aid (Abdenur, A E & de Souza Neto 2013b, 107; Cabral & Weinstock 2010b, 25). The Institute for Applied Economic Research (IPEA, Instituto de Pesquisa Econômica Aplicada) realised the need to ensure continuity, facilitate planning and simplify recording of Brazilian international cooperation, and so developed its own methodology to measure Brazilian SSC flows. Government units involved in cooperation agreed to the definition put forward by IPEA, as follows:

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\text{Brazilian international cooperation is the total of public resources transferred by the Brazilian federal government to the government of other countries, to foreign entities in Brazilian territory or to international organisations with the purpose to contribute to international development, which is understood as the process to strengthen capacities of international organisations, groups and populations in third countries in order to improve their socioeconomic wellbeing (IPEA & ABC 2010, 17).}
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As per the above definition, Brazilian development cooperation is broken down into the following elements: a) technical cooperation, b) scientific and technological cooperation, c) academic cooperation, d) humanitarian cooperation, e) support and protection to refugees, f) peacekeeping operations and g) international organisations contributions (IPEA & ABC 2010, 2013).

Comparing both definitions, ODA and Brazilian cooperation are similar in that the two refer to the transfer of public resources and that both promote the economic development and welfare of vulnerable populations. Despite differences of conception, both ODA and SSC advance the national interest of

\(^{47}\) For further details on ODA, see definitions in Chapter I.
the donor. According to the DAC definition, ODA should have at least a 25% grant element; in contrast, Brazilian cooperation is fully concessional. Brazil, however, does not offer financial contributions in the form of cash transfers or budget support. Instead, most Brazilian cooperation is in-kind, either capacity building and training, technical assistance or transfer of technology and know-how (Burges 2005; Carrillo & Vazquez 2014, 11). Brazilian cooperation is mostly given in the form of knowledge sharing, except for humanitarian aid. Furthermore, Brazil includes military training, peacekeeping operations spending and contributions to international organisations in its account of international development cooperation, all of which according to the DAC is not reportable as ODA (OECD 2012c). Most of Brazil’s contributions to peacekeeping operations are activities related to capacity building and post-conflict management, which are reportable under ODA guidelines, but in the Brazilian accounts there is no distinction of such operations.

According to IPEA, development cooperation includes all those actions that entail partnerships, sharing and dissemination of knowledge by expert public servants who are involved in understanding, developing and finding solutions to overcome development challenges (Cabral & Weinstock 2010b; IPEA & ABC 2013, 25; Nogueira 2008, 4; Pinheiro, Laura & Gaio 2013, 11; Vaz & Inoue 2007, 2). In practical terms, technical cooperation takes place when Brazilian public servants share technology, knowledge and experiences, either by traveling to recipient countries or by organising familiarisation visits or training hosted by Brazilian government agencies. Technical assistance is equivalent to 6.3% of total Brazilian SSC.

According to the above, Brazilian technical cooperation consists mainly of official travels, and quantifying these contributions relies on disbursements for travel allowances and airfares by government agencies providing technical assistance. Such estimates do not consider the current salary of officers traveling to provide training and do not include the opportunity cost that the public service incurs due to the absence or replacement of officers during the extent of cooperation projects overseas. To further complicate recording of SSC, not all government units inform to ABC or IPEA about their international
activities and travels, so there are international development cooperation activities that go unaccounted for.

To exacerbate the inaccuracy of recording, other disbursements within the portfolio of foreign affairs, such as educational cooperation, technical and scientific cooperation, humanitarian cooperation, peacekeeping operations, contributions to international organisations and assistance to refugees, that according to the previous definition are also part of Brazilian cooperation, do not fall under the responsibilities and budget of the ABC. Moreover, the units in charge of these activities are often reluctant to provide this information to the Brazilian Cooperation Agency. While numerous other ministries offer technical assistance, they are not willing to disclose their actions and expenditures, arguing that they would lose their autonomy to the ABC and to the MFA.

Furthermore, in contrast to DAC suggestions, decision-makers contend that there is no need to reorganise the bureaucratic structure of the ABC or provide the agency with greater authority, because the Brazilian model is effective as it is and therefore there is no need to comply with international standards that could push Brazil to enact domestic transformations in alignment with traditional NS ODA precepts (source: interviews with government officers J and K). This, in turn, exposes the importance for Brazil of creating and consolidating its own cooperation model, rather than mirroring international standards, so it can distance itself from Western regimes and as a consequence ensure empathy and support from other developing nations.

The IPEA recently published Brazil’s cooperation data in three different editions: 2005-2009, 2010 and 2011-2013. The IPEA’s methodology sought to reflect the characteristics of SSC and stressed the differences with traditional ODA. The success of this methodology is such that other countries, including Chile and Mexico, requested the IPEA’s expertise to develop their own SSC-quantifying methodologies (source: interview with government officer O). The OECD-

48 While Southern providers have different practices, it is important to establish a point of reference that sets common standards and allows comparisons. The UN Economic Commission for Latin America and Caribbean (ECLAC / CEPAL) and the Ibero-American General Secretariat (SEGIB, Secretariado General Iberoamericano) are independently compiling data from SSC flows and developing methodologies to record and quantify Latin American SSC contributions.
DAC, however, estimates that only 79.6% of total Brazil’s contributions to international cooperation would qualify as ODA under the DAC definition (OECD 2016a).

Summing up, while both ODA and SSC advance the interest of the donor, Brazilian development cooperation accounts differ from ODA accounts in terms of the items that each of these two concepts includes: Brazil includes contributions to international organisations, such as annual quotas, as SSC but the DAC would not include them in ODA accounts. They also differ on the definition: whereas SSC is fully concessional, ODA is not. And finally, while SSC and ODA both seek to foster economic development, Brazilian SSC is openly used as a tool to improve relationships between partners and it is presented as an instrument to bring benefits to both partners, by creating win-win situations for donors and recipients. In other words, in SSC the interests of the donor are not masked under moral duty, but instead new development partners justify their right to obtain benefits from SSC schemes, arguing that they still are developing countries. Such arguments contrast with the fact that emerging donors are often more developed than recipient nations, and on the one hand, SSC partnerships are not always structured on the basis of equality and as a result, recipient nations engage in relationships of subordination, similarly than in the case of traditional ODA.

The exercise carried out by the IPEA proved to be very useful for compiling and measuring Brazilian cooperation efforts, but it also exposed that certain aspects of SSC are blurry and therefore precise recording and comparison continue to be difficult. The ABC lacks authority and structural capacity to better coordinate, account for and manage the totality of Brazilian cooperation efforts (Chaturvedi, Fues & Sidiropoulos 2012, 129). According to a senior government officer, such difficulties are partly related to structural limitations and few resources of the Agency, but also to lack of continuity of projects and programs, as well as unclear definition of SSC objectives (source: interview with government officer O). Despite these challenges, it does not appear that Brazilian policy-makers have real intentions of modifying the ABC’s bureaucratic organisation or restructuring institutional settings to overcome such limitations —the main reason being that a consensus builder nation tries to step aside from
established regimes, which in this case, Brazil would avoid to being identified with the DAC. On the other hand, decision-makers claim that Brazilian development cooperation is successful as it is and therefore there is little need to conduct domestic transformations along the lines suggested by international regimes (source: interview with senior Brazilian government officer J).

6. BRAZILIAN COOPERATION IN THE FIELD

As suggested by Carol Lancaster (2007), breaking down ODA packages can provide information about the intention of donors, so in this section I analyse Brazilian cooperation in practice to expose its underlining motivations. The main attraction of Brazilian cooperation for other developing nations is the success of Brazil’s public policy in fostering economic development. The South American country is considered a champion of development, thanks to the success of its social policies and the decreasing trend of poverty (IPEA 2014). As such, Brazilian accomplishments have become the panacea for numerous LDCs suffering similar problems (source: interview with representative from international organisation; Costa Leite 2014, 8; Stolte 2012, 13 and 18).

Most of Brazil’s technical assistance is based on policies that have been domestically successful in areas such as agriculture, health, urban development, education and professional training. Cultural, linguistic and geographical affinities provide a suitable ground to transfer know-how and exchange of experiences (Burges 2012, 28; Costa Leite 2014, 21; Stolte 2012, 8). For instance, Paraguay appears as an extension of Brazilian geography, and certain regions in Africa have the same topography that Brazil does. As a result, Brazilian agricultural techniques are highly suitable for such regions (source: interviews with foreign diplomats posted to Brazil S, U, V and W; Cabral & Weinstock 2010b, 2). In addition, a common language and colonial heritage shared with some African countries facilitates exchange of experiences and sharing of knowledge.

According to data compiled by IPEA, Latin America and the Caribbean countries are the main recipients of Brazilian cooperation, receiving 68.1% of
the total. Haiti is at the top of the list (with 47% of the total), followed by Brazil’s South American neighbours. The main reason to target these recipient nations is geographical proximity and the importance to Brazil of consolidating its regional sphere of influence. An example of this is Brazilian leadership in MINUSTAH (United Nations Stabilisation Mission in Haiti) which unveiled Brazil’s ambition to portray itself not only as a regional leader, but also to gain the reputation of a responsible global actor (IPEA & ABC 2013).

Due to geography, climate, language and cultural similarities Africa is the second largest recipient of Brazilian development assistance, accounting for 22.6% of total. Common heritage brings forward synergies between African communities on both sides of the Atlantic (Carrillo & Vazquez 2014, 8 and 11). Evidence shows that Brazil successfully has overcome similar challenges to those faced by African countries and therefore Brazilian cooperation seems suitable and is well received on the African continent (source: interviews with foreign diplomats posted to Brazil T, U and X). In contrast to DAC donors, Brazil does not have colonial ‘baggage’ and does not try to wash out its ‘guilt’ for past wrongdoing (Stolte 2012, 2). If anything, Brazil shares the experience of being a colony and shows empathy with African nations and their current challenges. This puts forward the preference of developing nations to receive development cooperation from a country like Brazil instead of from Northern nations, which in turns often translates into support and loyalty for Brazil on the world scene (e.g. Brazilian candidates’ successful campaigns to lead WTO and FAO).

From the technical point of view, an example of a Brazilian cooperation projects is the ProSavannah program jointly developed with the Japanese International Cooperation Agency (JICA) in Mozambique. During the 1970s, Japan implemented a cooperation program to foster Brazilian agriculture and convert the Cerrado region (located in the Brazilian states of Goaias and Minas Gerais) into a top agricultural production area. Today, the Cerrado is one of the main producers of cattle and grains in the country. Based on this experience, in 2011 Brazil and Japan jointly conducted a similar project that includes research,

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49 African descendants represent around half of Brazilian population, making of Brazil the second largest country of African descent population in the world, just after Nigeria (IBGE 2018).
transfer of technology and development of small-scale agriculture production in Africa, giving birth to ProSavannah (Vaz & Inoue 2007, 17). Despite initial resistance to participating in triangular cooperation, Brazilians realised that triangular projects can provide further exposure and increased visibility.\(^{50}\)

Educational cooperation accounts for scholarships offered by the Brazilian government, 74% of which are higher education programs targeted at African students, mostly from Portuguese-speaking countries. As other items of SSC, Brazil offers scholarships to promote a good perception of Brazil and Brazilians, to develop sympathies towards the Brazilian government and to strengthen political and economic ties (Costa Leite 2014, 37). These actions help to improve the image and prestige of Brazil in recipient societies, which in turn permeates to the higher echelons of governments and eventually impacts on the reputation of the country as a generous actor on the international stage—in this way SSC helps to increase Brazil’s visibility and presence around the world. Scientific and technological cooperation is mostly offered in the form of research and development by cutting-edge institutions in the domains of nanotechnology, geology and climate change, agriculture, health, mining, energy, astrophysics and cosmology, etc. In this kind of projects, Brazil contends that both partners receive benefits, since Brazil also learns from its experiences as a cooperation provider (de Abreu 2013; IPEA & ABC 2013, 7; Vaz & Inoue 2007). However, as previously noted, Brazilian projects are often offered to LDCs, therefore relationships and not necessarily on the basis of equality between partners, despite the narrative attached to its SSC policy.

Humanitarian assistance aims for the immediate relief of populations suffering from natural or man-made disasters. Brazil’s humanitarian interventions are concentrated mostly in Latin America and the Caribbean, followed by Africa—indicating Brazil’s focus on its neighbourhood and on countries with cultural affinities. Brazilian humanitarian assistance grew exponentially between 2005

\(^{50}\) It must be noted that the implementation of the project was very contentious and some go as far as to described it as a detrimental for Mozambique. However, this presented one of the first opportunities for Brazil to participate in triangular projects and to export its domestic public policy experiences.
Between 2011 and 2013, 21% of Brazilian contributions to humanitarian assistance were channelled through international organisations (IPEA & ABC 2016, 127). In addition to MINUSTAH, Brazil also participates in several peacekeeping operations in Africa (Brazilian MFA 2017b). Humanitarian relief and peacekeeping operations compose the largest share of Brazilian international cooperation.

These examples confirm Brazil’s desire to portray itself as an influential, responsible and engaged nation. They expose growing Brazilian activism on the international scene and the importance given to the use of development assistance to increase Brazil’s presence and improved reputation and prestige around the world. The table below shows Brazilian development cooperation expenditure by category.

### Table 5. Brazilian development cooperation by category

<table>
<thead>
<tr>
<th>Development Cooperation category</th>
<th>2012 USD millions</th>
<th>2012 %</th>
<th>2013 USD millions</th>
<th>2013 %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Technical cooperation</td>
<td>33.97</td>
<td>6.61</td>
<td>31.85</td>
<td>8.03</td>
</tr>
<tr>
<td>Scientific and technological cooperation</td>
<td>22.25</td>
<td>4.33</td>
<td>23.51</td>
<td>5.93</td>
</tr>
<tr>
<td>Educational cooperation</td>
<td>72.09</td>
<td>14.03</td>
<td>53.17</td>
<td>13.41</td>
</tr>
<tr>
<td>Humanitarian cooperation</td>
<td>109.83</td>
<td>21.38</td>
<td>21.67</td>
<td>5.46</td>
</tr>
<tr>
<td>Support and protection of refugees</td>
<td>4.12</td>
<td>0.80</td>
<td>1.82</td>
<td>0.46</td>
</tr>
<tr>
<td>Peacekeeping operations</td>
<td>20.65</td>
<td>4.02</td>
<td>10.33</td>
<td>2.61</td>
</tr>
<tr>
<td>Contributions to international organisations</td>
<td>250.86</td>
<td>48.83</td>
<td>254.16</td>
<td>64.10</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>513.77</strong></td>
<td><strong>100.00</strong></td>
<td><strong>396.51</strong></td>
<td><strong>100.00</strong></td>
</tr>
</tbody>
</table>

Source: (IPEA & ABC 2016)

Brazilian development cooperation is not financed exclusively by the ABC’s budget: contributions are also made by other ministries and government agencies, international organisation such as UNDP, the sale of products and

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51 In 2005 Brazil offered 1.2 million of reals for humanitarian cooperation, by 2013 this became 46.8 million. It must be noted that as a result of the humanitarian crisis in Haiti, Brazilian contributions to humanitarian assistance in 2010 reached 284.2 millions of reals (IPEA 2016).

52 As earlier mentioned, IPEA’s accounts are based on estimates of the travel spending of officers from government agencies involved in cooperation.
services (for instance, EMBRAPA’s revenues) and indirect funding through donations or triangular cooperation. Additional contributions represent a bigger SSC offer but, given the institutional and bureaucratic limitations, they also create greater difficulties in measuring and monitoring Brazil’s international cooperation flows (Carrillo & Vazquez 2014, 18).

Brazil’s SSC focus lies in Latin America, but it is gradually increasing outreach to Africa. As presented previously, Brazil is using SSC to consolidate itself as a regional leader in the Americas, and at the same time, to spread across the Atlantic and as far as South-East Asia, with the aim of gaining influence and leadership among developing nations, who are the main source of support to Brazil in the international stage. Given the previous account, Brazilian SSC is not offered without purpose: Brazil uses SSC to cajole LDCs and ensure support in the global arena, for instance, in the case of climate change and trade negotiations or candidacies to international organisations positions. As a way to mark its distance from traditional NS aid, Brazil prefers a cooperation model that does not emulate the principles and precepts suggested by the DAC.

To identify more closely with developing nations and build support around its initiatives, Brazil does not give priority to transforming domestic institutional settings, bureaucratic organisations and delivery practices that may imply alignment with international standards. On the contrary, Brazil implements a cooperation model based on its own criteria and its own characteristics as a developing nation, thereby detaching itself from the North and placing itself closer to the global South. Thanks to its SSC model, Brazil on the one hand gets the reputation of a responsible nation, while on the other one is likely to engage the empathy and loyalty of other developing countries. The combination of these two elements, reputation and loyalty, enables Brazil to build consensus with the support of developing nations and as a consequence to increase its influence in global governance debates and to advance its own international agenda.
7. TRIANGULAR COOPERATION

Initially Brazil tended to be reluctant to participate in triangular projects. On the one hand, the South American country is unwilling to align its practices with traditional ODA principles suggested by the OECD, arguing that SSC is different to traditional ODA and it should not be assessed under ODA principles. On the practical side, Brazil prefers bilateral cooperation because it offers higher visibility and a larger benefit to its international reputation (Lundsgaarde 2011b, 2). For example, Brazil would be cautious about engaging in triangular projects with Australia in Timor-Leste: while it has a strong presence on the island, Brazilian decision-makers believe that the perception of Australia is not always positive (source: interview with senior government officer J). Instead, Brazil tends to focus on bilateral projects where it can have greater control over implementation, gain increased visibility, and consequently acquire greater influence in the host country. Brazil already has certain presence in Timor-Leste and both countries are members of the Portuguese-Speaking Countries Community, where there is an active cooperation chapter. Therefore, Brazil claims to have the means to enhance its partnership with Timor-Leste without the help of other nations.

Brazil is aware of the structural and material limitations on its cooperation model and has learned to appreciate the advantages of trilateral projects. So, Brazilian policy-makers are aware that collaboration with traditional donors helps to modernise the ABC using the experience of more mature agencies such as JICA, DfID or GTZ. After initial fear of being coerced into the DAC principles, Brazil signed agreements to collaborate in development projects with Germany, the USA, Japan and the United Kingdom (Costa Leite 2014). With Japan and the UK, cooperation has been effective, systematic and regular, despite the differences in conception and in practice between Brazilian SSC and traditional ODA (source: interviews with diplomat posted to Brazil V and X; OECD 2009; SEGIB 2012). According to representative from recipient nations, agricultural development partnerships with Japan and conditional cash transfers and other social programs with the UK appear to have very positive results (source: interviews with diplomats posted to Brazil V and X; SEGIB 2012).
There are also some initiatives for humanitarian cooperation with the USA, Luxembourg, Australia, Czech Republic and France, as well as with international organisations, such as UNDP, UNICEF, FAO, UNHCR and the Red Cross (source: interview with government officer H; OECD 2009). There are also plans to establish regular and closer partnerships with Spain and Canada to provide humanitarian assistance (source: interviews with foreign diplomats posted to Brazil V, W and X; and interview with senior government officer H; Vaz & Inoue 2007, 17; Cabral & Weinstock 2010).

Traditional donors realise the extent and potential of SSC contributions and are gradually incorporating triangular cooperation schemes into their ODA agendas, with the aim of sharing the burden of development financing, but also as a way to bring MICs to comply with aid-effectiveness principles. As a result, MICs with a good record of poverty alleviation, such as Brazil, are becoming key partners for traditional donors (Vaz & Inoue 2007, 17). For example, Brazil was chosen as ‘anchor country’ for the British development strategy in Latin America because Brazil enjoys greater legitimacy and credibility, which makes it a reliable partner to reach out to the BRICS and the G77 (source: interview with foreign diplomat posted to Brazil V; Abdenur, A E & de Souza Neto 2013b, 112; Lundsgaarde 2011b). On the domestic side, this engagement with the UK has not produced significant changes such as, for example, modifying the bureaucratic structure of the ABC or creating an individual line for development cooperation in the Brazilian federal budget. Brazil takes advantage of triangular cooperation with DAC countries to consolidate itself as a donor and extend its outreach to developing countries, especially in Africa and Asia, which will result in larger support for Brazil in international fora; but even in triangular projects Brazil stresses the autonomy of its cooperation model and rejects any kind of subordination to the DAC and its principles.

Brazil seems to be more comfortable collaborating with like-minded countries and other emerging powers, such as India and South Africa through the IBSA initiative or the Association of Portuguese Speaking Countries, because this does not imply being coerced into applying certain principles or standards. Brazil, however, tends to keep its distance from China due to fears of competition, especially in Africa —it should be noted that Brazilian officials are
quite vocal about the differences with Chinese cooperation practices, as previously noted (source: interview with Prof. M Saraiva, UERJ; Lundsgaarde 2011b). Furthermore, there is regular triangular cooperation with other developing countries, particularly Latin American nations such as Venezuela, Cuba, Mexico and Chile. For instance, Brazilian and Cuban contributions to Haiti’s health system have been very effective in the reconstruction of the island (source: interviews with government officers C, D and G), and Brazil recently signed agreements to implement triangular technical cooperation projects with Egypt. Trilateral technical assistance projects with other Southern countries have been successfully undertaken in the areas of health, education, social development, agriculture, livestock and food supply (IPEA & ABC 2013).

On the topic of research and development, technological and scientific cooperation has also showed good results: Brazil has expertise in some domains but does not have the resources to further promote scientific research. In addition to extended outreach, triangular cooperation allows Brazil to benefit from the expertise, technology and innovation available in Northern countries (Cabral & Weinstock 2010b, 32). In most cases, scientific cooperation takes place with Northern nations, but there are cases in which Brazil engages in scientific and technological projects with developing nations, such as Argentina, India, Mexico and South Africa, in areas of nanotechnology, astrophysics, bioethanol and energy (IPEA & ABC 2013). In brief, triangular cooperation is a scheme that enables MICs to pursue their ambitions for enhanced reputation, increased visibility and a larger presence among LDCs. Despite benefits related to larger pool of resources and extended outreach, consensus builder MICs, like Brazil, have reservations about this kind of engagements, due to fears of being coerced into complying with Western standards, such as the OECD-DAC.

8. LIMITATIONS OF THE BRAZILIAN COOPERATION MODEL

Most of my interviewees had the perception that the Brazilian cooperation model has structural and material limitations that inhibit its ability to efficiently respond to domestic needs and to fully reach its potential. Some officials from the Ministry of Foreign Affairs, however, believe that the Brazilian cooperation
model is successful and does not need to be reformed (source: interview with senior government officer J). In any case, interviewees agreed on the need to renew Brazil’s development cooperation legal and institutional framework (source: interviews with government officials C, D, H, L, N and O; and with foreign diplomat posted to Brazil V). Development cooperation is conducted based on legislation established to manage ODA inflows that Brazil received during the second half of the 20th Century (de Abreu 2013, 16; Nogueira 2008, 8). There were some minor modifications, but these only made Brazilian responses slower, more bureaucratic and burdensome. For instance, the Senate needs to authorise all technical assistance projects, spending and any donations (source: interviews with senior government officers J and K). This scheme was established in a context of high foreign indebtedness, so all spending was closely monitored to avoid misuse of resources, but today these arrangements make it difficult to quickly respond to humanitarian crises (source: interview with government officer H).

To overcome these obstacles, Brazil turned to some ad-hoc arrangements that allow the implementation of programs in a quicker and more efficient manner. For example, the ABC signed an agreement with UNDP, in which the UN agency would assist in the implementation of cooperation projects (source: interviews with senior government officer K; Cabral & Weinstock 2010b, 11; Costa Leite 2014, 40). This, of course, is only an interim solution that exposes Brazilian reluctance to conduct domestic transformations that would involve, among other things, strengthening its cooperation agency. Decision-makers contend that the Brazilian cooperation model is successful as it is, and any reforms may appear as attempts to align it with traditional ODA guidelines. The perception of being associated with the DAC and ODA could raise questions from other developing nations and even condition their support of Brazil on the grounds that it was trying to advance Western precepts via Brazilian development cooperation (source: interview with government officer J).

Another issue that relates to the lack of an adequate institutional framework is the need to restructure and modernise the ABC: the agency is one of the central actors of the Brazilian cooperation strategy, but it is not the only one and certainly not the predominant one (source: interview with representative from
international organisation P). Brazilian activism implies that numerous government units are involved in development cooperation but there is poor coordination, heavy fragmentation and duplication of functions that results in the inefficient use of resources, burdensome bureaucracy and late responses (source: interviews with senior government officers C, J, L, M and O; Costa Leite 2014, 11). As it is, the ABC does not have the mandate nor the structural capacity to coordinate Brazil’s cooperation efforts (Chaturvedi, Fues & Sidiropoulos 2012, 129). There are voices expressing some alternatives to renovating the ABC: the first one is to ‘upgrade’ the agency within Itamaraty; in other words, provide ABC with more autonomy but leave it under the umbrella of the Ministry of Foreign Affairs. In the views of a senior MFA officer (source: interview with government officer J), this is the most viable option because it allows closer coordination with Brazilian representations overseas and with other areas within the Ministry.53

The second option would be to create a completely independent agency, mirroring the British or German models: this would be a long-term project with higher costs and less control by the MFA over development cooperation programs. Thirdly, there is the option of merging the ABC into the Ministry of Development, Trade and Industry to align trade and cooperation objectives more closely —this option has been repeated by some sectors in the federal government (outside of the MFA) following President Rouseff’s speech in Addis-Ababa on May 2013, in which she highlighted the importance of trade relations with Africa (Costa Leite 2014, 46). Although, this possibility is on the table, it was indicated by senior Itamaraty officers that it was a misunderstanding and, in reality, the intention to disassociate the ABC from the MFA never existed (source: interviews with government officer O; and foreign diplomat posted to Brazil V).

In any case, this debate exposes the lack of a robust coordinating agency that encompasses all streams of international cooperation action and that has the legal faculties to direct and organise all government cooperation efforts (source; 53 ABC is exclusively in charge of technical assistance. Educational cooperation, technical and scientific cooperation, humanitarian assistance, the management of the IBSA fund and assistance to refugees are overseen by other divisions within the MFA.
interview with government officer J and foreign diplomat posted to Brazil V; and Abreu 2013, 16). Another alternative is to provide the ABC with higher status as a coordinating secretariat, but still under the umbrella of Itamaraty, although this would suggest deeper transformations in the institutional, legal and bureaucratic framework, which at this stage Brazilian decision-makers seem reluctant to progress.

Support to Brazilian initiatives and candidacies in international fora show how SSC has become an assertive instrument to advance Brazilian foreign interest, including consolidating its ambition for a good reputation and prestige as an emerging power and the leader of the South. In contrast to consensus collector countries, there are not real signs of Brazil being willing to reorganise its bureaucratic structure or transform institutional settings. On the one hand, according to interviewees, the current scheme gives Brazil enough autonomy to gather support from developing countries and to challenge Western dominance. On the other hand, Brazil is reticent to implement any transformation that may imply alignment with precepts and practices suggested by the OECD-DAC (source: interviews with government officer J and K). As put forward in this thesis, MICs are driven by the desire for reputation and prestige, however, their participation in the global arena varies depending whether the country is a consensus collector or a consensus builder.

Another element closely related to the ABC’s structure is the scarcity of development experts, as understood in the context of traditional ODA agencies (de Abreu 2013, 15). The ABC is staffed with some diplomats and some administrative staff from the MFA, but it has few experts on development cooperation. This problem has been partially solved via agreements signed with other organisations, such as one with UNDP that proposes the secondment of experts to support the ABC’s projects in the field. To fully overcome this challenge, the suggestion is to create a fourth stream within the Brazilian Foreign Service that includes technical staff and analysts on development cooperation. Development experts would be mostly based in Brasilia but would deploy overseas for specific missions: they could take some postings in

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54 The Brazilian Foreign Service currently includes three branches: diplomatic, consular and administrative staff.
missions where there are significant projects or where potential to develop stronger bilateral cooperation was identified (source: interview with senior government officer J).

Adding to the complexity of the bureaucratic current arrangements, since 2000 the international relations areas of other ministries have been growing exponentially thanks to the increasing number of Brazilian cooperation initiatives. For example, ten years ago the Ministry of Agriculture had an international relations division with only 25 staff members, but today it has almost 100 staff and is divided into three different directorates dealing with diverse international cooperation topics (source: interview with government officer L). This is an illustration that, even when consensus builder countries like Brazil are reluctant to make domestic transformations, SSC does have a significant impact on domestic institutional settings and bureaucratic structures involved in the provision of SSC. This exposes that Brazil still needs to strengthen its legal, institutional and bureaucratic frameworks to enable the cooperation agency to become the coordinating arm of Brazilian development cooperation. Due to the ABC’s limited resources and mandate, other government units organise their international cooperation actions independently, which in turn provokes poor coordination, duplication of functions, misuse of resources and difficulties in quantifying national cooperation flows.

Institutions such as EMBRAPA\textsuperscript{56} or FIOCRUZ\textsuperscript{57} were created to develop national capabilities and this still remains their core objective today. The Lula administration transformed these institutions into foreign policy arms, creating cooperation schemes such as ‘health diplomacy’ (Stolte 2012, 11). EMBRAPA and FIOCRUZ’s staff are used in international cooperation activities, which makes it challenging to respond efficiently to domestic tasks (source: interviews with government officers L, M and N). Pressing demands on staff and limited resources force these institutions to reject cooperation requests from LDCs,

\textsuperscript{55} Brazil has ten focal points, called ‘Nucleos de Coordenaçao Tecnica’, scattered around overseas missions, mostly in countries where Brazil undertakes significant cooperation programs (Cabral and Weinstock, 2010, 9).
\textsuperscript{56} Empresa Brasileira de Pesquisa Agropecuaria (Brazilian Company for Agricultural Research).
\textsuperscript{57} Fundaçao Osvaldo Cruz (Osvaldo Cruz Foundation for Health Research).
creating a bad image in the eyes of potential partners, and at the same time to
neglect the domestic duties of these government agencies. One of the main
characteristics of Brazilian cooperation is its low cost, resulting precisely from
the use of expert staff from government units, rather than hiring development
assistance consultants. While this practice has proved to be cost-effective, it
puts a lot of pressure on operational institutions and on their capability to
address national demands (source: interviews with government officers D, J, L
and N; interview with foreign diplomats accredited to Brazil V and W; and
interview with Dr C Inoue, UdeB).

The ABC argues that using experts from government institutions is one of the
key advantages of the Brazilian cooperation model, because it allows the
country to deliver a lot with few resources and at a relatively low cost (source:
interview with senior government officer J; de Abreu 2013, 7). However, this
practice undermines Brazilian potential, since the country is not able to respond
to all domestic and external demands (source: interview with foreign diplomat
posted to Brazil V), and there are also the costs incurred from misuse of
resources, lack of coordination, poor continuity and little institutional memory
(de Abreu 2013, 15). Brazil insists that its model does not require any
institutional or bureaucratic changes because it is successful as it is; while this
is true, Brazilian SSC puts pressure on the domestic duties of some of its
agencies, such as EMBRAPA, FIOCRUZ, and the Ministry of Agriculture.
Brazilian decision-makers, however, reject domestic reforms, especially when
this would be perceived as subordinating to international standards suggested
by the DAC.

Finally, while Brazil has (re)emerged as a development partner, the total
amount of its contributions to international development is still relatively low.
Due to the economic slowdown, the government was forced to reduce
spending, which also meant severe cuts to Itamaraty and the ABC’s budget
(source: interviews with Mr. S Leo, Valor Economico; and government officer L).
The challenge remains how to address the demands for international
cooperation with fewer resources. Even though President Lula’s intentions were
to strengthen relations with Africa, in practice it is not that simple: Brazil opened
19 new embassies in Africa that not only do not have the means to promote
development cooperation, but also have limited staff to run and monitor cooperation programs. Besides, Brazilian diplomats have little incentive to work in Africa, since there is a widespread belief that this is not a prestigious career path. The very few diplomats willing to do so, rarely have the expertise to run cooperation projects (source: interviews with Mr. S Leo, Valor Economico; and with government officer F). In other words, Brazil chooses to increase its presence in Africa with the aim of gaining support from developing nations, but it is not able to keep up with the demands of a development assistance program that it aspires to.

The challenges presented above expose the structural constraints of Brazil’s cooperation strategy. Under the current scheme, Brazil does not have suitable structural foundations to efficiently exploit SSC potential (source: interviews with Dr M Saraiva, UERJ and Dr C Inoue, UdeB). The ABC is not able to manage the number of projects running, let alone the size of the cooperation strategy that Brazil aims to (source: interview with foreign diplomat posted to Brazil V). In other words, Brazil does not have the resources nor the institutional and bureaucratic capacity to match its ambition as an emerging power and to compete with countries of a similar economic size (source: interview with senior government officer H). While Brazil has the expertise and sometimes the resources to assist other nations, it does not have the capability to meet such demands and deliver cooperation programs effectively, despite the official narrative claiming that it is a successful model as it is.

In addition to structural limitations, Brazil appears to lack a better definition of development cooperation policy. Brazil seems to require an overarching policy that guides cooperation efforts, defines institutional settings and ensures continuity within the Brazilian government (source; interview with government officer O; Carrillo & Vazquez 2014, 63). Brazil’s biggest challenges for the years to come are: firstly to redefine a legal framework that would foster agility for Brazilian cooperation efforts (de Abreu 2013, 16); secondly, the need to transform its bureaucratic organisation by updating and creating a more proactive and autonomous cooperation agency (source: interview with senior government officer K; Cabral & Weinstock 2010b, 14). In the words of a senior government officer (source: interview with government officer L), if future
governments are able to solve this equation, there is no doubt that Brazil would consolidate its position as a leader in development cooperation and would be able to convert this potential into prestige and recognition as a global power. The issue is that Brazil claims to have a successful model already and therefore does not dare to reorganise it into a more agile bureaucracy and more efficient institutions. Brazilian decision-makers appear focused on the current success of development cooperation and are reticent to undertake domestic transformations that could be perceived as Brazilian subordination to Western standards.

Since there are numerous agencies involved in SSC, the broader debate of foreign policy needs to be discussed in a wider and more democratic realm, even though resistance from the MFA is inevitable. In the views of some experts, Itamaraty should keep its central role in foreign policy matters, but the Ministry must acknowledge the appetite and involvement of other government agencies that offer a diverse pool of expertise on issues related to environment, health or finance, just to mention a few (Pinheiro, Leticia & Milani 2012, 343). Such expertise is crucial for Brazil’s international development cooperation action.

This suggest that Brazilian development cooperation aims to generate support for the country’s global ambition and has become an important pillar of Brazil’s foreign policy (Brazilian MFA 2014). The country needs to combine its international aspirations with a strategy that simultaneously enables Brazil to address domestic challenges, such as social inequality (de Abreu 2013, 7; Lafer 2000a, 14). This is particularly important in the context of a burgeoning, better educated and more demanding middle-class that, as witnessed in 2013, was able to mobilise and express its demands. And secondly, it is important because Brazil has been able to gather support from LDCs by branding the success of its public policies, especially those that contribute to lifting millions out of poverty.

While it can be considered as a challenge by experts, public servants believe that the greatest asset of the Brazilian development cooperation is its ability to preserve institutional settings, bureaucratic organisations and delivery practices
in line with domestic conditions, rather than following international precepts. In contrast to consensus collector countries, Brazil seems to prefer the autonomy of its model with ad-hoc arrangements that enable it to better respond to the demands of developing nations and to build the support that Brazil requires to move its international agenda forward. It seems obvious for Brazil to maintain an autonomous model—that allows it to gather empathy from LDCs and to consolidate alliances that ensure support for its international action—rather than undertaking domestic institutional and bureaucratic reforms that may appear as alignment with the West.

9. THE INVOLVEMENT OF DOMESTIC ACTORS IN BRAZILIAN SSC

In general terms, there is not a great involvement of non-government actors in Brazilian foreign policy-making (Martínez 2011, 6). As in most developing countries, foreign policy formulation in Brazil is concentrated in the hands of the bureaucracy and in fact, in the specific hands of the Ministry of Foreign Affairs (Pinheiro, Leticia & Milani 2012, 337). Nevertheless, starting in 2014 the Ministry of Foreign Affairs organised a series of workshops with representatives of civil society, academia and private sector. While the exercise was useful to spark debate on topics on the foreign affairs agenda, the common sentiment was that the MFA does not really take into account the opinion of these actors and that the exchange was used to legitimise Itamaraty vis-à-vis other actors, in particularly the Presidency (source: interviews with Prof. M Saraiva, UERJ and Dr C Inoue UdeB). There is a rivalry between the MFA and President Rousseff, who sought to take diplomats out of the centre of foreign affairs debates. In the view of President Rousseff, the foreign service and the MFA are made up of an elite that only creates high public spending without bringing concrete benefits to the country (source: interview with Prof. M Saraiva, UERJ). In reality, there is the general perception that the Dilma administration has a very low interest in foreign affairs with some exceptions, such as surveillance from USA security agencies or the BRICS summits (source: interviews with government offices N and K; and representative from international organisation P).
Regarding the private sector, some industrial groups, such as large mining and construction conglomerates, enjoy certain influence in public policy formulation. Corporations, such as Odebrecht, Andrade Gutierres, Vale, Marcopolo and Camargo Correa, are powerful players in Brazil and are also important contributors to political campaigns (source: interview with Mr. S Leo, Valor Economico; Carmody 2013, 111). These giants have had large operations in Africa for years: they are sources for local employment, such as the case of Oberbrecht with 93%, Vale 85% and Andrade Gutierres with 43% of local hires and also providing training\(^{58}\) (Carmody 2013, 131; Carrillo & Vazquez 2014, 57; Stolte 2012, 5, 8; interview with Prof. C Inoue, UdeB). Other organisations such as farmers associations, like Via Campesina, religious organisations and even the Red Cross directly lobby members of Congress in favour of food surpluses to use as humanitarian donations. Humanitarian assistance is probably the only case where there is direct engagement of non-government sectors in foreign policy issues (source: interview with senior government officer H).

Public servants argue that the private sector is not interested in expanding its operations in developing countries, especially in Africa, and that instead the eyes of private corporations appear to be set on the European and USA markets. The difficulty of finding staff willing to relocate to Africa, competition from other emerging powers, such as India, South Africa and China, and the increasing opportunities in the domestic market and in other South American nations are causing Brazilian companies to disengage from Africa or look back to traditional markets (Costa Leite 2014, 55). The official discourse contends that there is no correlation between technical assistance and economic interests, although there is conflicting evidence. For example, the number of Brazilian businessmen accompanying President Lula during his visits to Africa or that trade flows between Brazil and Africa tripled between 2000 and 2015 (source: interview with Prof. C Inoue, UdeB; Inoue & Vaz 2012, 518; Lundsgaarde 2011b; Stolte 2012, 4; Ministerio de Indústria 2016). Besides, in efforts to expand Brazilian military industry exports, SSC with LDCs, such as

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\(^{58}\) Training offered by these companies is often organised with the “S system”. The S system is composed by: SENAI (National service for industrial apprenticeship), SENAC (National service for commercial training), SENAT (National service for transport apprenticeship), SENAR (National service for rural learning), SESCOOP (National service for cooperative learning).
Namibia or Bolivia, includes security aspects (source: interview with Mr. S Leo, Valor Economico).

Furthermore, the government opposition contends that offering concessional credits to non-democratic regimes is not justified; but supporters argue that credits of this kind stimulate Brazilian industries and their exports. It appears that Brazilian companies with operations around the world are part of Brazil's soft-power weaponry (source: interview with Mr. S Leo, Valor Economico), although, efforts to organise joint projects in Africa between ABC and the private sector have not been successful (source: interview with senior government officer J). Private corporations have their own specific interests, which often conflict with the ABC’s principles. Furthermore, transnational companies do not need the intervention of the government to expand their operations overseas (source: interviews with senior government officer F and J. In the practice, powerful conglomerates usually avoid government intervention in their business operations.

In contrast to other MICs that follow guidelines suggested by the DAC, Brazil has limited institutional arrangements to systematically engage with non-government actors, which hinders the regular participation of civil society in cooperation projects. An exception to this is the NGO Viva Rio, which as part of MINUSTAH, implemented a pacification and urban inclusion program in Haiti, based on its experience in the favelas of Rio de Janeiro (source: interviews with Prof. M. Saraiva, UERJ; and with diplomat posted to Brazil R; Abdenur, A E & De Souza Neto 2014, 4; Chaturvedi, Fues & Sidiropoulos 2012, 126). Some NGOs were also involved in projects to foster civil society engagement in Guinea-Bissau. But in reality, very few NGOs accept the ABC’s conditions (source: interview with senior government officer J).

According to the Brazilian Public Opinion Monitor, 51% of Brazilians support Brazilian cooperation. In the public’s view, Brazilian foreign priorities are to promote national security and peace and stability worldwide, followed by reducing world poverty (Costa Leite 2014, 57; Henson 2013, 10). As for humanitarian assistance, the public expresses solidarity with human suffering, but often common citizens do not know how to contribute to such efforts. In
brief, there are very few civil society organisations interested in overseas development cooperation (source: interview with senior government officer H).

Public interest in foreign policy issues is rather low and media reports are limited and frequently superficial (Soares de Lima 2005, 7). Therefore, discussions on foreign policy are generally misinformed and shallow. For example, the opposition fiercely criticised the decision to forgive the debt that African governments acquired long ago because Brazil cannot support countries with poor democratic and human rights records. Nevertheless, media reports and critics did not comment that those countries are very fragile and that it is unlikely that they would be able to repay their obligations. Moreover, debt forgiveness was part of a larger renegotiation scheme that included credits guaranteed in material assets, such as natural resources, that in fact could be beneficial for Brazilian industry (Abdenur, A E & De Souza Neto 2014, 115).

Finally, the debate among experts and academia is gradually growing, but further engagement through academic research on SSC is needed. There is an idea to create a council of foreign affairs to formally establish a platform to promote exchange with non-government sectors and to reflect the concerns of civil society and other stakeholders in Brazilian foreign policy. However, at the time of research and writing of this thesis, no concrete steps had been undertaken yet in this regard (source: interviews with Mr. S Leo, Valor Economic; with senior government officers G and K; and with Prof. M. Saraiva, UERJ; Abdenur, A E & de Souza Neto 2013b, 114; Pinheiro, Leticia & Milani 2012, 338). This brief account exposes the preference of the Brazilian government to maintain institutional settings as they are and reveals little interest in fostering non-government actors’ involvement in development cooperation. This behaviour contrasts with guidelines suggested by international regimes and with the domestic changes implemented by other new donors more sympathetic to the DAC such as Turkey, South Korea and Mexico.

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This thesis argues that the motivations underlying SSC are quite similar to ODA’s, the key difference being that MICs emphasise the self-esteem, reputation and prestige aspects of the national interest. By projecting a positive international image and acquiring a good reputation, MICs increase their chances of influence, power of persuasion and they create opportunities to advance their foreign agenda. Most importantly, reputational aspects have enough impact on MICs to drive them to transform domestic institutional settings, bureaucratic organisations, procedures and delivery practices.

In this chapter, we observed how the Brazilian development cooperation model is conceived, structured and implemented. It was exposed how SSC became a key tool to advance Brazilian foreign interests, especially during the Lula administration. Development cooperation offers Brazil the opportunity to increase its international presence, visibility and image. SSC materialises one of the components of the Brazilian foreign policy strategy that seek to gain the reputation of a responsible emerging power and likely to win the admiration and loyalty of LDCs—the latter is crucial for Brazil, which strongly relies on the support of Southern countries to build consensus and move forward initiatives in the international arena. As a result, SSC contributes to consolidate Brazilian aspirations as an emerging power.

At the time of writing and researching this thesis, Brazilian decision-makers seemed unwilling to apply international principles or emulate international standards and were not interested in joining a regime such as the DAC. SSC provides Brazil with an opportunity to present itself as a responsible global actor, while at the same time, by offering successful solutions to overcome poverty, Brazil presents itself as a champion of development and the voice of the South. Brazil believes that the success of its international development cooperation model justifies maintaining domestic institutional, bureaucratic and delivery settings as they are, and therefore there is no need to restructure its SSC strategy to comply with international standards, such as the ones proposed by the DAC, as consensus collector MICs do.

This chapter presented how the four policy-making variables of the theoretical model interact in the case of Brazilian SSC. This analysis revealed how MICs,
aiming to build consensus around their own interests, actively seek to distance themselves from international principles that could drive them to shape domestic institutional settings, bureaucratic structures, formulation procedures and delivery practices along the lines of Western regimes. Consensus builders, such as Brazil, bet on the success of their own public policies to gain admiration, respect and support from other developing nations to advance their national interest, which in turn, gives them the legitimacy to sit at the global decision-making table.
CHAPTER VI

SSC MEXICAN STYLE:
the consensus collector
or MICs, gaining respect, prestige and reputation is so crucial to advancing their foreign agenda that it pushes them to shape domestic institutional settings, bureaucratic organisations, policy-formulation procedures and delivery practices. Domestic reforms, however, are produced differently according to the international behaviour and identity of each country. As we saw in the case of Brazil, a consensus builder seeks to identify more closely with developing nations while distancing itself from Western regimes. Brazilian development cooperation became an assertive tool to win the allegiance and support of developing nations, which is key to building consensus around initiatives to advance Brazil’s foreign agenda.

Conversely in the second case study, Mexico, a consensus collector MIC, presents itself as a country that forms a bridge between the West and the developing world. For new donors, the reputation and self-esteem aspect of the national interest is central to their cooperation policies. While Brazil aims to identify closer to Third World nations and distance itself from the West, Mexico’s desire for recognition as a responsible global actor and for approval from the industrialised North, drives the country to implement domestic transformations that mirror regimes proposed by the West, such as the DAC’s. The success of
Mexico’s economic development raises the admiration of the South and the respect of the North, which both help to present the country as a link between Western countries and other developing nations (Morales 2011; Maihold 2014). The purpose of this chapter is to explain precisely how Mexico is transforming its development cooperation model so it can take advantage of its position as a bridging and consensus collector country.

The analysis in this chapter will reveal how Mexico, in contrast to Brazil, uses SSC to collect support from developing nations and how SSC becomes an instrument to portray itself as like-minded nation and as a responsible global actor seeking to be accepted into the club of global decision-makers. SSC becomes crucial for gaining empathy from developing nations and for winning respect from Northern countries. This chapter exposes how, unlike Brazil, consensus collector MICs like Mexico aim to implement regimes and follow guidelines reproducing Western standards with the purpose of gaining reputation, respect and especially, membership of Western groupings.

Mexico has quite a long tradition as a provider of international cooperation, mostly in response to humanitarian crises. There are records of cooperation efforts going back to the early 20th Century, when Mexico offered humanitarian assistance to victims of natural disasters in the US port of Galveston, Texas and to victims of the 1906 San Francisco earthquake (Figueroa Fischer 2014; Prado Lallande 2011, 55, 58; Valle Pereña 2014). During the 1970s, Mexico joined the Third World movement and offered cooperation to other developing nations through technical assistance and knowledge exchange. Even though Mexico has a history of cooperation, until quite recently it still lacked institutional structure and strategic vision, and most cooperation projects were implemented on a case-to-case basis (Figueroa Fischer 2014; interview with senior government officer Y).

In the 1980s military conflicts threatened to destabilise Central America, and Mexico played a key role in mediating for the pacification of the region.59

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59 The Contadora Group is an initiative launched in 1983 by the ministers of foreign affairs of Colombia, Panama, Mexico and Venezuela to foster peace and stability in Central America (Mexican MFA 2013).
Following the success of the pacification process, the importance to Mexico’s national security of promoting peace and stability in the neighbouring region became crucial for its own stability. From that moment on, development cooperation became a fundamental instrument of Mexican foreign policy towards Central America, as demonstrated by the creation of the Tuxtla Mechanism and Puebla-Panama Plan, rebranded in 2007 as the Mesoamerica Project (de la Mora Sanchez 2011, 6; Figueroa Fischer & Gonzalez Segura 2014, 45; Herrada Pineda et al. 2014 and interview with government officer Y). Under the logic of consequences noted in the theoretical framework of this thesis, Mexico assessed the benefits and opportunity cost of offering development cooperation to Central America, and this led to a transformation of SSC into an assertive instrument to advance Mexico’s national interest.

Another element that plays a key role in Mexican development cooperation is the expectations that emerged on the one hand in Central American countries, and on the other hand, among Northern nations, especially in the USA. The former believed that, as a larger nation and the leader in Central America, Mexico had a responsibility to contribute to the prosperity of the region (conversatorio Ley CID, Senado and AMEXCID). For the USA, expectations arose due to Mexico’s membership of Northern groups, including OECD and NAFTA. Such aspiration for membership pushed Mexico to shape its domestic institutional settings, bureaucratic structures, procedures and practices along the lines set by Western-like regimes, so that it appears as a trustworthy and like-minded nation. As per the logic of appropriateness, Mexico strengthened its cooperation to Central America because it was believed to be the right, the appropriate and especially, the expected thing to do, if Mexico wished to be perceived as a responsible global actor (Tripp and Vega 2011; Romero 2012).

This chapter is organised as follows. To start, I set the stage to apply the theoretical framework put forward in Chapter III. Firstly, I revisit the non-material factors involved in Mexico’s development cooperation policy-making and the repercussions on Mexico’s international action. Next, I introduce the guiding principles that lay the conceptual basis, the legal framework and the five pillars that compose Mexico’s development cooperation model. Then I disaggregate the four policy-making variables of the theoretical framework in
the section on cooperation practices in the field and triangular projects. On the one hand, this analysis exposes the motivations driving Mexican cooperation and on the other hand, demonstrates the limitations of the Mexican development cooperation model. Similarly to the chapter on Brazil, the study of Mexican development cooperation is based on the four variables that constitute the theoretical framework of this research, with emphasis on the non-material factors.

1. MEXICO’S INTERNATIONAL ACTION: collecting consensus

Given current international challenges, most developing countries increasingly recognise that shared responsibility and joint involvement are required to overcome common problems (source: interviews with Dr G. Sánchez, Instituto Mora and government officer Y; Escanero & González Segura 2014, 86). South-South Cooperation has proved to be a useful scheme in which countries assume joint responsibilities and share experiences to face transnational problems—for example, the actions under the Mesoamerica Project to tackle widespread inequality and insecurity in Central America. Mexican decision-makers believe that every country is responsible for its own development and not complying with international commitments has a negative impact on the country and on other nations (source: interview with government officer Y). This approach is summed up in the premise of ‘shared but differentiated responsibilities’, commonly used in other international negotiations, such as climate change. Northern countries, however, seem reluctant to use this principle, arguing that in practice Southern countries do not really contribute, and this is only an excuse (Bracho 2014, 109; Prado Lallande 2010). However, despite limited capabilities, current MICs’ contributions to global challenges cannot be neglected.

Mexico’s desire to gain respect and reputation is an incentive to adhere to regimes and comply with international commitments proposed by the West and

60 Today seven Central American countries (Guatemala, Belize, El Salvador, Honduras, Nicaragua, Costa Rica and Panama), in addition to, Colombia, the Dominican Republic and Southern Mexico benefit from the Project (Proyecto Mesoamerica 2014).
that are translated into domestic policies, institutional settings, bureaucratic structures and practices. To better illustrate, with the aim to portray itself as like-minded and responsible nation, Mexico took advantage of its diplomatic tradition and mediator skills to organise the 2002 Monterrey Development Finance Conference and the 2014 first High Level Meeting of the Global Partnership for Effective Development Co-operation.\footnote{In the first one, ODA flows grew thanks to the agreement of advanced nations to contribute to 0.7% of GNI for ODA. And during the latter, participants agreed to broader collaboration schemes including SSC.} By hosting these meetings, Mexico stressed the importance of participating in the construction of a new aid-development architecture, both to increase global efforts towards development and to advance its foreign policy interests. Mexico’s involvement in these meetings helped to showcase itself at the centre of global debates and to increase its international visibility. By the same token, during the 2014 Global Partnership Meeting, Mexico sought to ensure that SSC was recognised and included in the post-2015 development agenda (Escanero & González Segura 2014, 74-76). On this occasion, Mexico took advantage of its position as a ‘bridge country’ to put forward the needs of developing countries, and at the same time comply with the requirements of advanced nations; fulfilling the expectations of the former and winning the respect of the latter.

Mexico’s position in the aid international regime is not clearly defined (Maihold 2015; Prado Lallande & Tadeo Villegas 2010, 100). One of the five objectives of President Peña Nieto’s national development strategy was to transform the country into a globally responsible actor (AMEXCID 2014, 1). To achieve this objective, Mexico needs to assume political and economic costs. Without a larger presence as a development cooperation provider, it is difficult for the nation to claim the so-called ‘global responsible actor’ status that the Peña Nieto administration aspires to achieve (Maihold 2015). Mexico must take on the responsibility that it aspires to in the global arena and dedicate larger resources to development cooperation to fight global challenges, including poverty, insecurity and social exclusion (Prado Lallande 2013, 30), and thereby improve its own reputation and prestige on the global stage.
This lack of definition stems from a North/South dichotomy that the country is trapped in. On the one hand, besides larger resources, Mexico needs to consolidate institutions to better manage its development cooperation policy. And on the other hand, it needs to develop a cooperation paradigm that sees development cooperation as contributions to GPGs. According to Dr G Sanchez, if GPGs became a central axis of its development cooperation strategy, the country would acquire greater legitimacy for contributing to challenges at the global scale and, of course, Mexico would gain improved reputation and prestige, among both recipient countries and Western nations (source: interview with Dr G Sanchez, Instituto Mora). The difficulty of achieving these changes is related to the rigidity and limitations of current domestic arrangements. Without the institutional strength that Mexico’s development cooperation model requires, it is difficult to ensure coordination of actions, efficient use of resources and most importantly, to maximize the potential of SSC as an instrument of soft-power (source: interviews with Dr LM de la Mora, former head of URECI and Dr G Sánchez, Instituto Mora).

Mexico needs to foster stronger engagement in international action by other national stakeholders. Similarly to Brazil, Mexico’s development assistance can significantly benefit from expertise from non-government actors. Foreign policy that is restricted to the Executive does not have deep roots and it is difficult to demonstrate its potential for gaining the support of domestic constituencies (Maihold 2015). While the government is fearful that domestic opinion will backlash because of the use of public resources in third nations when there are still endless domestic demands, decision-makers argue that development cooperation also contributes to develop national capabilities (Valle Pereña 2014, 28). Engagement of other stakeholders in SSC, not only improves Mexico’s international image, but also increases its potential as a responsible actor involved in the fight against global challenges.

As a dual partner, Mexico has a privileged position since it knows from first-hand experience the needs of recipient nations. And as a member of OECD and observer of the DAC, Mexico is aware of the responsibilities and interests of traditional donors (AMEXCID & JICA 2012, 12; de la Mora Sanchez 2011, 3-4; Escanero & González Segura 2014, 85; Romero 2012, 194; Soria Morales
Thanks to a broad range of successful public policies, Mexico offers its potential as development provider (Valle Pereña 2014, 21); but by the same token, Mexico invokes its dual nature and the need to still receive ODA to consolidate its national development (source: interview with Dr G Sánchez, Instituto Mora).

This duality stems from the perception that Mexico has about itself. After signing NAFTA in 1994, Mexico believed that it would become a ‘developed nation’ and that it would be able to participate in global decisions. Mexico became a member of the OECD, relinquished its membership to the G77 and took a very low profile in developing country organisations, such as UNCTAD. This provoked some distrust and scepticism from other developing nations, especially from Latin American neighbours. Brazil and Chile, in contrast, played the card of being closer to Southern nations; in fact, Brazil puts a large amount of effort into portraying itself as the voice of the South (source: interviews with Dr LM de la Mora, former head of URECI and government officer Y; Anguiano Roch 2003, 224; Bracho 2009, 311).

Mexico implemented some structural reforms in line with the neoliberal principles prevalent at that moment, and there were some good results, especially related to trade. However, neoliberal principles and larger trade flows did not achieve a multiplying effect on the domestic front, leaving some economic sectors disarticulated from international chains of production, which contributed to the rise of inequality, unemployment and crime. Today the country has millionaires among the wealthiest in the world, but also millions of people still living under poverty. Productivity growth is low and gains from foreign trade do not bring benefits to most of the population (Anguiano Roch 2003, 224), including the 50.6% of Mexico’s population who still live in poverty (World Bank 2016b). The above shows numerous asymmetries in the country: on the one hand, Mexico has developed capabilities that enable the nation to have a broad offering of international cooperation; and on the other hand, the conditions in certain regions in the country justify the need to still receive traditional ODA. As a result, Mexico is torn between the needs of a developing

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62 Conversely, Chile is still a member of this grouping, despite being a member of OECD too.
country and the aspiration of becoming an advanced one (Ayala Martínez 2009, 3; Prado Lallande 2010, 93). This internal conflict is reflected in both Mexico’s foreign action and in its development cooperation policy.

Among decision-makers exists the aspiration to reach the status of a developed country, to graduate to become a ‘donor’ and obtain full DAC membership (source: interview with Dr LM de la Mora, former head of URECI). This position is fiercely criticised by some Mexican experts, who do not believe that Mexico’s ambition to become a full member of the DAC brings any benefits to the country. Mexico has no influence in an organisation such as the DAC and would have to comply with schemes and principles that are not necessarily suitable to the Mexican cooperation model —opinions that are shared in the Brazilian case. Besides, ‘graduating’ and assuming the role of a donor on the DAC would imply Mexico to be excluded from the DAC list of ODA recipients. Mexico still sees itself as a developing country and therefore, it is unlikely that at this stage the nation would be prepared to give up such status and especially the resources that it can still receive from ODA (source: interviews with Dr G Sanchez, Instituto Mora and Dr LM de la Mora, former head of URECI). In the eyes of specialists, Mexico appears to be a ‘hypocrite’ because it pretends to be part of a selected group, when there are so many domestic issues still pending in areas, such as human rights, insecurity and social exclusion (source: interview with Dr G Sanchez, Instituto Mora).

This internal conflict of identity is reflected in ambiguous positions within the OECD, the UN and other global fora, despite apparent leadership (source: interview with Dr LM de la Mora, former head of URECI; Lätt 2011; Romero 2012). The ‘dual nature’, ‘diverse membership’ and ‘hinge country’ self-imposed descriptions give Mexico the option to participate in numerous arenas. But with such a ‘multiple membership’ the country seeks to fit into many different spaces that only hinder the possibility of Mexico having a clearer definition of itself. This behaviour contrasts with Brazilian self-perception, in which the South American giant defines itself as a Southern country and an emerging power, therefore acts as such (source: interview with government officer Y).

This conflict of identity is also observed in the readings that common Mexicans
have about themselves and their country. According to González González, (2013), Mexicans show strong and growing sentiments of attachment and are proud of their national identity. Mexican society is anchored in the American space but shows ambivalence between its membership to the North or to the South. While the main supranational identity recognised by Mexicans is Latin American, the US is considered as the model that their country must follow and seek to achieve. For common citizens, the top priority of their country’s foreign relations is North America and they see little value in relations with other regions. Policy-makers, conversely, have their eyes set on other emerging powers, including Latin America. Common Mexicans believe that the country has to increase its global activism and that foreign policy should be an instrument to face global challenges, promote development, wellbeing, national security and national prestige (González González et al. 2013, 16-20, 121).

Knowledge about development cooperation, and foreign policy in general, is quite limited among common citizens, and therefore the involvement of non-government actors in development cooperation initiatives tends to be limited.

The 2008 Global Financial Crisis, the decrease of Northern countries’ contributions to ODA and the rise of BRICS nations in the global arena opened a window of opportunity for Mexico to increase its activism as a mediator and bridge between other new donors and the OECD and its members. Such opportunity placed Mexico in a more solid position in the international system, to collect consensus around mainstream initiatives. Development cooperation has become an instrument that Mexico can take advantage of to advance its foreign policy and gain support from other developing nations, while also winning respect from Northern nations —doing so enables the country to play a more active role in the international arena and improve Mexico’s international image (de la Mora Sanchez 2011, 12; Escanero & González Segura 2014; Prado Lallande 2010, 65). The question that rises is whether Mexico has the resources and the capability to commit to larger international development assistance contributions.

Larger development cooperation efforts would give enhanced congruency to Mexico’s foreign policy in Central America and the Caribbean and at the same time, it would strengthen Mexico’s position and image within the OECD and vis-
à-vis Northern countries. This suggest that Mexico needs further institutional strength, a mature approach that goes beyond reactive responses. The 2011 International Development Cooperation Law approved by the Mexican Congress is a step forward into setting institutions, restructuring bureaucracy and establishing processes and practices suitable to Mexico’s dual identity (source: interview with Dr G Sanchez, Instituto Mora); but Mexican cooperation still appear to need resources and funding to match the country’s aspirations (Bracho 2009). Whilst Mexico seeks to increase its role as cooperation provider, it still does not have the resources to match its economic size, and its cooperation policy lacks leadership, strategic vision and coherence (source: interviews with foreign diplomat posted to Mexico Z and Dr LM de la Mora, former head of UREC; Prado Lallande 2013, 28). If Mexico aspires to consolidate its global activism as a responsible actor, it would need to reinforce its development cooperation program and give it a strategic approach in order to consolidate its role as a tool to advance foreign policy interests, just like other emerging powers have skilfully done.

Up until 2011 when the development cooperation bill was approved, Mexico saw development cooperation as an accessory to its foreign policy. Mexican development cooperation policy was reactive and had little visibility. Mexico’s institutionalisation of development cooperation resulting from the 2011 law is a step towards a state policy that aims to use SSC potential as a tool of foreign policy to propel the country forward as a responsible global actor (Bracho & García-López Loaeza 2009, 124; Prado Lallande & Tadeo Villegas 2010, 105; Prado Lallande & Velázquez Flores 2013, 132).

Mexico uses its dual character and position as a bridge to further push for a broader and more inclusive development-aid agenda, for example when the country takes the role of mediator within the OECD-DAC or the G20. This situation is a unique opportunity for Mexico to become the promoter of a new concept of development cooperation and to strategically insert itself as a key actor in a renewed development-aid architecture. The above suggests that

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63 For instance, a development agenda that focuses on development effectiveness rather than only aid-effectiveness, where MICs not only can contribute more, but also benefit to maintain its economic dynamism
Mexico enjoys the prestige and legitimacy to bridge between traditional and new donors and recipient nations. (AMEXCID, U a 2014, 26; Lozoya 2001, 933; Soria Morales 2011; Tripp & Vega 2011, 42). Such international activism is a step towards achieving the responsible global recognition that the Peña Nieto administration desperately seeks to achieve.

2. DRIVERS BEHIND MEXICAN DEVELOPMENT COOPERATION

There are three key points of inflection to understand the motivations behind Mexico’s international development cooperation. The first one is in 1998, when development cooperation was included as one of the normative principles of Mexican foreign policy (AMEXCID & JICA 2012, 12; Ayala Martínez 2009, 7; Figueroa Fischer 2014; Prado Lallande & Tadeo Villegas 2010, 95; Tripp & Vega 2011, 34; Valle Pereña 2014, 18). The second one is Mexico’s engagement in the reconstruction of Haiti after the 2010 earthquake. And the third one is the International Development Cooperation law passed by the Mexican Congress in 2011. These last two points are closely related, as we will see below. While the inclusion of development cooperation in the National Constitution reflects the importance that international development cooperation took in the formulation of foreign policy, it was only in 2011 that the first steps to institutionalise development cooperation as a state policy were taken.

The main motivations behind Mexican development cooperation are identified as follows:

- Southern solidarity and Third-World ideology. During the seventy years of PRI rule, Mexico promoted good relations with neighbours and other Southern countries. Echoing the Bandung principles and the ideology spread by

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64 The National Constitution establishes seven principles to guide Mexican foreign policy: 1) self-determination, 2) non-intervention in domestic affairs, 3) pacific solution of controversies, 4) proscription to use force, 5) legal equality among states, 6) promotion of international development cooperation, and 7) fostering international peace and stability. Article 89, fracc. X, Mexican National Constitution (Mexican Congress 1917).

65 PRI or the Institutional Revolutionary Party stayed in power for over 70 years, with majority in both chambers of Congress and most states until the late 1980s, when opposition parties started to win some positions. In 2000, PRI lost the presidency to right-wing PAN (National Action Party). After two terms, PRI regained the presidency and in December 2012, PRI’s Enrique Peña Nieto was sworn in as President of Mexico.
the Third-World movement, Mexico was eager to share experiences, knowledge and technology, but was very careful about meddling in domestic affairs. Mexico, like other MICs, is cautious when conducting cooperation actions that could be mistaken as intervention in the domestic affairs of recipients (Ayllon Pino 2013). The implementation of the Estrada Doctrine, emphasising the principle of non-intervention, limited resources and policy-makers’ lack of interest in development cooperation made the country appear rather timid as a development provider during most of the second half of the last century (source: interview with diplomat posted to Mexico BB; Prado Lallande 2015; Bracho 2015).

The first initiative to collate dispersed efforts and to institutionalise development cooperation as a public policy came in 1988 with the inclusion of the principle of international development cooperation in the Constitution, as earlier noted. This step raised the profile of development cooperation as a tool of foreign policy and led to the creation of AMEXCID’s predecessor, IMEXCI (Mexican Institute for International Cooperation). Limited political support and other priorities in Mexico’s foreign agenda during the 1990s, such as signing NAFTA and joining OECD, resulted in a neglected development cooperation strategy.

In 2000, PRI lost the presidential election to right-wing PAN party. President Fox and President Calderón’s governments directed Mexican foreign policy towards North America and the industrialised world. In contrast to PAN administrations, despite Mexico becoming a member of OECD and having signed NAFTA in the early 1990s, solidarity to Southern nations was still a core element of Mexico’s foreign agenda under PRI governments. Under the new PAN administrations, Mexico moved away from the diplomatic tradition characterised by the Estrada Doctrine and Southern solidarity (source: interview with foreign diplomat posted to Mexico BB).

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66 The Estrada Doctrine is a key principle of Mexican foreign policy that was implemented from 1930 until about the turn of the Millennium. The Doctrine refers to the principle that recognition of a government should be based on its de facto existence, rather than on its legitimacy. It is named after Genaro Estrada, Mexican Minister of Foreign Affairs, who in 1930 ordered that Mexican diplomats should not issue any declarations that amounted to a grant of recognition of any government. In his views, recognition of a government was an insulting practice and offended the sovereignty of other nations (Oxford University Press 2015).

67 According to Mexico’s foreign tradition, any pronouncements on the domestic situation of a country would imply intervention in domestic affairs (COHA 2004).
From the year 2000, Southern solidarity and, consequently, development cooperation were not considered important elements in the country’s foreign policy anymore. Jorge Castañeda, Minister of Foreign Affairs during the Fox administration, abolished IMEXCI created only three years before and, consequently, overlooked development cooperation (source: interview with senior government officer Y; Green R, 2014; de la Mora Sanchez 2011, 2-4). In the view of Minister Castañeda, trade, education and cultural diplomacy were better instruments to display Mexican soft-power than international development cooperation (de la Mora Sanchez 2011, 5; Prado Lallande & Tadeo Villegas 2010, 97). Summing up, when Southern solidarity and Third World ideology were in vogue, Mexican development cooperation rose; but when neoliberal principles took prominence and the desire to join Western regimes grew, development cooperation was relegated to second position.

- The search for domestic and international legitimacy. Mexican governments tried to recover legitimacy in the eyes of both domestic constituencies and the international community, and development cooperation helped towards that purpose. During Echeverria’s Presidency (1970-1976), development cooperation was used as an instrument to gain domestic legitimacy: for instance, President Echeverria offered financial assistance to Chile with the aim of gaining support and to vindicate its government vis-à-vis domestic left-wing movements. Another example of the search for legitimisation happened during the Fox administration, when development cooperation was used in exchange for support from LDCs in international organisations, for instance, for the candidacy to OAS of former Foreign Minister Luis Ernesto Derbez. Equally, due to a contested election, President Calderón sought to gain legitimacy in the domestic front by addressing key issues, such as insecurity and organised crime. Development cooperation served President Calderón’s government for this purpose thanks to the Merida Initiative68 (Prado Lallande & Velázquez Flores 2013; Figueroa 2014).

68 The Merida Initiative is a partnership between Mexico and US to fight organised crime and violence through the transfer of technology and equipment, capacity building, knowledge exchange and collaborations (State Department 2008).
Involvement of personalities. The role of personalities has been key to promote development cooperation in Mexico; leaders that minimise development cooperation hinder its potential as a tool to advance the national interest. In 2006, former Foreign Minister Rosario Green was elected Senator and then pressed for international development cooperation to become a state policy. The objective was to build a legal and institutional framework that would give coherence and institutional structure to Mexican international development cooperation efforts. There was not any real opposition from political parties to pass the bill in Congress, however, the Presidential office did not see a real need for this kind of policy. After a long struggle, including a presidential veto, the international development cooperation law was approved in 2011 (source: interview with Dr. G Sanchez, Instituto Mora and Dr LM de la Mora, former head of URECI).

Mexico’s initial intervention to assist Haiti after the 2010 earthquake was rather slow and small compared to the size of the country. President Calderón’s personal engagement in Haiti’s reconstruction resulted from pressure from President Obama to take an active role in the reconstruction of the Caribbean island (source: interview with Dr LM de la Mora, former head of URECI). After this episode, decision-makers realised the potential of development cooperation and the limitations that Mexico had in that domain. President Calderón and his team appreciated the importance of a suitable framework and schemes to enable the country to quickly respond to requests from other nations and to institutionalise development cooperation as an instrument to advance Mexico’s national interest. From this moment onwards, it was obvious that Mexico needed to conduct significant domestic reforms to lay the basis for a serious development cooperation model. After the approval of the development cooperation law in April 2011, the Mexican Agency for International Cooperation or AMEXCID was created as an autonomous unit under the umbrella of the MFA (AMEXCID 2015b). Ambassador Green’s commitment pushed forward the law while, President Calderón’s initial reticence slowed down the law’s approval. After the Haiti episode, President Calderón recognised the benefits of development cooperation and, only then, the process to institutionalise development cooperation as a state policy moved forward.
• Expectations of being an influential responsible global actor. Mexico’s development cooperation growing relevance was pushed by the expectations of recipient countries and by Mexico’s own desire to be considered as a nation engaged in global issues. Mexico believes it has a duty as a larger country and the leader of Central America. Involvement in the region is expected by the international community and Mexico’s Central American neighbours alike. Central America assumes Mexican leadership as a crucial intervention from the major player in the region to fight against common regional challenges (Green 2014). Mexico, for its part, grasped the importance of peace and prosperity in Central America for its own national security and the need to fulfil such expectations to ensure the support and loyalty of neighbouring countries. Mexican development cooperation to Central America is not selfless, it obviously contributes to peace and stability in the region, but also contributes to create a conducive environment for business and investment that Mexican corporations learned to capitalise on, as well as improving the quality of life of populations in the region and reducing immigrants’ inflows (Lätt 2011; Tripp and Vega 2011).

This suggest that further to the need to guarantee the stability of the region, Mexico seeks to raise the reputation of an advanced nation that is able to assist neighbours and most importantly, to build the image of a sophisticated and ‘developed’ country engaged in the fight against transnational issues. Having said this, Mexico, like other MICs, appears to offer SSC as an exploitation-free alternative, however, SSC loses its legitimacy from the advantages that donor countries receive, including trade, development and security (Nel & Taylor 2013, 1107). This exposes the instrumental use given to SSC by MICs to advance their national interest, including reputation and prestige.

• Respect and protection for the principle of non-intervention. Central America is a conflict-ridden territory, with tensions between countries and within countries, and hence Mexico recognises the need to anticipate US interventions in the region. As a result, development cooperation became a key mechanism to safeguard peace and stability (Prado Lallande & Velázquez Flores 2013, 114). Mexico’s engagement goes beyond humanitarian assistance and post-conflict management. Political dialogue and economic integration constitute the
backbone of Mexican foreign policy towards Central America. Mexican involvement contributes to the stability of this region and the ability to keep foreign nations out of Mexico’s “backyard”, which is also beneficial to political, economic and security domestic demands in Southern Mexico (Prado Lallande & Velázquez Flores 2013). In other words, Mexican development cooperation to Central America is not offered freely, since the country benefits when such stability and prosperity spills down to Southern Mexico.

Summing up, while Mexican SSC has gained a certain relevance in recent years, it is still relegated to a second plan in foreign policy priorities. As a result, it appears that Mexican foreign policy lacks the boost that SSC can provide, in particularly in regions where the country has weaker links, such as Africa and Asia (source: interview with government officer Y). In contrast, the Brazilian cooperation program helped to expand and strengthen relations with Africa, as well as ensuring support to Brazilian initiatives in international organisations (Green 2014). Haiti, for example, offered support to Mexican candidacies for international positions, but in the views of a senior diplomat posted to Mexico City, the country lacks a more strategic purpose in its development cooperation policy towards developing nations (source: interview with foreign diplomat posted to Mexico BB). As an example, according to the words of the Haitian Ambassador to Mexico: “Haiti would support Mexico’s positions and candidacies in international fora, but Brazil offers SSC in exchange for Haiti’s support.

From the above, it seems that Mexico needs to be more assertive to counterbalance other MICs’ dominance in the South of the continent, as well as, other regions. Mexico is trying to consolidate its development cooperation policy to boost its potential, to contribute to foreign policy efforts and most importantly to consolidate its position as a responsible global actor. Given that the first real step to consolidate Mexican development cooperation only took place in 2011 when the Development Cooperation Law was passed, at this stage it is still premature to fully assess the success of the policy and the domestic transformations it may entail.
3. PRINCIPLES AND LEGAL FRAMEWORK OF MEXICAN SSC.

Mexican international development cooperation is conceived as an instrument that benefits both provider and recipient. On the one hand, it aims to contribute to global development and to GPGs, so it benefits the provider, if only indirectly. And on the other hand, development cooperation is an instrument to increase wellbeing in both the recipient and the provider nation (AMEXCID 2014, 22).

Mexican development cooperation is presented as guided by principles stemming from international commitments, including the 2005 Paris Declaration and 2011 Busan Partnership for Development Cooperation, but also from domestic guidelines such as articles 25 and 26 of the National Constitution, the 2012-2018 National Development Plan and the 2011 International Development Cooperation Law (Ley CID 2011; Mexican Congress 1917; Mexican Government 2012; OECD 2011c, 2015c).

These principles are stated in the 2014-2018 international cooperation program, where emphasis falls on cooperation projects that aim to achieve the following (AMEXCID 2014, 27-28; Lätt 2011):

- National ownership and alignment with the national development strategies of recipients. Mexican development assistance assumes the involvement of recipient countries in the design, implementation and assessment of projects.
- Harmonisation and coordination with other donors to promote efficient use of resources, avoid fragmentation and promote greater impact.
- Results-oriented management implies planning and management of programs to improve execution and results achieved.
- Joint responsibility seeks to foster collaboration and engagement from both recipients and donors —this is particularly relevant when implementing projects with countries with similar level of development.
- Transparency and accountability entail that all parties involved must make information available about cooperation initiatives according to international standards.
- Preference for projects that promote gender perspectives, respect for human rights and sustainable development. Projects should foster endogenous, long-term and inclusive development.
- *Engagement of non-government actors.* Projects should promote involvement by stakeholders such as civil society, the private sector, local governments and academia.

- Projects should seek *complementarity* of national efforts, instead of imposing models, taking over national responsibility or creating dependency from partner nations.

In practice, other principles, such as horizontality, solidarity, mutual benefits, self-sustainability and demand-driven projects also apply. Like Brazil, Mexico stresses symmetrical relationships in its development assistance. Projects are often offered under the basis of Third World solidarity but with the objective that both partners receive benefits. Projects aim for long-term autonomous sustainability and finally, cooperation initiatives should emerge from the requests of recipient nations. Similarly to the previous case study, Mexican SSC is presented as offered under terms of equality for both partners, in practice this is not always the case.

Comparably to the case of Brazil, Mexican decision-makers contend that development assistance is in line with international standards as per the principles listed above. While the country only joined the Paris Declaration and the Accra Action Agenda as a recipient, it claims that SSC is not the same as ODA, and therefore developing nations cannot be forced to comply with such standards. However, given that Mexico tries to gain the respect of Northern nations, in practice Mexican development assistance applies principles suggested by the DAC and its associates.

The 2011 International Development Cooperation Law aims to provide order and coherence to Mexican cooperation efforts by establishing a legal, financial and administrative framework to promote, coordinate, execute, assess and monitor international cooperation activities (Valle Pereña 2014, 18). The Law underscores the dual identity of Mexico, as both a donor and a recipient. Whereas it was conceived as the legal framework to coordinate Mexican efforts overseas, it also seeks to manage resources that Mexico receives from
traditional ODA.\(^{69}\) The institutionalisation of a development cooperation model through the establishment of a legal framework, sought to offer Mexico the means to capitalise on its position as a middle-income and bridge country. The development cooperation legislation also offers a framework for Mexico to absorb ODA inflows, —according to policy-makers, Mexico still needs ODA to consolidate its economic development (AMEXCID 2014, 20-22; AMEXCID & JICA 2012, 12; García-López Loaeza, 145).

Although the Bill was only approved in 2011, it seems to be conceived on out-of-date foundations. According to a key expert (source: interview with Dr G Sanchez, Instituto Mora), the law maintains old structures and obsolete principles to face new challenges. One of the main issues is that the participation of civil society and local governments was not really contemplated in the new framework. Whereas ‘technical committees’ provide an official channel for dialogue with non-government actors, their opinions and advice are rarely considered by policy-makers —with the result that representatives from civil society and academia argue that the creation of these committees is only a ‘cover up’ (Garzón Lozano 2011 and Dr G Sanchez, Instituto Mora). The ‘consultative council’ is not an efficient mechanism, since it has a large membership that includes agencies that have marginal knowledge and little involvement in development cooperation matters (Dr LM de la Mora, former head of URECI). Finally, while there is strong emphasis on Mexico’s dual role, as provider and recipient, and the need to still receive ODA, the law does not detail how ODA inflows would be managed.

Mexican international cooperation aims to enhance its foreign action according to its economic weigh, history and diplomatic tradition (Valle Pereña 2014, 19-20). Passing the 2011 Law represented the first step to consolidate development cooperation as a state policy to support Mexico’s foreign policy. However, Mexico does not have the resources or capacity to match its

\(^{69}\) Mexico has not a friendly regime to welcome ODA inflows. Tax regulations do not offer tax-free concessions to donations coming from overseas. Procurement legislation does not facilitate the acquisition of goods and services required to execute cooperation projects. And guidelines pose obstacles for quick and efficient delivery of emergency assistance in the cases of humanitarian assistance offered to Mexico (de la Mora Sanchez 2011, 11-12).
international cooperation contributions to its economic size and political influence, but the Law sets out a cooperation paradigm that reinforces current capabilities. As previously noted, the legal framework created by the 2011 Bill is the cornerstone of a state policy of international development cooperation and is one of the main domestic transformations that Mexico conducted to increase the potential of SSC to gain prestige, reputation and respect in the global arena. The International Cooperation Law provides the pillars of the Mexican development cooperation system, as we will see next.

4. DECONSTRUCTING THE MEXICAN COOPERATION SYSTEM

Mexico conceives international development cooperation as an instrument of soft-power that facilitates diplomatic relations between nations.\(^{70}\) According to article one of the Development Cooperation Law, international development cooperation refers to the transfer, receipt and exchange of resources, goods, knowledge and educational, cultural, technical, scientific, economic and financial experiences with other countries and with international organisations. Compared to the definition provided by ECOSOC and even the conception of Brazilian development cooperation, Mexico has a broader approach to SSC because it includes activities beyond development assistance. Moreover, the law states that the Mexican cooperation system will be composed by five pillars: 1) the agency (AMEXCID); 2) the program (PROCID); 3) the database (RENCID); 4) the fund (FONCID); and 5) the law itself (LCID, \textit{International development cooperation law}, 2011).

The development cooperation system aims to promote sustainable development; eradicate poverty and fight unemployment, inequality and social exclusion; raise education standards; reduce asymmetries between and within countries; promote environment preservation; and improve public security (AMEXCID 2011, 6). This institutional framework is built on the foundation of the legislation passed in 2011. Mexico only conducted these transformations once

\(^{70}\) Development cooperation seeks to foster, multiply, strengthen and dynamise exchanges between Mexico and the rest of the world, with the purpose of promoting socio-economic development (AMEXCID 2015a).
decision-makers realised the potential of development cooperation as a tool of foreign policy to advance the national interest, including gaining prestige, respect and reputation. As earlier noted, President Calderón and his team did not seem to appreciate the virtues of development assistance, only after Mexico’s involvement in Haiti’s reconstruction the Executive realised the importance to have a legal and institutional framework that enable to take advantage of SSC. Mexican decision-makers finally realised that SSC gives provider countries with the credentials of engaged nations in the fight against global challenges and enables providers to have a key role in the construction of international regimes, such as the one established by the DAC and its members.

**Figure 6.** The components of the Mexican international cooperation system.

Source: AMEXCID

### 4.1. The agency (AMEXCID)

The Mexican Agency for International Development Cooperation, or AMEXCID, is the administrative arm in charge of executing the Mexican development cooperation policy. AMEXCID coordinates, plans, promotes, monitors, executes and ensures efficiency and transparency in cooperation efforts by Mexican government agencies involved in development assistance (Granguilhome 2013 and Valle Pereña 2014). AMEXCID is not Mexico’s first cooperation agency —
in 1988 the Mexican Institute for International Cooperation (better known as IMEXCI) was created; but it was dismantled in 2001 (Figueroa Fischer 2014, 51; Guedán Menendez 2011 and Green 2014). AMEXCID’s tasks include to 1) coordinate the operating arms of Mexican cooperation; 2) identify opportunities for cooperation; 3) manage the international cooperation database (RENCID); 4) monitor and evaluate the cooperation program (PROCID); 5) identify and implement new financing schemes, such as public-private partnerships or triangular projects; and 6) promote the involvement of non-government actors (AMEXCID 2014, 25). Up until now, AMEXCID has not been able to completely fulfill such tasks due to a lack of resources, limited institutional mandate and subordination to MFA priorities, as it will be explained below.

The Executive Director, the head of AMEXCID, is appointed by the President and reports directly to the Minister of Foreign Affairs, which further emphasises the subordination of SSC to foreign policy objectives.71 A consultative council, including representatives of 20 government agencies, supports and advises AMEXCID (AMEXCID 2014, 25). Most of these agencies, however, have little knowledge and involvement in development cooperation matters and in fact it only increases the bureaucratic burden on policy formulation.72 To foster engagement with non-government actors, five technical committees were established to assist AMEXCID activities. These committees represent: the 1) academic and scientific community; 2) civil society; 3) business sector; 4) local governments; and 5) high level experts and authorities (Borbolla Compeán 2014, 61-62). Non-government actors contend that their advice is not really considered in policy formulation and that these committees are only a pretence by the government (Guedán Menendez 2011 and interview with Dr G Sanchez, Instituto Mora).

In contrast to traditional donors, where there is greater scrutiny in the use of public funds, most emerging donors are fearful of disclosing information about

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71 2011, Ley CID (International development cooperation law); 9. Art. 18.
72 The federal government agencies involved in the council include the Ministries of: Interior, Defence, Navy, Finance, Social Development, Environment, Energy, Trade, Agriculture, Transport and Communications, Public Administration, Education, Health, Industrial Relations and Labour and Tourism, as well as the Councils of Science and Technology, Culture and Indigenous Affairs (Ley CID (International development cooperation law) 2011).
development cooperation spendings and therefore it is not common practice to open the monopoly of policy-formulation to non-government actors. Policy-makers argue that publicising information would spark a debate in which non-government actors would challenge the use of national resources to contribute to poverty alleviation in third countries; this is particularly controversial when MICs still have significant domestic demands to tackle. In other words, decision-makers fear being questioned about the use of domestic resources to assist other nations—this is even in the Mexican case, when it has been shown that the prosperity of Central America is crucial for Mexico’s peace and stability.

Finally, in contrast to Brazil, AMEXCID is located at a higher level within the bureaucratic structure, since it sits at vice-ministry level. However, despite its bureaucratic position, AMEXCID does not necessarily enjoy greater autonomy.

4.2. The Program (PROCID)

The international development cooperation program or PROCID establishes priorities, strategy and lines of action to take advantage of Mexico’s dual role, as both a donor and a recipient of development cooperation (AMEXCID 2014). The Program constitutes the basis to plan and execute international cooperation activities, while at the same time it is supposed to align cooperation projects with foreign policy goals set in the National Development Plan (AMEXCID 2014, 26; Valle Pereña 2014, 19). In contrast to Brazil, Mexico places value on a strategy which sets priorities and guidelines in advance. Brazil contends that development assistance is “demand-driven” and therefore it is difficult to estimate the needs of recipient countries beforehand. Mexico, for its part, mirrors standards suggested by the DAC and appears to appreciate the benefits of having a predefined strategy, especially when it can help to forecast spending.

Mexico decided that the overarching objective of the 2014-2018 Program is to use development cooperation to consolidate the country’s position as a responsible and influential global actor. The 2014-2018 Program seeks to strengthen national capabilities; increase SSC flows and triangular cooperation; foster transparency and accountability standards; maintain and enhance relationships with key traditional donors; attract traditional ODA for domestic
research and scientific development; promote good international practices; identify and implement training opportunities; promote Mexico as a destination for tourism and a strategic partner for trade and investment;\textsuperscript{73} increase the Mexican presence around the world; improve Mexico’s position in the international aid architecture and above all to actively participate in the current aid-development debate (AMEXCID 2015a, 41; Borbolla Compeán 2014, 60).

Some objectives, such as promoting trade and investment opportunities, are beyond the scope of traditional ODA and even SSC, as per the definitions introduced in Chapter I. According to the objectives above, activities such as tourism, investment and trade promotion still prevail as core tasks of AMEXCID, which shows that the transformation into an agency focused on development assistance is still undergoing. Furthermore, the PROCID also outlines sectorial and geographical priorities into which Mexican development cooperation is channelled to, and identifies key areas within Mexico where traditional ODA could land (\textit{Ley CID, International development cooperation law} 2011; AMEXCID 2014). In other words, unlike a traditional ODA agency, AMEXCID also manages incoming flows.

According to the Program, the priorities of international cooperation are defined with consideration of the following: 1) Mexico’s foreign policy objectives; 2) the level of development of partner countries; 3) the potential to foster sustainable development in recipient nations; and 4) international commitments (AMEXCID 2014). These priorities clearly expose the use of development cooperation as a tool of foreign policy, just like other donors do. In contrast to the Brazilian case, having a program with objectives clearly established gives Mexican development cooperation a more solid structure and regular flow of resources, but by the same token it lacks the flexibility that characterises Brazilian development cooperation.

Moreover, the 2014-2018 Program notes that Mexican cooperation should be channelled to geographical regions in the following order: firstly, to Central

\textsuperscript{73} Few cooperation agencies dedicate resources to trade and investment. While development cooperation helps to promote a favourable image of the country, in strict sense, and according to the definitions of ODA and SSC, promotion of trade and investment are not usually considered as activities of a development cooperation agency.
America; then to the rest of Latin America and the Caribbean; and finally, to developing countries in the Asia-Pacific region and Africa. SSC initiatives can also be encouraged with emerging nations, including Chile, Brazil, Uruguay, Colombia, China, India, Indonesia, Russia, Turkey, South Africa and Egypt (AMEXCID 2014). Such wide distribution stresses the importance given by Mexico to consolidate its sphere of influence over neighbouring regions.

Sectoral priorities are based on Mexico’s comparative advantages, on those areas that could open opportunities for trade and investment and on sectors that could bring significant contributions to GPGs —the latter means that SSC presents Mexico as a country engaged in global issues, which improves the country’s reputation, image and prestige (AMEXCID 2014, 2-30). Mexico’s sectoral priorities are as follows: public management, agriculture, education, science and technology, environment, health, tourism, industrial development, mining and housing (AMEXCID 2011, 31; Granguilhome 2013, 122). Finally, it should be noted that AMEXCID organised public seminars to seek feedback from non-government sectors to structure the International Development Cooperation Program, as suggested by the DAC and its affiliates. While these are useful exercises, non-government actors seem sceptical of such efforts and argue that the results were mixed, as will be noted in following sections.

4.3. The Database (RENCID).
One of the main and most pressing tasks for AMEXCID was to establish a methodology to quantify the country’s international cooperation efforts. Like other new providers, Mexico is in the process of developing a consistent and transparent methodology to quantify international development cooperation flows. However, development cooperation definitions are not clear, the delivery of development assistance is dispersed among several government units, and efforts often are duplicated. The Law addresses some of these gaps by providing the MFA and AMEXCID with the legal power to request other government agencies for information about their international cooperation actions, including financial disbursements. However, at this stage AMEXCID has face difficulties to exert such authority yet, due to the lack of a moral
mandate and the reluctance of other government units to obey the MFA (*Ley CID -International development cooperation law- 2011*).

In terms of quantifying methodology, Mexico is developing its own procedures. Mexico argues that its development cooperation is different to ODA and therefore international guidelines, such as the DAC’s, are not suitable for recording and measuring South-South Cooperation initiatives. At the same time Mexico is aware of the need to keep reliable and consistent records (source: interview with government officer Y). The Database will compile statistical data and information to create and regularly update a catalogue of cooperation capabilities on offer. Also, it will provide a way to monitor progress and assess the results of cooperation programs, as suggested by the DAC (Borbolla Compeán 2014, 64-66). These steps point out to Mexico’s willingness to incorporate the DAC’s recommendations into the country’s practices. Most importantly, the Database will help Mexico to conform to transparency and accountability standards in line with its aspiration to gain international respect and membership of Western groupings (de la Mora Sanchez 2011, 10).

In 2014, the Agency set up an online platform for different government units to upload data on their cooperation activities. AMEXCID compiled development cooperation statistics only for 2013 and 2014 and was in the process of collecting information for 2015. General lines of spending and sources of government agencies’ funding were included, but information on target sectors and countries had not been released at the time of researching and writing this thesis (AMEXCID 2015b).

### 4.4. The Fund (FONCID)

Development cooperation is funded by allocations from the annual federal budget approved by the Mexican Congress. Such resources are part of the annual package assigned to the MFA. The Fund also accounts for contributions from foreign countries, international organisations and state and municipal governments (*Ley CID -International development cooperation law- 2011*). One of the Agency’s tasks is to identify new funding schemes, such as public-private partnerships, and foster more triangular cooperation initiatives (AMEXCID 2014,
24). In compliance with best international practices, AMEXCID manages the Fund and uses the resources to cover the costs for training and mobility of experts, donations, travel and visits of specialists both from and to Mexico and the purchase of goods and services needed in cooperation projects (Borbolla Compeán 2014, 67).

Mexico needs to increase its financial, human and material resources to achieve higher visibility of its development cooperation program. There are discussions among public servants, parliamentarians and academics about the importance of increasing the cooperation budget and there have been claims that the budget will grow threefold by 2018 (source: interview with government officer Y). There is speculation about how these resources would be managed, with two main viable options. The first option would be to incorporate a special line for development cooperation spending in the federal budget. In this case, AMEXCID would lose control of monies and there would not be any guarantee that the funds will be in fact used for development cooperation projects that contribute to advance the foreign policy agenda. The second option would be that financial resources go directly to the FONCID. The downside of this alternative is that, if the current institutional and bureaucratic structure remains as it is, AMEXCID capabilities would be overcome. Under the current bureaucratic structure, the Agency does not have the material resources, the expertise or the staff required to efficiently manage a program of the size that Mexico aspires to (Garzón Lozano 2011, 52 and AMEXCID office). This means that reforming structural settings to improve resources management would require not only an increased budget but also a larger allocation of material and human resources to the Agency. The question is whether Mexico is ready to assign more resources to this purpose and if in reality the country has the means for such purpose.

This section shows that Mexico has been able to lay the framework for a state development cooperation policy. Contrary to Brazil, Mexico gets inspiration from guidelines suggested by the DAC to shape institutional settings, bureaucratic structures, practices and policy formulation, but adapts them to SSC models and the context of a middle-income country. Most interviewees tended to present a rather official approach of the Mexican development assistance
program. Besides, the Mexican Development Cooperation Law was only recently approved and at this stage its application has had limited scope — therefore most conversations were focused on the intentions of Mexico, rather than on its experiences or the impact and outcomes of the Law’s implementation.

Given the above, it is fair to note that on the one hand, Mexico does not account yet for the resources that a large program such as the country ambitions to achieve. And on the other hand, AMEXCID does not have yet the institutional maturity to run a program which accords with international standards and the economic size of the nation. Therefore, Mexican development cooperation has several limitations, including lack of expertise, few staff, limited institutional capability and relatively few resources. Despite such constraints, Mexico’s efforts are concentrated on updating the domestic legal, institutional, bureaucratic and operational framework to transform SSC into an assertive instrument to increase prestige, gain respect and improve Mexico’s reputation as a responsible global actor, as we will see next.

In the previous sections of this chapter, I outlined the foundation of Mexican development cooperation as a tool of foreign policy and set the stage to apply the theoretical framework put forward by this thesis in Chapter III. Now we turn to focus on disaggregating the Mexican development cooperation system to understand its underlining motivations. Next, we will see how the Mexican development cooperation model seeks to present the country as a like-minded nation. While Mexico argues that SSC is not ODA, the country is undertaking reforms to update its institutions, bureaucracy, policy-formulation processes and delivery practices according to parameters suggested by the DAC. As a bridging country, Mexico uses SSC to gain the respect of the North and the admiration of the South.

5. MEXICAN COOPERATION IN THE FIELD

Mexican SSC rarely offers cash transfers but is mainly based on sharing successful practices via knowledge transfer and technical assistance. Similarly
to other MICs, Mexican development cooperation mostly falls under the definition of technical assistance (source: interview with Dr G Sánchez, Instituto Mora and Esteban Pérez, ECLAC). Mexico tends to apply practices and follow principles suitable to SSC, for instance, establishing its own definition of cooperation or developing a quantifying methodology (Bracho & García-López Loaeza 2009, 117, 203; Chatham House 2012 and Green 2014). Nonetheless, the country’s observer status to the DAC permeates into the domestic realm, as we observe in the implementation of institutional settings, bureaucratic structures and practices inspired by the DAC’s recommendations.

The principal region for Mexican development cooperation is Central America. The country realises the importance that the prosperity of this region weighs for its national interest. By the same token, Mexico’s experience as a cooperation provider in Central America helps to consolidate the country’s development assistance model. In 2001, President Fox launched the Puebla-Panama Plan (PPP), as part of the efforts to contribute to peace and stability in the region (AMEXCID 2011, 12; Herrada Pineda, Ulises Cuéllar & Giacoman Zapata 2014, 118). While the PPP was full of good intentions, it had a relatively small budget and lacked credibility, which caused a certain degree of disengagement by the member countries. Despite efforts to channel development cooperation through PPP, Mexican development assistance to Central America remained fragmented and was not strategically focused (de la Mora Sanchez 2011, 6).

In 2007, the PPP was transformed into the Mesoamerica Project (or Proyecto Mesoamerica). This initiative gradually evolved into a comprehensive platform for political dialogue and regional integration in which security became the foundation stone of fostering long-term regional prosperity. Funding comes from members’ contributions and some external sources such as the World Bank and the Inter-American Development Bank (IADB). Projects are

74 Today seven Central American countries (Guatemala, Belize, El Salvador, Honduras, Nicaragua, Costa Rica and Panama), in addition to Colombia, the Dominican Republic and Southern Mexico, benefit from the Project (Proyecto Mesoamerica 2014).
75 Mesoamerica’s cooperation is organised around three major axes: 1) the economic axis focusing on communication and transport infrastructure, energy supply, competitiveness and trade facilitation; 2) the social axis seeking to improve health, housing and education; and 3) the environmental axis that aims for collaboration on prevention and management of natural disasters, compliance of environmental standards and contributions to GPGs (Proyecto Mesoamerica 2014).
implemented with an emphasis on the principles of national ownership, mutual accountability and transparency, results-based management and harmonisation of objectives. Between 2008 and 2015, 107 projects were implemented under the Proyecto Mesoamerica, totalling USD$3.1 billion (Herrada Pineda, Ulises Cuéllar & Giacoman Zapata 2014; Romero 2012, 200; Tripp & Vega 2011(Proyecto Mesoamerica 2014).

Mexican development cooperation schemes embodied as part of the Mesoamerica Project helped to establish a conducive environment for new business opportunities. Foreign investment gradually arrived, including via the numerous Mexican companies currently operating in the Central American market (Herrada Pineda, Ulises Cuéllar & Giacoman Zapata 2014, 122). Other initiatives of the Mesoamerica Project include: the regional electricity market, the energy integration program, the information highway, the competitiveness council, the epidemiological observation program, the Mesoamerican Program for knowledge exchange and the Mesoamerican natural disaster risk map (Romero 2012, 203). Finally, there is the Yucatan Agreement that, in addition to proving funding for infrastructure projects in Central America, also extends to the Caribbean (AMEXCID 2015b).

Despite the success of Mexican activity in Central America, cooperation still appeared disorganised and poorly articulated. The 2010 earthquake in Haiti was a key turning point for the reinvigoration of Mexican development assistance and the push to institutionalise SSC as a state policy. This was the first time that the country had an intervention of such scope (Lucatello 2011). Initial involvement concentrated on the provision of emergency relief and humanitarian assistance, but in later stages Mexican teams deployed to support the reconstruction and long-term recovery of the island. Including private and public donations, Mexico’s contributions added up to US$11 million and more than 4,000 tons of in-kind donations for the reconstruction of Haiti (source: interview with foreign diplomat posted to Mexico City BB; and Albo Márquez 2014, 135).77

76 For instance, Grupo Carso, CEMEX, ICA, GRUMA, FEMSA, Televisa, Grupo Salinas, BIMBO, Sigma and MABE.
77 During the interview it was mentioned that Mexico’s total contributions to the island added up to USD$27 million.
The “Alianza México por Haití” became a prime example of the successful collaboration between private corporations\(^{78}\), civil society and the public sector (Albo Márquez 2014, 169; Lucatello 2011; Tripp & Vega 2011, 38). Foundations and private companies launched programs to match donations from the public for Haiti’s recovery. Moreover, the personal engagement of President Calderón and his wife became crucial to boosting the government’s participation, which eventually revitalised the bilateral relationship and, in the words of the Haitian Ambassador, took the relationship to a “higher level” (source: interviews with Ambassador of Haiti to Mexico and Dr LM de la Mora, former head of URECI).

After the success of the intervention in Haiti, decision-makers realised the difficulties in quickly responding to requests from other nations. The Executive appreciated the value of having a well-structured and efficient development cooperation system and finally agreed to approve the Development Cooperation Law, previously vetoed, and which laid the foundation for institutionalising Mexico’s development cooperation policy.

The crisis in Haiti became an important test for the international community, but especially for the prestige and reputation of Latin-American MICs who were trying to prove themselves as responsible nations. Given Brazil’s involvement in reconstruction efforts, Mexico could not lag at this task. Haiti’s recovery operations became a key opportunity for both nations to retain respect from Western donors and to gain the admiration of peers. As we have seen throughout this account, once Mexico realised the potential of SSC from the Haiti case, the country decided to push for domestic reforms that would enable it to easily and quickly mobilise resources to assist nations in need. Whilst Mexico argues that SSC is not the same as ODA, some of these domestic reforms were conducted mirroring the DAC suggestions, which in turn gave Mexico stronger credentials to present itself as a like-minded nation engaged in global challenges and to gain influence in the development-aid regime.

\(^{78}\) Corporations such as BANAMEX, Fundación Televisa, Fundación BBV-Bancomer, TV Azteca, Fundación Chrysler and Grupo Metal Intra, among others were involved in the ‘Alianza México por Haití’.
Beyond the intervention in Haiti, Mexican cooperation in the field is mostly organised as follows. The main geographical area where Mexican SSC is concentrated is Latin America and particularly Central America. Decision-makers believe that promoting development and stability among Southern neighbours contributes to advancing Mexico’s national interest, including fulfilling its ambition for prestige and reputation. Most importantly, the prosperity of the region is crucial for Mexico’s own stability, security and economic development (Romero 2012, 194, 198; Tripp & Vega 2011, 32, 36). Solutions to common challenges, such as organised crime, immigration flows, vulnerability to natural disasters and climate change mitigation are elements included in Mexico’s SSC policies towards Central America. Mexico shares comparative advantages and experiences that are suitable for the region, thanks to similarities in language, geography, climate, history and culture.

Sectorial priorities give preference to projects in areas such as: poverty alleviation, prevention and management of natural disasters, education, environmental preservation, science and technology, public security, respect for human rights, promotion of rule of law and gender equality (AMEXCID 2011, 6). As earlier noted, the main delivery mode for Mexican cooperation takes the form of capacity building via consultancies, internships, courses, workshops and seminars, feasibility studies, exchange of experts, prospective missions, joint research, technical assistance and collaboration on scientific and technological initiatives (AMEXCID & JICA 2012, 16; Romero 2012).

AMEXCID’s report notes that SSC with South American countries has significantly increased. For instance, Mexico established joint funds with Chile and with Uruguay to implement South-South projects and is in the process of developing a similar scheme with Costa Rica (AMEXCID 2014, 25; Prado Lallande & Velázquez Flores 2013, 124). This kind of mechanisms ensure a larger pool of resources and certainty of how and when resources will arrive, which reduces the risk of fragmentation and duplication, avoids vulnerability to political junctures, sets the basis for regular and institutional collaboration (Tripp & Vega 2011, 37), and of course presents the country as a reliable and responsible partner. Moreover, the Mexico-Chile fund has been praised as a prime example of the success of SSC by international organisations, including
Chapter VI


Mexican development cooperation is concentrated in projects on public management, agriculture, education, science and technology, environment, energy, health, tourism, industrial development, public safety, natural disaster prevention and management, mining and housing. Most of these initiatives were delivered under technical assistance schemes. In addition to Latin America, Mexico offered humanitarian assistance far beyond its neighbourhood, to countries in Africa and Asia, such as Thailand, Japan, Ethiopia, Djibouti, Kenya and Somalia; however, the small number of projects reveals the need for further engagement with Asia, Africa and also with the Middle East (AMEXCID 2011, 7-8, 25-26, 33; Tripp & Vega 2011, 33).

According to the Ibero-American Secretariat (SEGIB), in 2012 Mexico ranked as top provider of SSC, along with Brazil, and the second most preferred partner for triangular cooperation, just behind Chile (SEGIB 2014) —which illustrates Mexico’s good reputation (source: interview with foreign diplomats posted to Mexico Z and AA). In 2013, Mexican international development cooperation accounted for USD$548 million, which is equivalent to the contributions of small European donors, such as Ireland, or some Arab donors, such as Kuwait (OECD 2012d).

Table 6. Mexican development cooperation (AMEXCID 2015a).

<table>
<thead>
<tr>
<th>ITEM</th>
<th>2013 USD millions</th>
<th>2013 %</th>
<th>2014 USD millions</th>
<th>2014 %</th>
<th>2015 USD millions</th>
<th>2015 %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial cooperation</td>
<td>376.65</td>
<td>68.0</td>
<td>16.56</td>
<td>5.7</td>
<td>14.47</td>
<td>7.0</td>
</tr>
<tr>
<td>Contributions to international organisations</td>
<td>134.88</td>
<td>24.5</td>
<td>225.62</td>
<td>78.2</td>
<td>153.46</td>
<td>74.1</td>
</tr>
<tr>
<td>Scholarships</td>
<td>19.83</td>
<td>3.6</td>
<td>21.42</td>
<td>7.4</td>
<td>23.58</td>
<td>11.4</td>
</tr>
<tr>
<td>Technical cooperation</td>
<td>9.80</td>
<td>1.8</td>
<td>8.90</td>
<td>3.2</td>
<td>8.10</td>
<td>3.9</td>
</tr>
<tr>
<td>Humanitarian assistance</td>
<td>1.00</td>
<td>0.9</td>
<td>6.85</td>
<td>2.4</td>
<td>0.36</td>
<td>0.2</td>
</tr>
<tr>
<td>AMEXCID’s operations</td>
<td>6.20</td>
<td>1.0</td>
<td>9.28</td>
<td>3.2</td>
<td>7.09</td>
<td>3.4</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>548.39</strong></td>
<td><strong>100.0</strong></td>
<td><strong>288.65</strong></td>
<td><strong>100.0</strong></td>
<td><strong>207.06</strong></td>
<td><strong>100.0</strong></td>
</tr>
</tbody>
</table>

Source: AMEXCID
If these development cooperation flows were to be measured under the DAC’s methodology, only 58% would be considered as ODA: this would include disbursements under scholarships, technical cooperation and humanitarian assistance. In the table above, financial cooperation includes debt forgiveness to Cuba and other developing countries, which is not strictly development cooperation under ODA or SSC definitions. However, like Brazil, Mexico views renegotiation of debt as sign of cooperation, solidarity and good will to other nations and it also contributes to the image and prestige of the provider.

According to AMEXCID’s records, humanitarian cooperation was distributed to support the emergency in the Philippines caused by Hurricane Haiyan, to assist refugees in Syria, Lebanon, Jordan and Turkey, and finally as humanitarian assistance to Santa Lucia and Dominica (AMEXCID 2015b). As for technical cooperation, AMEXCID reported 255 initiatives with 65% of them targeting Latin America. Scholarships were offered to students from 74 countries, with Latin American nationals the most benefited (AMEXCID 2015b). Furthermore, Mexico offered development assistance to Northern countries too. One example is to the US in the aftermath of the 2005 Hurricane Katrina and another one is the 2010 tsunami-earthquake that hit Japan. Finally, Mexico shared its experience in social program *Oportunidades* to implement a similar scheme to strengthen social inclusion New York City (Romero 2012, 210-211).

There are two key points to note from the above. Firstly, Mexican development cooperation, especially to Central America, demonstrates the use of SSC to advance the national interest in a similar way that traditional donors do. The second point is that Mexico’s ambition to play a larger role as a development cooperation provider in Latin America has made the country realise the need to update institutions, bureaucracy and practices. On the one hand, this transformation would allow the country to manage a larger aid program; and on the other hand, it would implement international guidelines that build the image of a like-minded and reliable country with credentials to be part of the club of generous nations.

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79 Scholarships offered to Latin American students account for 69%, followed by students from North America (16%), Europe (7.8%), Asia-Pacific (5.5%) and Africa and the Middle East (1.6%) (AMEXCID 2015a).
6. TRIANGULAR COOPERATION

In 1951, Mexico signed an agreement with the USA to conduct triangular cooperation. This was the first agreement of this kind for Mexico and since then, Mexico has participated in numerous joint projects with traditional donors and international organisations (Figueroa Fischer & Gonzalez Segura 2014, 39). More recently the country has been very active in trilateral projects with other developing nations, in schemes known as South-South-South cooperation (source: interview with government officer J; and Valle 2014). For example, in 2011 Mexico and Indonesia organised training for government officers from ASEAN countries to learn about National Communications on Climate Change and carbon emissions quantification. In 2012, Mexico, Chile and Colombia engaged in a trilateral project on social development policies through the exchange of experiences and best practices for Central American and Caribbean countries (SEGIB 2014, 114).

Given limited resources, triangular initiatives contribute to extend geographical and sectoral outreach, and is also a sign of respect from other countries. Northern donors, such as Germany, Spain, South Korea and Japan, value Mexico’s geographic location and cultural and linguistic affinity with other Latin American countries, so take advantage of these features to implement trilateral projects (AMEXCID 2014, 26; Angulo Barturen 2011; de la Mora Sanchez 2011, 7; Lätt 2011, 2; Lozoya 2001, 936; Romero 2012, 193). Mexico, for its part, offers comparative advantages and its experience as a recipient of ODA. By the same token, thanks to the expertise of traditional donors, triangular projects enhance Mexican domestic development and contribute to further develop AMEXCID’s institutional capabilities.

Areas in which Mexico receives assistance from traditional donors serve as the base to develop a strategy for triangular cooperation. For instance, in 2003 Japan signed a cooperation partnership with Mexico that sets the framework for long-term triangular cooperation (Tripp & Vega 2011, 39). Mexico benefits from the technology and resources that Japan offers, while Japan takes advantage of
Mexico’s experience as a recipient to share practices of bilateral cooperation with other developing nations, mostly in Central America. Like other traditional donors, Japan is cutting down its ODA budget, so ODA allocated to MICs is becoming more difficult to justify domestically. Due to its strategic relevance, Mexico is still a priority for Japanese ODA, and so Mexican companies still receive technology, training and know-how from Japanese experts, that in turn is shared with other developing nations (source: interview with foreign diplomat posted to Mexico Z and Uscanga 2011). As an example, Mexico and Japan sent experts to assist in a project to build earthquake-resistant housing in El Salvador (source: interview with foreign diplomat posted to Mexico Z).

Another example of successful triangular cooperation partnership is the case of Mexico and Spain. The 2008 Global Financial Crisis significantly impacted the Iberian country budget, causing severe cuts to its ODA allocations. However, triangular cooperation allows Spanish ODA to maintain its share as donor, expand Spanish outreach and use resources more efficiently. Most triangular programs consist of training and capacity building, mostly in Latin America (source: interview with foreign diplomat posted to Mexico AA ) —for example, Mexico and Spain’s joint efforts to deliver humanitarian assistance in the aftermath of the 2010 Haitian earthquake (SEGIB 2014, 108). Finally, one last example of triangular cooperation is with Germany: in 2012, Mexico and Germany implemented projects to improve waste-water reuse in Bolivia; to build energy and environmentally sustainable housing in Colombia; to foster environmental management in several municipalities in Central America; to improve infrastructure quality in Paraguay; and to assist in the management of polluted sites in Peru (SEGIB 2014, 108).

The growing number of triangular cooperation projects in which Mexico participates with traditional donors is a sign that the country has gained the reputation of a like-minded partner and a responsible global actor. This kind of initiatives provide opportunities for MICs to benefit from traditional donors by building capacities of cooperation agencies and to guide MICs towards

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80 Japan and Mexico have a history of collaboration that goes back to more than 40 years. The Japan-Mexico partnership includes three modalities: 1) trilateral projects, 2) exchange and mobilisation of experts and 3) training. In most cases, costs are jointly financed by both countries (source: interview with foreign diplomat posted to Mexico Z and Uscanga 2011).
domestic transformations along the lines suggested by traditional ODA. On one hand, triangular cooperation helps MICs to consolidate their image as engaged nations in the fight against global challenge; while on the other, MICs are likely to gain the loyalty and admiration of LDCs, who perceive MICs as sophisticated and modern nations.

7. LIMITATIONS OF THE MEXICAN COOPERATION MODEL

Like Brazil, Mexico does not have the structural capability to address all SSC demands. AMEXCID’s personnel have little knowledge of development cooperation in the field and limited understanding of the value that international cooperation can offer as a tool of foreign policy. Also, as in Brazil, in general Mexican diplomats have little interest in development cooperation, because it is seen as an area with fewer possibilities for career progression. As such, development cooperation does not seem to receive the attention needed to fully exploit its potential and contribute to drive the country’s foreign action. The lack of a corps of development cooperation officers constrains AMEXCID’s capabilities (AMEXCID 2014, 51; Romero 2012, 213) and therefore it has not been able to consolidate its leadership as a cooperation agency, either within the MFA or outside of it. The agency has the legal and institutional mandate to coordinate cooperation efforts, but other government bodies do not recognise AMEXCID’s authority because of its subordination to the MFA.

Traditional donors—such as Japan, Germany and Spain—offer advice on how to enhance the structural and institutional capabilities of AMEXCID, as do international organisations, for instance UNDP, and developing countries, including Costa Rica, (source: interviews with foreign diplomats posted to Mexico Z, AA and CC). In 2012, JICA and AMEXCID published a catalogue of capabilities that compiles the technical development assistance on offer of 27 government units (AMEXCID & JICA 2012).81 Further resources, however, are needed to expand AMEXCID’s size, train staff and reorganise its structure so

81 This catalogue used OCDE/DAC methodology.
the agency can narrow its focus to development assistance tasks, build capacity and become more efficient.

In contrast to Brazil, where the ABC is at the level of a directorate, AMEXCID has vice-ministry status and the Executive Director of the Agency responds directly to the Minister of Foreign Affairs. Despite the new law, AMEXCID has not been restructured as a development cooperation unit. Instead, the agency retains the same organisation and operational procedures that the Unit for Economic Relations and International Cooperation (URECI) had previously to the approval of the Law (source: interview with government officer Y): minor adjustments are the change of the agency name and logo, but even inside the MFA building, URECI’s signs were still hanging up in corridors, which denotes that a deeper institutional change is still awaiting.

AMEXCID, jointly with PROMEXICO, oversees trade promotion—an activity which strictly does not fall under the definition of ODA or even SSC. There is the suggestion that development cooperation can go hand in hand with trade and investment promotion and therefore these items are included in AMEXCID’s portfolio. Detractors claim that a young agency like AMEXCID would be better if it focused on development cooperation-related tasks (source: interview with Dr G Sanchez, Instituto Mora). In other words, the agency needs to concentrate on development cooperation matters, rather than on promotion tasks (AMEXCID, U a 2014).

AMEXCID, just like the ABC, faces a challenge to convince domestic constituencies that development cooperation is not charity, but that in fact Mexicans benefit from it. In addition to the benefits that development

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82 There is the proposal to establish divisions within the agency that would oversee the following: 1) development cooperation with Mesoamerica and the Caribbean; 2) development cooperation with rest of the world; 3) economic cooperation, promotion and intelligence unit; 4) international image, tourism and cultural promotion; and 5) policy formulation (source: interview with government officer Y).

83 Up until 2011, when AMEXCID was established, URECI oversea development cooperation activities.

84 Similarly, cultural cooperation such as artists’ tours and art exhibitions are activities that do not usually fall into ODA either.

85 As per the ODA and SSC definitions proposed in the conceptual framework of this thesis, trade and cultural promotion should not be part of the portfolio of a development cooperation agency.
cooperation brings to emerging donors in terms of reputation, prestige and image, SSC could bring real benefits to providers. For example, when Mexico is able to foster economic development in Central America, it helps create an environment conducive to business and job creation, that in turn contributes to reduce inflows of immigrants and organised crime into the country (Borbolla Compeán 2014, 70). Similarly, the Brazilian official discourse contends that development cooperation brings benefits to Brazilians, although non-government actors do not agree with this claim and tend to criticise the use of public resources to assist other countries.

Despite Mexico’s renewed efforts to institutionalise development cooperation policy, the process of institutional and bureaucratic restructuring is taking time to permeate to all government units involved in SSC. At the time of researching and writing this thesis, there is not a specific line for international development cooperation in the federal budget and the budget does not allow multi-annual spending, which makes it difficult to plan and execute long-term projects. International cooperation resources and AMEXCID’s operational budget come from MFA’s annual package. 25% of the Agency’s resources go to contributions to international organisations, but not necessarily to organisations engaged in development: this exposes the fact that, not only do the agency and Mexico’s cooperation strategy not have financial autonomy, but also that its key efforts are obviously not towards development assistance, but rather to an array of other foreign policy goals. Moreover, it is difficult to monitor the use of resources when there is not a specific line of budget for development cooperation; besides AMEXCID does not have yet a reliable methodology to quantify its actions and measure its spending (source: interview with Dr LM de la Mora, former head of URECI; Green 2014 and Prado Lallande 2013, 21).

As earlier noted, like other MICs, the bulk of Mexico’s SSC is technical assistance: this mostly consists of training offered by expert staff, and most of its funding comes from budgets assigned for international travel by government officers. MICs claim that they are themselves still developing nations and therefore do not have other kind of resources to allocate to development cooperation. Whereas this is a classic SSC procedure, Mexico still tries to align its technical assistance practices to the DAC recommendations, so it can
present itself as a like-minded and reliable nation, despite arguments of still being a developing nation. For example, AMEXCID is in the process of quantifying its development assistance actions, but the agency faces the opposition of other government units that are reluctant to disclose information about spending on these items. Other government units involved in SSC fear allegations of misuse of resources, sanctions from Treasury and most importantly, oppose any measure that may imply subordination to AMEXCID and the MFA (source: interview with government officer Y). As a result, at this stage quantification of Mexican cooperation activities is neither comprehensive nor accurate.

In 2014, AMEXCID started developing an online platform for all government agencies to upload information about their international cooperation activities. This task faces many obstacles because Mexico’s cooperation is very fragmented and even when AMEXCID has the institutional mandate to request information and to coordinate activities, other government agencies do not recognise such authority (source: interview with government officer Y). Without a clear definition of development cooperation schemes and bureaucratic hierarchies, there are not universal criteria for all government organisations to feed their information into AMEXCID’s online database, so it is difficult to have reliable data on Mexico’s development cooperation contributions.

Despite these obstacles and thanks to a domestically developed methodology, AMEXCID published the first development cooperation estimates for 2013, 2014 and 2015, although the data is not very detailed (AMEXCID 2015b). Even though Mexico argues that it is not a net donor and should not be forced to comply with ODA standards, it tries to establish a quantifying methodology that mirrors the schemes suggested by the DAC, while at the same considering the characteristics and challenges of its own cooperation model as developing nation. This shows again Mexico’s duality: while the country tries to present itself as a like-minded nation and comply with international regimes, the reality on the ground is that it is still a developing country and neither the current structure nor the resources that it accounts for are enough for the development cooperation that Mexican decision-makers aspire to offer. Having said this, transformations conducted domestically are the firsts steps to consolidating
Mexico’s development assistance strategy, and hopefully in the near future results will be easier to measure. In the meantime, these initial stages are signs of Mexico’s engagement on development assistance on the global stage that also contribute to its prestige and reputation as a responsible global actor.

Mexican development cooperation relies on “circumstances”, which make the country a responsive cooperation provider, rather than a proactive one. Mexican development cooperation is neither continuous nor is regular; instead it is reactive and fluctuates depending on political junctures or the will of the leader, as observed in the case of the PRI governments and the change of approach with PAN administrations (Prado Lallande 2013, 105). During the Contadora Process in the 1980s, Mexico perceived the expansion of the Central American conflict as a threat to the stability of the region and to its national security (source: interview with Dr LM de la Mora, former head of URECI) —Mexico engaged in the pacification process and the post-conflict reconstruction of the region via development cooperation (source: interview with government officer Y). Today, Mexico still recognises the vulnerabilities of the region and the importance to its national security of building peace and stability, which make Central America a priority for Mexican foreign and development cooperation policies. Thanks to the Proyecto Mesoamerica, Mexican development assistance to the region is becoming more regular, systematic and predictable.

Mexican SSC depends on the personal involvement of leaders. President Fox was interested in increasing Mexico’s engagement with other emerging countries but tried to use development cooperation in exchange for support to Mexican candidacies to international organisations (Prado Lallande & Velázquez Flores 2013, 115). Despite involvement in humanitarian assistance in Haiti, President Calderón had very traditional views about the use of development cooperation (source: interview with Dr G Sánchez, Instituto Mora). Calderón based his initial veto to the development cooperation law on the argument that development cooperation, as an instrument of foreign policy, was an exclusive faculty of the Executive branch. In Calderón’s view, participation of civil society and the functions of technical committees, as proposed in initial drafts, had to be limited (Garzón Lozano 2011, 50; Prado Lallande 2013, 17 and Green 2014).
In contrast to President Calderón, Ambassador Green’s understanding and personal engagement on development cooperation were crucial for the creation of IMEXCI (AMEXCID’s predecessor) during her tenure as Minister for Foreign Affairs and for the approval of the International Development Cooperation Law as Senator. Ambassador Green understood the importance of implementing institutional and bureaucratic reforms to institutionalise development cooperation as a policy, but also to present the country as a responsible nation engaged in global challenges (Garzón Lozano 2011, 46). Such examples illustrate the impact that personalities and leadership have on the consolidation of development cooperation models (source: interview with government officer Y). This also applies to Brazil, where President Lula’s interest and engagement helped to raise the profile of Brazilian SSC.

As the account above shows, AMEXCID’s capabilities are limited. The Agency is not responding to new challenges, it is anchored in the past and while it appears to be created on an innovative basis, it is rooted in an old paradigm (source: interviews with Dr G Sanchez, Instituto Mora and Dr LM de la Mora, former head of URECI). The institutional, bureaucratic and legal transformation that Mexico undertook by approving the development cooperation bill is taking longer to permeate to other government units, that are reluctant to see AMEXCID as the coordinating agency for international cooperation matters (source: interview with Dr G Sánchez, Insitituto Mora; Prado Lallande & Velázquez Flores 2013, 29). Without strong leadership and a commitment from the government, it is rather difficult to consolidate the role of AMEXCID as the central coordinating unit of the Mexican development cooperation strategy. As a result, strengthening Mexico’s role as a development assistant provider presents a major challenge, and most importantly, it is difficult for SSC to strengthen the role of responsible global actor that policy-makers desire for the country.
8. INVOLVEMENT OF DOMESTIC ACTORS IN MEXICAN SSC

Average Mexican citizens have limited knowledge of foreign affairs, other countries, international personalities or multilateral organisations —most contact with foreign countries is through family or friends that migrate to the US and meaningful information about global affairs is insufficient, as media coverage is often narrow and superficial. Mexican citizens are not really aware of foreign policy, yet they believe that the country needs to be more active in global affairs, but without paying the cost that entails (González González et al. 2013, 16).

Mexican civil society is generally caring about human suffering and is quick to mobilise resources to help victims: examples are the Chilean earthquake in 2010 and even as far as South East Asia and Japan in the aftermath of the 2004 tsunami and 2010 earthquake respectively. Despite such efforts, Mexican civil society is only marginally involved in international development cooperation. In fact, domestic public opinion has little knowledge about government actions and few NGOs participate in development cooperation projects in the field (source: interviews with foreign diplomats posted to Mexico Z and CC).

Foreign diasporas in Mexico are relatively small compared to South American countries. Their involvement in development cooperation is reduced, which contrasts with the strong activism displayed by businesses lobbies. Conversely, academia is relatively engaged in international cooperation but not always along-side government efforts. Some academics take part in discussions related to the development assistance agenda thanks to AMEXCID’s invitation. Academics, however, believe that this is rather a formality and their views are not really considered in policy-formulation (source: interviews with Dr G Sánchez, Instituto Mora, Dr LM de la Mora, former head of URECI and diplomat posted to Mexico CC).

Aside from the MFA, few federal government agencies participate in cooperation programs, especially in the areas of health, education and environment, and their actions are scattered, poorly organised and rarely
coordinated (Prado Lallande 2013, 15). Government agencies are reluctant to coordinate their activities with AMEXCID, with the exception of the Ministry of Defence.\textsuperscript{86} Examples of the involvement of Mexican military contingents, especially in reconstruction and management of post-natural disaster crises, include the Indian Ocean tsunami, Central American floods, Japan earthquake and Southern USA Hurricane Katrina (Lucatello 2011).

Some state and municipal governments are also very active, for instance the states of Chiapas and Jalisco. The case of Chiapas is particularly relevant because it has taken advantage of its experience as recipient of ODA and the activism of numerous international NGOs deployed throughout its territory (source: interview with Dr LM de la Mora, former head of URECI). AMEXCID and the Foreign Ministry have put some effort in coordinating actions with local governments, although there is still a lot to do in this domain (source: interview with Dr G Sanchez, Instituto Mora). The lack of conducive institutional settings and slow and heavy bureaucratic structures hinders the contributions of non-government actors to SSC. As noted, Mexico started implementing some reforms in these domains following the approval of the development cooperation Law in 2011, but progress is still in the early stages.

The private sector is only marginally involved (source: interview with foreign diplomats posted to Mexico Z, AA and CC and Dr G Sánchez, Instituto Mora). The only exceptions are the dynamic participation through the Alianza México por Haití or when some of the largest Mexican transnational corporations, such as Grupo Carso or CEMEX, have specific interests, such as access to Central American markets (Tripp & Vega 2011, 38). In the 2011 Busan High-Level Forum for Aid Effectiveness and the 2014 Mexico City High-Level Meeting of the Global Partnership for Development, the recognition of the private sector as contributor to global development caused disappointment among civil society organisations: civil society faced a long struggle to be recognised as an actor in favour of global development, but then suddenly the private sector was sitting at the negotiating table on global aid discussions. Mexico is not the exception in this regard and some NGOs appear resentful of the recognition of the business

\textsuperscript{86} The Mexican Army has gained good reputation for its involvement in humanitarian assistance. While its response is not always quick, it is well organised, skillful and relatively well equipped.
lobby and have few incentives to collaborate in SSC projects promoted by AMEXCID (source: interview with Dr G Sánchez, Instituto Mora).

As a rule, foreign policy in Mexico has traditionally been the monopoly of the Executive, and particularly of the MFA. Thanks to the growing maturity of civil society and in line with international recommendations, the MFA has established some channels to foster dialogue with non-government actors, as previously noted. According to a poll, public opinion is equally divided, with 49% in favour of Mexican development cooperation to Central America, and 48% against (González González et al. 2013, 26). In the case of development cooperation, there is a latent fear among decision-makers that public information about the use of national resources for international development assistance would spark contentious debates, so despite the incipient institutional channels for dialogue with civil society, development cooperation information is not widely publicised.

The Mexican government believes that the use of national resources for development in third countries is difficult to justify in the eyes of domestic constituencies (source; interview with government officer Y): this fear is based on the existence of a vibrant and organised civil society that is aware and involved in efforts to alleviate poverty, reduce social exclusion, promote respect for human rights and improve domestic security. Thus, decision-makers assume that civil society would fiercely contest the government’s international cooperation efforts. Nevertheless, the involvement of civil society through institutional channels is indeed vital to achieve a mature development cooperation policy (Granguilhome 2013). The Government’s fears and its monopoly of foreign policy-formulation hinder opportunities to make use of the expertise of Mexican non-government actors. According to Dr Sanchez, if development cooperation was to be recognised as a matter of public interest, the involvement of non-government actors would significantly contribute to the country’s international cooperation strategy (source: interview Dr G Sánchez, Instituto Mora). Furthermore, involvement by non-government actors could help to strengthen domestic institutional settings and showcase Mexico’s commitment to the DAC regime.
In the same way as DAC members, MIC governments see the need to justify and convince society about the benefits of SSC. The Mexican government needs to change its narrative and highlight the benefits that Mexico receives from international development cooperation, such as the development of national capacities, regional stability, better control of migratory inflows, market access and investment opportunities for Mexican companies, larger influence in the global arena, and especially, contributions to Mexico’s economic development (Borbolla Compeán 2014, 70). Mexico is a large country with significant development cooperation potential, that still needs to be exploited to reinforce Mexico’s reputation as a reliable and responsible actor on the global stage. For instance, thanks to the contributions to assist victims of the Syrian conflict, Mexico was invited to participate in the Geneva Conference for Syria (Geneva II) (Mexican MFA 2014). Actions of this kind show that Mexico can position itself in the front rank of current global debates.

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In contrast to Brazil, Mexico’s efforts have been directed at transforming its development cooperation system into an institutionalised policy. Mexico, just like other MICs, contends that SSC is not ODA and therefore it cannot be assumed that the country must comply with the DAC standards, however, Mexico seeks to mirror guidelines and principles suggested by the Committee. Brazil describes itself as a Southern nation, whereas Mexico plays the card of a ‘bridge’ and ‘dual’ country. By complying with Northern standards, Mexico earns the respect of the North and a reputation as a reliable and like-minded nation; and by the same token, the success of its domestic public policies is likely to increase empathy, loyalty and admiration from the global South.

Thanks to its dual role, Mexico is able to insert itself in the global architecture as a consensus collector. Mexican membership of Northern groups, such as OECD, provides the credentials of a responsible and like-minded country that can put forward initiatives accepted by most of the community of nations. Experiences as a country that suffered colonialism and as a developing nation
which is a recipient of ODA, identify Mexico with the situation of most Southern countries. Mexican SSC offers solutions to the needs of developing nations — as such, Mexico is able to win the allegiance and the support of Southern countries, which in turn, contribute to advance Mexico’s foreign interest in the global arena.

In brief, the two case studies present a contrast in how MICs insert themselves into the development-aid architecture, and how that can be transposed to their participation in other regimes of global governance. MICs use development cooperation in similar ways to traditional donors: reputation, prestige and respect are crucial elements for MICs that drive them to transform domestic institutional settings, bureaucratic structures, delivery practices and policy formulation procedures. The nature and aspirations of middle-income nations provoke different kinds of domestic transformations and consequently their insertion into international regimes is done differently: either as consensus collector, such as Brazil, or as consensus builder, like Mexico, as shown by each of the case studies of this research.
CHAPTER VII

WIDER CONSIDERATIONS
n the two previous chapters, I presented how Brazil and Mexico conducted
domestic institutional, bureaucratic and operational transformations
impacting on their SSC policies. Mexico and Brazil aspire to become
regional powers, although their peers do not always support their
aspirations—for instance, the scepticism from Argentina and Colombia
towards considering Mexico or Brazil as the leader of Latin America or the
rivalry between Mexico and Brazil (Christensen 2013; Merke 2013; Soares de
Lima 2005). One crucial point for these two nations is that, while they appear to
have a conflict between being a developed nation and a developing one, both
aim to take advantage of this position and use it to advance their national
interest: Mexico as a bridging country between the North and the South, and
Brazil as the leader and the voice of the developing world.

The purpose of this chapter is to contrast the characteristics of Mexico and
Brazil's development cooperation models and show how their involvement as
development cooperation providers exposes the internal conflict of MICs to
engage and contribute to world challenges in different ways, either as
consensus collector or as consensus builder. The differences between these
two categories of countries in international engagement is reflected in the
domestic realm: consensus collector nations usually undertake internal changes
that impact institutional settings, bureaucratic structures, delivery practices and policy formulation processes; whereas consensus builders are reluctant to undergo these sorts of transformation and in the best case scenario they prefer to conduct domestic transformations according to their own condition as developing nations, rather than following principles set by Western organisations. I also draw on elements that pinpoint trends in other new donors in regions beyond Latin America. This leads to an overview of SSC models contrasting with traditional ODA. And finally, I present the synergies and interactions of traditional ODA and SSC and their contributions to the development-aid architecture.

Brazil and Mexico are often compared to each other. They are both Latin American countries with large populations, a large geographical extent and big GDP, with democratic systems, and are home to growing and vibrant middle classes and increasingly active in world politics. At the same time, they are still developing nations that have been unable to evenly distribute the gains of their economic globalisation, which makes them home to a large proportion of poor people and very unequal societies. Mexico has often flagged its dual identity, which is shown by attempts to move towards the developed North, while domestic development challenges pull the nation towards the South. Brazil suffers the same dilemma of trying to position itself between the North and the South: during the Lula administration, Brazil tried to project the image of a sophisticated and advanced nation, but one still anchored in a Southern narrative and claiming to be a developing nation that still needs the assistance of the North.

While Mexico is attracted towards the North, its position is still vaguely defined. Mexico is hesitant about fully relinquishing its status as part of the developing world, even though that is justified by its social inequality. In fact, one may ask how a nation with such domestic demands can become a developed one. Countries behave in such manners or comply with certain rules because they are expected to do so or because they believe it is the right thing to do, as per the logic of appropriateness noted in the theoretical framework chapter. Membership of groupings, like the OECD, the EU or NAFTA, set standards for
aspiring candidates, but this does not mean that a country is ready, capable or has the resources to fulfil such criteria.

Mexican leaders, perhaps inspired by the inertia of geographical and economic linkages to North America, push to join Western led organisations and hope for Northern-style socioeconomic development. In the specific case of development cooperation, Mexico implements a strategy to become a consensus collector, driven by its aspiration to be accepted as a member of Northern clubs (source: interview with Dr LM de la Mora, former head of URECI). At this stage, Mexico is not a full member of the DAC, only an observer, but according to information gathered during field research, there is the expectation it will become a full member of the Committee in the not so distant future, despite certain reluctance from some decision-makers and other stakeholders (source: interviews with Mexican government officer Y and with Dr G Sanchez, Instituto Mora). Mexico argues that its development cooperation strategy cannot be defined and measured under ODA terms, even when in practice the country tries to mirror the DAC’s standards (source: interview with Mexican government officer Y).

Brazil, conversely, has a clearer identity of being a Southern nation and an emerging power. The South American giant sees itself as a regional power with the makings of a global one. Brazil exploits its Southern identity to create empathy with other developing nations —by putting forward that Brazil faced common challenges and suffered from foreign imposition and colonialism too, but also that Brazil has created successful solutions that could be shared with developing nations facing similar problems (Lula, 2010). Thanks to this, Brazil presents itself as the voice of the South. The country assumes the role of a consensus builder to consolidate support from other developing nations and to showcase its position as an influential nation in the global scene. By the same token, developing nations believe in Brazil as their representative and reach out for its help, for instance, the case of Brazilian mediation on behalf of the Cotton-4 countries in their litigation against the US in the WTO.87

87 See chapter VI.
This chapter is outlined as follows. First, I compare the development cooperation policies of the two case studies, Brazil and Mexico, based on the findings of the field research described earlier. Then I present trends and general characteristics drawn from the case studies that also apply to other MICs. I compare the motivations behind SSC and ODA and present SSC practices, including trends in other developing nations. This leads me to illustrate that SSC is not a homogenous practice and that, while there are similarities between new donors, SSC cannot be assumed as universal. Finally, I present the synergies between SSC and traditional ODA and the potential for enriching the current development-aid debate, by identifying contributions to a new and more inclusive architecture and most importantly by uncovering opportunities for emerging donors to improve their domestic institutional and bureaucratic frameworks.

1. BRAZIL vs MEXICO: Summary of findings

These two countries have important structural limitations that hinder the potential of their cooperation models. Neither Mexico nor Brazil have expert staff, resources or funding to run a program of the size that they each aspire to. The involvement of expert public servants in international cooperation projects creates domestic gaps and prevents government agencies from efficiently performing domestic duties. The lack of a specific entry in the federal budget makes it difficult to monitor and quantify development assistance flows in both cases. The lack of an official program results in reactive actions, scattered initiatives, inefficient use of resources and a vulnerability to political whims. Brazil has no intention of establishing a program since it argues that development cooperation is demand-driven, so there is little value for planning in advance. Mexico, in contrast, established a program with guidelines for its development cooperation policy in 2014, although it is still premature to evaluate the results.

Brazil and Mexico share some common traits in the motivations behind their development cooperation models. For both countries, the personal engagement of leaders has been crucial to boost development cooperation. President Lula's
involvement and his personal interest in fighting poverty was fundamental to incorporating Brazilian development cooperation into relations with Africa. Ambassador Rosario Green’s engagement was key to approval of the 2011 Development Cooperation Law, which became the foundation to lay the legal, institutional and bureaucratic framework of the Mexican international development cooperation policy. Even though Mexico insists that SSC is not ODA and therefore the DAC principles do not necessarily apply to its framework, institutional, bureaucratic and legal transformations were conducted along the guidelines proposed by the Committee.

The influence of domestic politics in development cooperation is relatively limited in both cases. Brazilian domestic actors had a certain impact on the rise of SSC, but mostly related to Lula’s arrival into power and his desire to export its model to fight poverty and social exclusion. Mexico’s PAN governments used development cooperation for domestic legitimacy, especially during President Calderón’s term, when Mexico launched the fight against organised crime and linked development cooperation to security in Central America through the Merida Initiative. In general, foreign policy is almost never at the core of domestic political debates, let alone the specifics of development cooperation; as a result, non-government actors have limited access to policy-making in MICs.

Commercial interests and security objectives appear at the centre of Brazil and Mexico’s cooperation policies respectively. From Lula’s administration, development cooperation was used to pave the way for Brazilian companies into developing nations, especially into African markets. Brazilian policy-makers have highlighted that development cooperation is not a strategy for the internationalisation of Brazilian companies, but rather an instrument of diversification. Given the rise of organised crime, the prosperity and stability of Central America became central to Mexico’s foreign and domestic policy, including the importance of reinvigorating the Mesoamerica Plan. SSC became a tool to protect and stabilise Mexico’s immediate sphere of influence.

As mentioned in previous chapters, assisting poor countries is an expected behaviour of rich countries. Such practice was initially contested but eventually
internalised and institutionalised as state policy in traditional donor nations. Countries behave based on their aspiration to gain acceptance and recognition from peers, so they comply with rules and adhere to regimes. New donors offer development assistance to fulfil their desire for a good reputation and to accomplish their aspiration to become influential actors engaged in the fight against global challenges. Development assistance provides MICs with increased visibility and enables them to expand their presence overseas. As such, SSC helps to improve MICs’ image as responsible actors and to gain support from developing nations. Lastly, development assistance helps MICs to identify themselves with other nations or groups, for example, OECD and NAFTA for Mexico, and BRICS and G77 for Brazil.

Mexico and Brazil have similar motivations driving development cooperation policies. Even when one tends to offer SSC for commercial reasons and the other for security motives, it shows that beyond Third World solidarity and the desire to share experiences, they both have underlying foreign policy motives. More importantly for the purpose of this research is that their international activism as development cooperation providers is driven by the desire to acquire recognition as global responsible actors and identify themselves as member of a group. Such desire for reputation, respect and recognition pushes MICs to carry out domestic transformations; these, however, are conducted differently depending whether it is a consensus builder or a consensus collector country.

Most nations, despite their level of development, are increasingly recognising the importance of engaging against global challenges. MICs are eager and have some resources to contribute to it but argue that their capabilities are limited. While they acknowledge common challenges, they contend that responsibilities must be differentiated. The case of development assistance is no exception and MICs wish to participate but claim that the burden cannot be shared equally between advanced and developing countries. Brazil and Mexico both assume this position. Brazil, not being member of a grouping that has standards on development cooperation such as the DAC, sits in a more flexible position where it can contribute with whatever it believes appropriate. Mexico,
for its part, is showed by its desire of membership and reputation to contribute according to the DAC’s expectations.

Both nations argue that they are still developing countries and therefore are entitled to ODA, but that they can also bridge the gap between traditional donors and recipient countries. Mexico believes it can become the link between developing nations and the OECD, whilst Brazil sees itself as the voice and the representative of the South. This renewed activism as development cooperation providers or new donors is a way for MICs to gain prestige and be perceived as a responsible nation. For instance, in addition to material contributions to global development via SSC, Mexico lobbied to ensure that SSC became part of the development agenda debate at the 2011 Busan High Level Meeting. On that occasion, Mexico pushed to maintain the needs of MICs in the development agenda and underscored that MICs still need ODA to consolidate their economic development; whereas Brazil is engaged in representing the cause of developing nations. Brazilian developing cooperation, however, is driven by self-regarding interests, for example, ensuring African support for Brazilian initiatives in discussions held by international organisations.

The two nations aim to increase their global presence and specially to enhance their international prestige. The ways for each emerging donor to achieve this are different due to the constraints that desire to become (or not) part of a certain group implies for policy formulation and domestic reforms. For this reason, Mexico tries to comply with rules and mirror models stemming from the DAC, whereas Brazil enjoys the flexibility that comes with not being part of a grouping. Brazil tries to propel its regional leadership to the global level, hence the rising importance of SSC to Africa in Brazilian foreign policy. In the case of Mexico, traits of the aspiration to become an emerging power are overshadowed by the conviction to become a moderate and like-minded nation with the reputation of a responsible country engaged in the solution of global challenges. Such aspiration, in turn, pushes Mexico to conduct domestic institutional, bureaucratic and operational transformations along in line with the DAC’s recommendations.
As the conceptual framework of this thesis notes, the national interest includes aspects of survival, autonomy, economic well-being and self-esteem. Recognition and prestige, core elements of self-esteem, are not new elements in the analysis of nations’ foreign action, but what is innovative is that MICs turn to development cooperation to boost the self-esteem aspect of their national interest. Development cooperation contributes to MICs’ reputation as developed, powerful and responsible nations. For Mexico, there is an internal conflict that is reflected in a timid advancement of its SSC strategy. Mexico is torn by its desire for membership to the developed North and legitimacy towards the developing South. Conversely, Brazil fiercely projects the self-perception of a giant country, with Southern belongings and without fear of recognising its limitations as a developing nation.

Both nations have the internal conflict of being a developed and a developing country. Mexico’s internal conflict seems more pronounced than Brazil’s. The aspiration to be accepted to Northern organisations, such as OECD and NAFTA, appears to exacerbate the internal divide between being a developing and a developed nation. This conflict becomes even more noticeable when challenges, including social exclusion and organised crime, expose a large proportion of the population left out from the benefits of globalisation. On the contrary, Brazilian SSC seems to be offered as an expression of its potential and with a sentiment of empathy and solidarity to the problems shared by other developing nations. Brazilian cooperation is a way to export the success of domestic policies, at the same time showing that Brazil is still a developing country but that there are ways forward that are not necessarily the models imposed by industrialised nations and Western-led organisations. SSC provides Brazil space for autonomy and the opportunity to seek an independent foreign policy to strengthen its position as leader of the South and as emerging power.

According to the logic of consequences explained in the theoretical framework, there is no doubt that Brazil and Mexico define SSC to advance their national interest by assessing the benefits and costs that implementing SSC would entail, including of course, the benefit of increasing their international reputation. While it does not necessarily mean that emerging donors are offering development cooperation with the purpose of acquiring power in realist terms,
advancing their national interest, with stress on the self-esteem angle, is one of the main drivers of SSC. Brazil and Mexico, like other MICs, offer development cooperation so that they are accepted into the community of responsible actors. SSC is presented as a behaviour appropriated for a country that wishes to be recognised by peers in the South and to be respected by nations in the North, as per the logic of appropriateness notes. Finally, as the logic of habit suggests, such behaviour is repeated and emulated from what others do. Even in cases where nations are not necessarily seduced by the benefits of SSC, nations offer development assistance because it is what is done by rivals and peers alike.

Regarding the specific case studies of this research, both countries offer development assistance through selfish motives. The two nations emphasise their image and self-perception as generous nations and, especially, as influential countries engaged in actions to address global challenges. Mexico tends to align itself closer to established regimes and for the most part tries to ‘play by the rules’, since its membership to OECD anticipates it that way. Such membership expectations explain the incentive for Mexico to lay the basis of a legal and institutional framework to comply with the DAC’s standards. Brazil, for its part, challenges Western principles and applies a model that is flexible enough to offer Brazil more autonomy: reasons that explain why Brazil did not voice intentions to join the DAC earlier. Detractors of SSC argue that emerging donors are hypocritical and that SSC has underlying motivations — development cooperation is framed under a discourse of solidarity and mutual benefits, when in reality it is self-motivated, just as it is in the case of traditional ODA.

2. WHAT DRIVES MICs TO OFFER DEVELOPMENT COOPERATION?

Brazil and Mexico’s development cooperation policies are not only the result of common challenges or a cultural heritage shared by providers and recipients. Identity and history also move cooperation policies. Developing countries rarely seek to maintain colonial influence, buttress military alliances or provide

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88 Brazil has had a special engagement relation with the OECD since the early 1990s, however, it was only in 2017 that it presented an application for OECD membership (OECD 2018).
assistance as a result of guilt or moral obligation. There are examples of MICs which pursue traditional ODA objectives, as we saw in previous chapters, but it is usually framed in terms of Third World solidarity —for example, the case of Mexico trying to protect its zone of influence in Central America through the Mesoamerica Project or Brazil consolidating alliances with Western African nations. SSC is often influenced by motivations inherent to developing nations, for instance, the desire to promote regional integration, obtain self-legitimation, consolidate regional or global leadership, acquire self-sufficiency, obtain non-alignment, maintain or strengthen national sovereignty, preserve regional autonomy, promote regional solidarity or increase leverage in international organisations, as will be explained in order.

Regional integration is not only focused on trade: for developing countries it has a more comprehensive approach, as seen in the Mesoamerica Project. In such initiatives, SSC becomes the ‘glue’ to cement comprehensive relationships, including political dialogue, trade and investment and a broad range of cooperation initiatives. Other examples of regional integration motivated by stronger cooperation in Latin America are the ALBA, MERCOSUR and UNASUR initiatives (Golub 2013, 1011).

Chile and Colombia use SSC as an instrument for self-reaffirmation of good international citizenship and as providers of global public goods. Chile aspires to become a contributor to global governance by sharing its experiences in institution building and the transition from dictatorship to democracy (Santander Campos 2010, 108). In contrast, Colombia uses SSC to improve its international image and to be seen as a leader in the development assistance agenda debate, especially by focusing on its experiences in fighting organised crime and in building governance structures (Nivia-Ruiz 2010a). Colombia also

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89 Alianza Bolivariana para los Pueblos de Nuestra América (Bolivarian Alliance of the People of the Americas) or ALBA seeks to promote social political and economic integration, [http://www.portalalba.org](http://www.portalalba.org). ALBA members are: Antigua and Barbuda, Bolivia, Cuba, Dominica, Ecuador, Nicaragua, St Vincent and the Granadines and Venezuela.

90 Mercado Común del Sur or MERCOSUR is a trading bloc that seeks economic integration via free trade and free circulation of goods, capitals and labour [http://www.mercosur.int/](http://www.mercosur.int/). MERCOSUR members are: Argentina, Bolivia, Brazil, Paraguay, Uruguay and Venezuela.

91 Unión de Sudamérica or UNASUR is an integration model inspired in the European Union, [http://www.unasursg.org](http://www.unasursg.org). UNASUR members are: Argentina, Bolivia, Brazil, Chile, Colombia, Ecuador, Guyana, Paraguay, Peru, Surinam, Uruguay and Venezuela.
took a leading role in some discussions on aid agenda reform, for instance, by chairing the 2010 High Level Forum on SSC and the OECD South-South Task Team Force.

MICs use SSC to *strengthen their regional and global leadership*. One example is the case of Brazil mentioned already, in which foreign policy under President Lula aimed at consolidating the country as the natural leader of South America and sought to expand such leadership to the international scene (Burges 2013; Merke 2013, 6). As a result, SSC became a tactical device of Brazilian foreign policy (Inoue & Vaz 2012, 513). Other nations, such as Venezuela, particularly under the Chávez administration, sought to strengthen its international leadership in the energy sector. Energy and self-sufficiency are key elements of the Venezuelan petro-cooperation strategy, commonly known as PetroCaribe (Ojeda 2010b).

New development partners also use SSC as a means to *reduce economic dependency* and *consolidate their autonomy*. Cuba, a small Caribbean island with poor natural endowment, after suffering a US-led trade embargo for so many years, had to find its own way to promote economic self-reliance. For this purpose, Cuba developed capabilities and sought help from other developing countries in exchange for SSC (Ojeda 2010a). This cooperation scheme, known as ‘compensated cooperation’, consists of Cuba offering technical assistance or training in exchange for resources or technology. Examples of such practices include the offer of Cuban medical services in return for Venezuelan or African oil.

Some South-South development cooperation initiatives have *non-alignment* as their main objective and seek to challenge Western dominance. These schemes give developing countries choices beyond partnerships with powerful nations or with capitalist private interests. Options of this kind help MICs to *protect their sovereignty* (Mukherjee 2012, 266). Examples are Proyecto Mesoamerica, the Mexico-Chile fund, Banco do Sul and other initiatives such as the IBSA fund and the new BRICS bank that were conceived as alternatives to the IMF and WB to fund development projects in Southern nations. Critics argue that the lack of conditionality of these schemes puts on hold structural reforms that less
developed nations need for their economic ‘take-off’. Recipient nations, for their part, welcome the diversity of options that Southern schemes offer with their greater flexibility and laxer requirements.

As revealed in previous chapters, Brazil uses SSC to win allies and to increase its leverage in international organisations. Brazil —like other emerging nations, such as India, Turkey and South Africa— actively fosters coalitions within international fora to challenge Western dominance, for example, during the WTO Doha round and the UN climate change conference negotiations (Burges 2013; Roy, Rathin & Andrade, Melissa 2010, 15). Diplomats and interviewees from agencies participating in Brazilian cooperation projects noted that Brazil offered SSC in exchange for votes and support in discussions between international organisations (source: interview with government officers C and D and with foreign diplomats posted to Brazil P, R and V). Brazil intends to win a seat on the UN Security Council, if reforms of such Organisation were to happen, and SSC is helping the nation to pave its way to achieve that objective. Brazilian candidates won the elections to head the WTO and FAO, thanks to the support of African and Caribbean countries, which was ensured by the exchange of Brazilian SSC. In brief, development assistance for MICs is becoming a key mechanism to win a seat at the negotiating table.

Finally, SSC gives development partners a means to self-legitimisation. Supporters of SSC argue that it has a more developmental approach than traditional ODA since it does not focus exclusively on poverty alleviation, but maintains a more holistic approach to development. Developing countries claim that SSC is offered on the basis of equality and not as a hierarchical imposition from a dominant partner. Providers and recipient nations of SSC are not necessarily in equal positions, since it would be very difficult to compare nations as big as Brazil, India, China, Mexico or Turkey against smaller countries such as Sao Tome, Laos or Belize. This shows that SSC is not necessarily a relationship between equals, despite the narrative attached to it. Nonetheless, echoing the principles from the 1955 Bandung Conference, new cooperation providers claim that SSC is offered as a sign of solidarity, respecting the right to self-determination and non-interference and promoting ownership by recipient countries (Bandung Declaration 1955; Roussel 2013). In addition, new donors
contend that, in comparison to ODA, SSC is more cost-effective and better-suited to the conditions of recipients than traditional North-South schemes, thanks to new donors’ experience of being recipients, to having suffered colonialism and to linguistic, cultural and geographical similarities (Sanahuja in Burges 2012, 235; Roy, R. & Andrade, M. 2010, 19).

Whilst SSC in the 1950s and 1960s focused on exchanging industrial expertise resulting from Third World solidarity, today Latin American cooperation is driven by a broad range of factors. These motivations include elements from both traditional North-South ODA, such as security and trade purposes, as well as drivers specific to developing nations, including self-legitimation, regional integration, self-reaffirmation, non-alignment or consolidation of autonomy. To sum up, this account confirms that MICs offer SSC to advance their national interests, and especially to improve their international reputation and respect. Furthermore, SSC is not homogenous and the schemes implemented by MICs differ according to their engagement in the global arena which, in turn, means that domestic transformations are conducted differently by consensus builder countries and consensus collector nations.

3. ARE SSC AND ODA SCHEMES THE SAME?

SSC and NS ODA schemes are different in their practices, although the underlying motivations are not dissimilar. Due to the conditions and the limited resources of emerging donors, for most MICs SSC is mainly based on technical assistance so MICs rarely offer transfers of financial resources to support budget deficits. In the field, most SSC is provided by expert government staff, this is that SSC seldom engages consultants to implement development cooperation programs, as is the case with traditional North-South ODA projects. As a result, the cost of SSC is lower than traditional ODA. While this modality has limitations, which undermine the efficiency of new donors’ agencies, it represents a way to achieve results with limited resources, which is of particular relevance for MICs. As has been noted throughout this thesis, MICs still need significant resources for their own development. The ability for MICs to offer SSC with limited resources is a key advantage, and presents SSC to domestic
constituencies as an efficient tool to advance foreign interests without the risk of raising major criticisms.

Given the small scale of their programs and the low institutional maturity of cooperation models, in most new donors the bureaucratic location of the cooperation agency is usually under the subordination of the MFA, which is not always the case in traditional ODA. In models like US AID, the State Department takes the lead in policy formulation, but US AID is an autonomous unit under the MFA, with own staff and budget, and still has certain leverage to lobby in favour of ODA allocations. Other models, such as Germany and the UK, have independent agencies sitting at cabinet level, lending more autonomy to development assistance policies. In most cases, MICs’ cooperation agencies are not yet consolidated as mature government bodies and are quite dependent on their umbrella organisation, which is usually the MFA. There are exceptions like Colombia, where the cooperation agency is attached to the Presidential office, or China where development cooperation programs are coordinated by the Ministry of Commerce.

According to the case studies, in emerging donors the involvement of domestic actors is limited compared to most traditional donors. There are exceptions, for instance, in the case of humanitarian assistance and the growing interest in development cooperation by Mexican members of Congress and academia in Brazil. This take us to the importance of institutional settings; at this stage in Mexico and Brazil there are not suitable arrangements to foster a fluid and regular dialogue with non-government actors. In contrast, the DANIDA board in Denmark is very influential in the decisions of the aid agency. Furthermore, NGOs are closely linked to DfID in the UK, both because NGOs lobby to get funds, and because they are subcontracted to execute DfID’s cooperation programs. In the case of France, the business lobby has direct access to the President’s office to put forward their interests in African missions. In the US, Congress is heavily involved in the allocation of packages, so civil society can lobby Congress members for that purpose.

In developing nations, such as Brazil and Mexico, channels to access policy-makers are not yet institutionalised. Interest groups, such as business lobbies,
see little value in the benefits that development cooperation can bring to their operations. The media is generally ill informed and analysis of foreign issues is mostly superficial. At this stage, the involvement of high profile personalities, such as former presidents or ministers, is crucial for pushing development cooperation forward. In addition to the examples of Mexico and Brazil, in Colombia, the cooperation agency is under the umbrella of the Presidency, a bureaucratic arrangement that has enabled President Santos and his team to raise the profile of Colombia as a cooperation partner and improve its global image as a responsible nation.

Non-material factors are important in the formulation of ODA policies in traditional donors and have an even stronger influence on the SSC policies of emerging donors, as has been shown in the case study chapters. Specific values and the perception of identity are different from country to country; how each nation perceives itself is key in the formulation of development assistance policies. In addition, identity in relation to membership and belonging is crucial in development assistance policy-making. While a large nation such as the US perceives itself as a superpower, its foreign action is directed to act accordingly and to fulfill the responsibilities that this role entails. The US AID program is the largest in terms of contributions and outreach, which matches the USA’s potential and its role as a superpower. Some argue that the UK development aid program is a neo-colonial strategy disguised by good purposes and framed in the discourse of moral responsibility from a former colonial power (Canape in AMEXCID 2016; Biccum 2010). Germany and Japan seek to redeem themselves as responsible actors and aim to erase their belligerent history by portraying themselves as honourable members of the international community. France tries to restore its status as a world power and to consolidate its sphere of influence over former colonial territories, especially in Africa. The Netherlands, as a former trading power, seeks to recover that status by presenting itself as a generous and influential nation worldwide. Finally, Scandinavian nations, Canada and New Zealand take advantage of development assistance to highlight their reputation as generous humanitarian contributors to global peace and prosperity.
In the case of MICs, one of their main objectives is to be accepted at the negotiating table and participate in global governance discussions: MICs aspire to having a voice and contributing to global challenges. In contrast to some traditional donors, MICs are not seeking to redeem their past glory as colonial or trade powers, their interest lies in being accepted and recognised in the community of responsible nations. For most MICs, becoming a donor, on the one hand, entails the recognition and somehow the admiration of less developed nations and peers. On the other hand, some MICs seek Northern nations’ respect, appreciation of their efforts and acknowledgement of their potential to offer valuable contributions to GPGs and responses to common global challenges. Self-esteem, as an aspect of the national interest, as well as the way MICs perceive themselves provides them legitimacy in the domestic realm. Given these ambitions of international respect and reputation, MICs conduct domestic transformations as has been noted. While consensus collector MICs look to align to standards proposed by Western regimes, consensus builder countries apply domestic settings that they believe are suitable to their status as developing nations and as representatives of the South.

4. DOES NEW DONORS’ PRACTICES FIT INTO TRADITIONAL ODA?

As mentioned earlier, development cooperation is driven by intertwined motivations, and the case of new partners is not different from that of traditional donors. According to the analysis of case studies, some MICs practices fit into the typology based on traditional ODA models developed in the theoretical framework, exposing that just like in the case of traditional donors, MICs also use development assistance to advance their foreign agenda, as we will see next.

According to the typology presented in the theoretical framework chapter, Mexico’s development cooperation falls into the diplomatic-political and prestige-reputation categories. The Mexican presidential system gives very large power to the Executive who is heavily involved in policy-formulation. Due to the lack or limited channels for interest group to access decision-makers, the
Executive has large margin of manoeuvre to push foreign policy interests above other motivations. Little institutional maturity of the Mexican cooperation agency, its subordination to the MFA and limited resources make it difficult for the cooperation bureaucracy to raise its voice and advance developmental objectives.

SSC is used to pursue the national interest, but not in traditional realist terms to increase or strengthen power, or even under the neorealist approach to enlarge material capabilities as noted in the literature review of this thesis. The use of SSC to advance the national interests is deeply linked to the self-esteem and reputation aspect, which explains why most MICs practices fall into the prestige category and most importantly why these countries undergo domestic transformations to fit into international standards. Since the only actor involved in development cooperation policy-formulation is the bureaucracy itself, there is not any other domestic stakeholder to lobby in favour of other motivations, including ‘development per se’. A closed group of policy-makers decides that a way to reaffirm the position of their country in the international scene and consolidate its role as an influential responsible actor in the global system is to export successful social policies via SSC.

This is clearly the case of Brazil's *Bolsa Familia* program, but there are also other policies related to institution building in the areas of electoral processes or in environmental preservation that are worth exporting to other developing nations. These examples present contributions to GPGs and showcase the global engagement of MICs. Under the constructivist lens, MICs try to advance their national interest by complying with norms and rules established by a community of states to which these countries aspire to belong to, for instance the OECD-DAC. Development cooperation entails, moral and ethical behaviour that appears to be particularly beneficial for the self-perception and prestige of emerging donors, as argued throughout this work.

As noted in Chapter III, motivations are not unique, they are intertwined and constantly evolving. Therefore, it is suggested that Brazil’s model fits into the diplomatic-political and prestige-reputation categories, but also into the security-military and the commercial-economic. Brazil has a strong presidential system,
in which decision-making is concentrated in the hands of few. It opens the door for the use of development cooperation as a tool to advance foreign policy interests without having to negotiate with interest groups. The reasons to classify Brazilian development cooperation into the diplomatic-political and prestige-reputation categories are similar as the ones put forward for the Mexican case. The key difference is the role that Brazil expects to play in the global system, as a regional power and a global power in the making. Donors that fall into the category of security-military share similar characteristics with those in the diplomatic-political category, such as strong presidential system, influence of the MFA and other agencies including defence, limited access for non-government actors to decision-making, subordination of the agency to the MFA, and of course, the responsibility that in the views of new donors entails the role of becoming a global power. Brazil believes it has a duty to protect and preserve the stability of South America; but also, that its national security outreach extends all the way to the Atlantic coast of Africa. Therefore, Brazil believes it has the obligation to contribute to the peace and prosperity of Western Africa and in the views of Brazilian decision-makers, development cooperation contributes to this purpose.

In addition to fitting emerging models into the traditional ODA typology, the two case studies of this research also show that development assistance policies of MICs are full of typical South-South Cooperation motivations. As was exposed in section two of this chapter, Mexican and Brazilian development cooperation strategies pursue objectives such as regional integration, self-reaffirmation, strengthened regional leadership, reduced economic dependency and diversity of markets, increased autonomy, strengthened national sovereignty, increased leverage in international organisations and self-legitimisation.

5. CAN WE ASSUME A HOMOGENEOUS LATIN AMERICAN SSC TREND?

At first sight, SSC in Latin America appears to be mostly defined by the sentiments of solidarity and friendship with neighbours. Common language, culture and history bring these nations together naturally. Although, Latin
American SSC is associated with prestige, SSC in the region is an instrument of self-reaffirmation, self-reliance, integration and most importantly, opposition to foreign intervention. SSC offers an opportunity to MICs not only for strengthening foreign relations, but also for developing national capabilities and boosting economic development.

Mexico and Brazil's SSC models have common traits, such as a bureaucratic structure, limited access for non-government actors to policy-formulation and the supremacy of the Executive and the MFA. Implementation modalities are predominantly technical assistance, mostly involving the expertise of public servants as a cost-effective way to share experiences and know-how. SSC allocations target regions in bordering countries, followed by regional neighbours that share common heritage, language and geography. Brazil, however, extends its outreach to African nations, in mostly Portuguese-speaking countries.

Despite such commonalities, Mexico and Brazil do not have the same model. The definition of development cooperation and the quantifying methodology of each one is different, as shown earlier. As such, it is difficult to contend that Latin America has a universal trend of development cooperation. There are traits present in the cooperation models of most developing nations, for instance the nature of its development assistance which emerges from similar sources, such as the principles of solidarity agreed at the 1955 Bandung Conference and the Non-Aligned Movement. Even among traditional donors, who follow standards set by the DAC, it is difficult to argue that there is one traditional ODA model, therefore it is even more difficult to assume a universal SSC model. There is a North-South tradition and a South-South tradition, whose main characteristics permeate into policy-formulation and the practices of donors. While in ODA there are stricter rules and close monitoring, such as the ones proposed by the DAC, there are schemes that allow flexible rules and apply laxer practices, such as the case of new donors like Brazil or India.

Developing nations have not agreed to common definitions or guidelines. While most emerging donors use SSC to advance their national interest, practices are not always similar. To better illustrate, Cuba does not necessarily seek to
consolidate regional leadership or to enhance its sphere of influence, like Brazil does. Cuba uses SSC for self-legitimisation and to prove that despite the US embargo, the country has successfully developed national capabilities that could be useful to other developing nations. For example, Cuba has an agreement to train Timorese medical practitioners. Cuba also helped Timor-Leste to enhance its medical system and has sent medical brigades to other Pacific nations. On the one hand, Cuba is moved by the principles of Third World solidarity, but at the same time, it uses SCC as a tool of soft-power to win allies. Venezuela uses SSC to consolidate itself as an energy power: under the Chávez administration, Venezuelan SSC was strongly and ideologically driven and was provided to strengthen alliances against hegemonic powers. Venezuela and Cuba have several joint programs with third nations. Cuba offers expertise while Venezuela provides funding for health, education and social programs in LDCs worldwide.

As presented through the case study chapters, Mexico and Brazil implement different development cooperation policies, even when both nations have many similarities, as middle-income nations and trying to portray themselves as responsible global nations. Brazil, a consensus builder, seeks to identify closer with developing nations while distancing itself from Western regimes. Whereas Mexico, a consensus collector, presents itself as dual country that bridges across the West and the developing world. Furthermore, cooperation policies implemented by other countries such as Cuba, Colombia, Chile or Venezuela are also different, given that they are developing nations and are offering SSC instead of traditional ODA. There are similar traits in their models and practices. New donors are a heterogeneous group and, as such, SSC cannot be assumed to be a universal practice.

6. WHAT ABOUT SSC OFFERED BY OTHER MICs?

As was shown in the case studies, MICs development cooperation policies have different domestic repercussions despite countries having similar characteristics. Latin American SSC strategies display common traits, including a strong presidential system, a closed policy-making process, limited
participation of non-government actors, high proportion of technical assistance, loose definition of SSC, poor quantification of SSC flows, agency under MFA, lack of autonomous budget and weak agency. Characteristics, such as shared colonial experience, vulnerability to globalisation, rejection of hierarchies, common challenges and experiences, respect for the principles of non-interference and sovereignty, and the pursuit of mutual benefits, that are present in the development cooperation policies of other Southern providers, such as India, South Africa, Turkey, Thailand or Indonesia (Mawdsley 2012b, 152). Differences between the practices of new development partners and traditional donors are unmistakable. The heterogeneous nature and diversity of emerging donors, however, makes it difficult to draw generalisations with SSC based on just a few cases.

This research offered a theoretical framework as an analytical tool to study development cooperation via two case studies: Brazil and Mexico. The use of this tool to gather and analyse information revealed the characteristic traits of Mexican and Brazilian development cooperation. This tool also offered enhanced understanding of SSC as a stepping-stone to carry out similar analysis of the development cooperation policies of other emerging donors. As per the methodological section of this work, other new donors falling into this category are middle-income countries with development assistance contributions over USD$100 million, such as Turkey, India, South Africa and China. Given the reasons exposed in the methods Chapter, China is not included in the following account.

6.1. Indian development cooperation
India offers development assistance as a sign of solidarity with other developing nations. Indian development efforts have existed since it became an independent nation, but like other developing nations, its cooperation program has gained momentum only recently. Similarly to the case of other MICs, the guiding principles of the Indian cooperation model emanated from the 1955 Bandung Conference (IBON 2010; Rowlands 2012). India’s colonial heritage deeply permeates its development cooperation policy, and therefore, the country strongly emphasises the principles of non-interference and self-
determination. India, at least in the discourse, stresses avoiding any actions that would imply foreign intervention in the domestic affairs of other nations. SSC became the means for India to achieve a more autonomous foreign policy, as in the Brazilian case. Furthermore, just like other MICs, India offers SSC with underlying motives.

Indian SSC is firstly directed to neighbours, in order to consolidate alliances, strengthen its national security, protect its zone of influence and halt China’s advancement at its door step. As a donor, India started its incursion into Africa offering technical assistance and concessional loans which would open the door to the untapped African market, both as a source of raw materials and as a destination for Indian exports (Rowlands 2008). Just like Brazil, India aspires to a seat at the UNSC and therefore offers SSC in exchange for support from developing nations for this purpose. India is also the largest contributor to UN peacekeeping operations in Africa, which demonstrates increasing involvement in the region, justifying Indian global aspirations, and at the same time reveals its underlying foreign policy motivations. India, like other donors, uses SSC to advance its security, political and commercial interests (IBON 2010).

The Indian Technical and Economic Cooperation (ITEC) program, established in 1964, is run by the Ministry of Foreign Affairs; but the EXIM bank and the Ministry of Finance oversee allocations of concessional loans, which represent a significant proportion of India’s SSC (IBON 2010; OECD 2015c). This, in consequence, produces a fragmented cooperation strategy (Rowlands 2012). At this stage, India does not have a centralised agency to quantify its cooperation efforts but, according to OECD estimates, in 2014 India’s ODA-like flows reached USD$1.4 billion (OECD 2015i). India, along with Venezuela, is the country that most fiercely rejects any associations with ODA and hierarchical relations that come with traditional North-South schemes. As a result, India hardly ever participates in triangular projects with Northern countries, but it is very active in bilateral and regional initiatives. India’s development cooperation is mostly directed to neighbouring countries, such as Nepal, Bhutan, Afghanistan and the Maldives, but it has also extended its cooperation to Africa, South-East Asia and the Pacific, particularly to those nations that are home to Indian diasporas (IBON 2010). Priority sectors are
those where India has comparative advantages, which include rural development, education, health, energy and information technology. The EXIM bank offers some loans for infrastructure projects (IBON 2010).

Similarly to Brazil and Mexico, most Indian cooperation is based on technical assistance and capacity building, delivered by expert public servants. Technical assistance is conducted via training, feasibility studies, consultancy services, transfer of know-how, study tours and donations of equipment (Indian MFA 2016). Other modalities include project assistance, import subsides, lines of credit, debt cancellation and some sporadic contributions as budget support, which are provided by the EXIM bank (IBON 2010). Delivery modalities are quite bureaucratic and slow, but a quiet domestic debate about more effective ways to provide development cooperation is starting to rise. The involvement of domestic actors in policy-formulation is limited and decision-making is mostly concentrated within the Indian MFA. There is, however, a gradual growing interest of domestic non-profit organisations and private consultancies in development cooperation activities (Rowlands 2012).

Despite widespread poverty India, like other MICs, believes it has a duty to share with other developing nations its experience in poverty alleviation and to export successful solutions for economic development, such as the ‘Green Revolution’. SSC is seen as a way of advertising India’s independence and assertiveness as a regional and global leader (Rowlands 2012). Like other new donors, India takes advantage of the increased visibility and enlarged presence that SSC provides to gain recognition as an international influential actor and to consolidate itself as an emerging power (Quadir 2013). In terms of domestic transformations, India realised the potential that SSC offers to its foreign action, and while it does not have a cooperation agency, like other MICs, its development cooperation strategy is starting to take shape as a state policy.

Domestic reforms are slowly taking place, but as could be expected for a consensus builder nation, these are done according to what India believes to be a development cooperation model suitable to MICs, rather than following the guidelines suggested by the DAC. Like Brazil, India is very firm on the importance of detaching itself from any links to traditional ODA and therefore
does not implement either definition, quantifying methodology or any other principles proposed by traditional donors and the DAC. To sum up, India’s self-perception as an emerging power and the role that it must play on the global stage are reflected in the steady growth of the Indian cooperation program, along with a nascent institutional transformation to run it, despite endless domestic socioeconomic demands still needing to be addressed.

6.2. Turkish development cooperation

Turkey finds itself in a similar position to Mexico. Turkey is also a member of the OECD but, in contrast to Mexico, it is also an observer of the DAC. Turkey voluntarily reports its cooperation efforts to the DAC, which means that the country agrees with the ODA definition and quantifying methodology suggested by the Committee (Bracho & García-López Loaeza 2009). According to preliminary data, Turkish contributions to development assistance in 2016 added up to USD$6.2 billion, equivalent to 0.79% of GNI (OECD 2016b). Like other new donors, Turkey has been offering development assistance for several decades. The coordinating government unit in charge of development cooperation, TIKA, was established in 1992 (TIKA 2015), but a major transformation to its cooperation program, including increased contributions, took place at the turn of the millennium (Davies 2010a; Lundsgaarde 2011a). Today, Turkey’s development cooperation strategy is to comply with the DAC guidelines with the aim of becoming a DAC donor (Davies 2011; Ozkan 2013, 141).

Similarly to Mexico, the legal framework for the Turkish development program was established with the approval by parliament of the Organisation and Tasks of the Turkish Cooperation and Development Administration Directorate Bill in 2001. TIKA, in contrast to other developing countries’ agencies, is not under the umbrella of the MFA; TIKA responds directly to the deputy Prime Minister. The theoretical framework of this research would suggest that TIKA would have greater autonomy if it was directly under the umbrella of the MFA, but it appears that TIKA is also subject to foreign policy priorities. Development assistance, as for other new donors, is a way to display Turkey’s solidarity to Third World nations, but it also represents the means to advance foreign policy interests.
(Soares de Lima 2005). To better illustrate this, TIKA defines itself as (TIKA 2015):

".. the implementing intermediary of Turkish foreign policy, particularly in the countries with whom we have shared values, as well as in many other areas and countries".

Moreover, TIKA oversees a cooperation mechanism that involves several stakeholders, including state institutions, universities, non-profit organisations and the private sector. Turkey has implemented domestic institutional and bureaucratic reforms for the agency to become a platform for the participation of non-government actors. In contrast to other emerging donors, Turkish policy-makers encourage the involvement of domestic actors in the formulation and implementation of Turkey’s development cooperation program, as suggested by the DAC.

Turkey is a strong supporter of regional cooperation and therefore, Turkish cooperation is targeted mostly to neighbouring regions such as the Caucasus, Central Asia, the Balkans and Eastern Europe (Davies 2010c; Kharas 2009; Walz & Ramachandran 2011). Turkey, like other MICs, is also setting its foot in Africa. An example of Turkish engagement is its development assistance strategy in Somalia, where in addition to immediate humanitarian assistance, Turkey contributes to stabilise the country and revitalise the Somalian economy. SSC is mostly delivered through capacity building schemes, training and in lesser degree, through the construction of infrastructure projects. Of course, Turkish involvement in Africa does not come selflessly. On the one hand, Somalia is a source of oil and it is in the interest of Turkey to preserve the stability of a country located on one of the major trade routes. On the other hand, Somalia represents Turkey’s entry door to the African continent.

Having gained a reputation as a benevolent middle-income donor and a Muslim emerging power, some African nations prefer Turkish assistance instead of traditional ODA, or even SSC from other emerging powers, such as China (Harte 2012). Turkey’s ambitions as a regional and an emerging power are reflected in its aspiration to be part of global negotiations, and therefore support from other developing nations becomes key to Turkey’s global aspirations. Thanks to SSC, Turkey was able to ensure the support of African nations in a
bid for a non-permanent seat at the UN Security Council for the 2009-2010 period. Turkey’s intervention in Somalia compares to Mexican engagement in Haiti, in the sense that both countries sought to display their power and consolidate their spheres of influence on their doorstep. For Mexico and Turkey, stability in the Caribbean and in Eastern Africa respectively, is crucial for their national security and economic prosperity.

Similarly to other emerging donors, Turkey seeks to share its experience through bilateral cooperation in education, health, governance, institutional building and civil society strengthening. While Turkey implements some infrastructure projects, most of its cooperation is based on technical assistance that shares expertise and experience and develops human capacity (Hausmann 2014). Thanks to its economic size and increasing political influence, Turkey gained credibility and was recognised, both by peers and industrialised countries, as a reliable partner to participate in triangular programs, for example with the EU and Japan (Ozkan 2013). In brief, Turkey takes advantage of its soft-power, including geographical, cultural and religious similarities, to engage with recipient countries (Harte 2012; Hausmann 2014).

According to Harte (2012) a significant proportion of Turkish cooperation would not be conducted if it was not for the involvement on the ground of Turkish religious and non-profit organisations—a feature that is rarely present in other MICs, especially in consensus builder nations. Having said that, domestic civil society often contends that national resources cannot be used in third nations, especially when the Turkish population still suffers underdevelopment and inequality. Lastly, Turkey has also been active in the international aid-development debate and led, jointly with Indonesia, the South-South exchange tour within G20 discussions (Schulz 2010).

After South Korea (previously joining DAC), Turkey is probably the emerging donor that follows the DAC guidelines most closely. Turkey, just like other MICs, argues that it is still a developing nation, however, is eager to show its credentials of a regional power and as such Turkey is engaged in the process of consolidating its development cooperation strategy. In this regard, Turkey has undertaken institutional, bureaucratic and operational changes, as it is
evidenced by the approval of a bill that set the basis for a legal and institutional framework along the lines suggested by the DAC.

6.3. South African development cooperation

South Africa is also a member of BRICS but not of OECD; and just like Brazil and India has a special partnership with the Organisation. South Africa’s cooperation program is smaller in scope and outreach compared to other new donors. In a similar way to other BRICS donors, South Africa is reluctant to use terms such as ‘donor’ or ‘ODA’. South African development cooperation is based in relationships between peers, without any implications to hierarchies. Just like Mexico, South Africa asserts its dual role as a donor and as a recipient. The South African definition of cooperation is a lot broader than the DAC’s ODA; the country argues that cooperation should include development assistance, trade, security and political dialogue to promote economic and social well-being (Vickers 2012). South Africa has the intention to establish a cooperation agency, SADPA (South African Development Partnership Agency). The bureaucratic setting, embedded under the MFA, would pose some constraints for SADPA to advance its own interests as a developing agency (Bershanti 2013), but it would have the mandate to coordinate all government efforts. Similarly to the Mexican case, SADPA would manage outgoing resources, as well as, inflows of traditional ODA that may land in South Africa (Bershanti 2013).

The theoretical foundation of the South African development cooperation program is the African Renaissance and its resources would come from the African Renaissance Fund (ARF). South Africa takes advantage of its understanding and cultural similarities with the African continent, so most of its allocations target African nations. South Africa often uses multilateral platforms, such as NEPAD (New Partnership for Africa’s Development) to deliver cooperation projects. Like other emerging donors, South African development cooperation is mostly based on technical assistance, in the form of training and capacity building. In addition to the complexity of quantifying technical assistance, South Africa does not have a central cooperation agency that measures contributions to development assistance; so, it is very difficult to
account development cooperation flows. OECD has estimations of South African ODA-like flows (OECD 2017). For this purpose, the OECD used ODA methodology, but South Africa argues that this cannot be applied to its development cooperation allocations, since South Africa’s cooperation has a larger scope than ODA, and therefore the total amount of its contributions are not fully reflected on OECD estimations (Bershanti 2013).

Africa is at the centre of South African foreign policy, and so development cooperation is mostly directed to this region. South Africa sees itself as the largest country in the continent in terms of economic and political influence and therefore believes it has the responsibility to contribute to Africa’s peace, stability and well-being. South Africa’s engagement includes peacekeeping, electoral reform, post-conflict reconstruction and most importantly sharing its experiences of transition from apartheid to a democratic regime (Vickers 2012). South African development cooperation seeks to share best practices and promote national ownership to recipients. The country’s advantages as a development partner are acknowledged both by traditional and new donors who conduct triangular projects in Africa. For example, South Africa partnered up with Cuba to provide medical services to Rwanda and Sierra Leona; with Vietnam, in rice production in Guinee-Bissau; and with Brazil and India, South Africa participates in the IBSA fund projects (Bershanti 2013).

Like other donors, South Africa’s engagement in development cooperation has underlying foreign policy interests. The country aims to restore its reputation and moral debt to African neighbours resulting from the apartheid regime. Development cooperation is motivated by Third World solidarity that can be observed, for example, on South Africa’s debt forgiveness to Cuba, Namibia and Mozambique (Vickers 2012). Finally, South Africa is aware of the importance for its national security and economic prosperity —as previously mentioned in the case of Turkey, Mexico and Brazil— to foster peace, stability and wellbeing on its doorstep, which prevents the emergence of organised crime, illegal trade and migration, or people smuggling. By the same token, African neighbours have expectations about the role and involvement that South Africa should have in the region and that the country should match its development assistance contributions to the size of its regional power.
aspirations (Rowlands 2012; Vickers 2012). This is similar to the expectations of Central American countries towards Mexico’s involvement in the region, as noted earlier.

South African decision-makers recognise the virtues of SSC and use it as an instrument to advance foreign policy interests. As an example, SSC is used to lobby African nations to ensure support for a South African candidacy for a non-permanent seat at the UNSC, in the same way as Brazil, India and Turkey. South Africa also uses development cooperation to open markets for its manufacturers and to take advantage of investment opportunities. As previously mentioned, development cooperation has become one of the tools of South African foreign action to promote peace and security in the region.

South Africa’s position has a clear Southern orientation. The country places itself as the voice of Africa in global debates (Bershanti 2013). South Africa is actively involved in continental discussions through NEPAD and the African Union, as well as other Southern initiatives such as the BRICS bank and the IBSA fund. At the same time, the nation is taking a more proactive role on the global stage. In 2011, South Africa co-chaired the G20 Development Working Group, along with France and Mexico (Schulz 2010). The country also was actively involved in Post-Busan Interim Group discussions. South Africa’s development cooperation engagement has been held back, more than in the case of other MICs, due to the pressing domestic challenges that the country faces, including inequality, unemployment, HIV/AIDS spread, corruption, crime and violence, especially at a time when civil society is becoming more engaged in development issues. African and Southern identity place South Africa in a unique juncture to fill gaps in the development cooperation architecture and contribute to address the challenges faced by the African continent.

6.4. **Summing up**

As we can see from this account, new development partners offer SSC with similar characteristics. The core of their programs is based on comparative advantages resulting from domestic expertise, which often is developed endogenously, but also thanks to Western assistance received through ODA. In
most cases, development cooperation from MICs targets neighbour nations. SSC definition and quantifying methodologies are still in early stages, which makes assessment, monitoring and comparison of programs difficult. SSC bureaucracy is usually embedded into the MFA, confirming that SSC is a tool of foreign policy. Institutional settings are usually not suitable to provide access to non-government actors to policy-formulation. Most new development partners fear domestic contestation if development assistance efforts are publicised. With few exceptions, like Turkey or Thailand, most MICs keep their distance from the DAC, its guidelines and principles for two main reasons. Firstly, new development partners still see themselves as developing nations with the right and the need to receive ODA. And secondly, MICs try to avoid identifying themselves with practices, principles and terms associated to the DAC and the West. New development partners emphasise the respect to the principle of non-intervention in domestic affairs and other Bandung premises, such as solidarity and voluntary contributions, which in their views are opposed to traditional ODA practices.

Development partners, just like traditional donors, offer development assistance driven by motivations that contribute to advance their national interest. MICs give special attention to the importance that international presence, image, reputation and state identity plays into their foreign policy. New donors aspire to become global actors and to portray themselves as responsible countries engaged in the fight against global ills. MICs aspire to be recognised by peers, to be respected by Northern countries, and to be accepted at the table of global governance discussions. SSC practices, however, differ between emerging donors, due to their individual desire of membership and affinity to an organisation, such as the DAC which has become the point of reference within development assistance global discussions. In other words, domestic transformations, including institutional settings, bureaucratic structures, practices and policy formulation of development partners depend on whether MICs are associated or not with standards suggested by international regimes, such as the ones proposed by the OECD-DAC.

Examples of this case are Turkey, and to lesser degree Mexico; consensus collector countries that are transforming institutions, bureaucracy, practices and
formulation processes to fit with the DAC recommendations. In contrast, Brazil, India and South Africa structure development cooperation models according to principles and standards relevant to their own condition as developing nations, rather than to international regimes. Consensus builder countries seek to conduct SSC practices that detach themselves from the DAC and appear to bring them closer to the rest of the developing world. The former present themselves as bridge countries between the North and the South and as consensus collectors; whereas the latter portray themselves as the voice of the South and as consensus builder nations.

7. SYNERGIES BETWEEN ODA AND SSC SCHEMES

SSC does not seek to become a substitute for traditional ODA. While it offers alternatives to developing countries, in terms of suitable solutions and a larger pool of resources, developing nations still need assistance from the North, particularly regarding scientific research and technological development. Even when MICs have the will and, to a certain extent, the resources to help other nations, they are not always able to cover the costs that international development cooperation implies. Sharing experiences, know-how and technology with other developing nations is not a magical solution to poverty and social exclusion. This is that South-South cooperation can be considered as one of many sources contributing to poverty alleviation around the world; and MICs stress that SSC is complementary to NS schemes and triangular cooperation, as well as to other schemes such as public-private partnerships. ODA and ODA-like flows, if combined with contributions from non-government actors, including private corporations, philanthropic organisations, international organisations and NGOs, would have a larger multiplying effect and greater outreach. In the case of SSC, it is even more important to partner up with other sources of funding, since this would help new donors to maximise its potential and of course, to increase international visibility.

Despite the bureaucratic complexities, triangular projects give successful examples of complementarities between NS and SS cooperation —for instance, Brazil and Japan in the ProSavannah program in Mozambique, or training of
Timorese electoral officers in a joint program organised by Mexico and UNDP (Protocolo 2011). Often complementarities between Northern and Southern donors are underestimated. Recipient nations complain about the lack of knowledge by traditional donors’ field teams about developing nations. It is not only a matter of learning the language, but often the success of a development project relies on understanding the customs and idiosyncrasy of recipients. Southern donors have the advantage of this knowledge over traditional donors. The limited resources of Southern providers only allow them to offer technical assistance and often individual projects instead of more ambitious cooperation programs. When know-how from the South is combined with funding and technology from the North, it is possible for new donors to implement larger programs, instead of single interventions. Besides, these are opportunities for new donors to gain further experience and to build the capacity of their development cooperation agencies.

This kind of partnership does not come without reservations. Traditional donors argue that new donors’ lack of conditionality and greater flexibility works against reforms or compliance with international standards in recipient nations, for instance, environmental preservation or respect for human rights. Traditional donors claim that, since new donors do not adhere to guidelines, such as the ones proposed by the DAC, this makes it more difficult to program, monitor and assess projects and, of course, to ensure the effectiveness of ODA. Besides, traditional donors contend that without these sort of rules, new donors have no accountability, which could result in the misuse of resources. New donors, in contrast, believe that their development cooperation is different to ODA and therefore they cannot comply with the DAC principles. New developing partners are fearful of losing visibility and being overshadowed by larger donors —this element becomes particularly relevant when one of the main motivations of emerging donors is to increase their international image and their international presence via SSC. It must be noted that some new development partners, especially BRICS nations, reject associations with the DAC and NS schemes on the grounds that ODA is a Western imposition and it represents a new form of colonial domination that seeks to preserve the dependency of poor nations on the Western capitalist system (Bauer, P & Yamey 1982; Cammack 2001).
Those fears can be dismissed by several elements. Firstly, the growth in the number of triangular cooperation agreements, where the rules of the game are set for traditional donors, new partners and recipient nations. Secondly, the need to foster further dialogue between North-South and South-South schemes: these two practices cannot be seen as separate elements, as their objectives are quite similar, since they both seek to contribute to global development. While Southern donors have not signed international commitments such as the Paris Declaration or the Accra Action Agenda as donors, they try to comply with several of their principles, including national ownership, alignment and harmonisation. Another way to address these fears is for international agencies, such as UNDP or OAS, to create a bridge between North and South practices by promoting multinational schemes in which both traditional and emerging donors participate. Also, traditional donors could increase their engagement in regional initiatives such as the Mesoamerica Project, UNASUR, ASEAN, NEPAD, the African Union or the Pacific Islands Forum.

Thirdly, triangular cooperation offers a chance to strengthen the institutional framework, bureaucratic structure and practices of emerging donors, and specifically the capabilities of cooperation agencies. Countries like Japan, Germany, the UK, or Spain have successful development programs that would not be possible without the coordination of mature aid agencies. As a result, traditional donors could offer (or continue offering) capacity and institutional building expertise to the cooperation agencies of emerging nations — Japan, for instance, has already started a cooperation program of this nature with Mexico. Strengthening the capabilities of Southern donors’ agencies should be a priority for the DAC, traditional donors and new development partners. Not only would this help to use resources more effectively, it would also help create a better understanding between North and South cooperation practices. For consensus collector countries, the advantages of triangular programs are highly valued, especially those related to strengthening bureaucracies and improving institutional frameworks. In contrast, consensus builder countries appear cautious to participate in triangular initiatives, because they regard them as a way to bring them into compliance with the DAC guidelines and therefore make them subordinate to Western regimes.
8. INSERTION OF SSC IN THE GLOBAL DEVELOPMENT ASSISTANCE ARCHITECTURE

SSC has a long tradition, but its recent resurgence and peak demonstrate its growing relevance to MICs’ foreign policies. Emerging donors realise the benefits of SSC as a tool of foreign policy and are therefore transforming their domestic settings to institutionalise SSC as a state policy. However, it must be noted that MICs’ domestic transformations vary from country to country depending whether a nation is a consensus builder or a consensus collector, as noted in the case studies. Contributions by MICs to global development cannot be neglected and, while at this stage this is only a small proportion of global contributions to development, their expertise and know-how can be of great use for developing countries. Furthermore, several emerging donors are eager to participate in discussions around a new global development–aid paradigm, as pointed out earlier.

At the 2011 Busan High Level Meeting, SSC was at last officially recognised, but a space where discussion on SSC can be held is yet to be established. Despite the expectations of traditional donors and the DAC, there are not real incentives for emerging donors to join the Committee and to adopt its guidelines. As we have seen earlier, new donors do not agree with terms such as ‘donor’, ‘recipient’ and ‘aid’ and their implications such as hierarchical relations and obligations imposed by foreigners. Larger new development partners, such as BRICS countries, have programs that are regarded as successful as they are, so in their views there is no need to implement any domestic transformation or comply with international guidelines. The OECD has established ‘enhanced partnership’ schemes with some emerging donors such as China, Brazil, Indonesia, South Africa and India, as a way to bring those countries into the Organisation —however, this scheme has provoked quite the opposite result.

The special partnership offered by OECD comes along with expertise on topics such as governance, accountability and, of course, international development assistance. The expected path for MICs with enhanced partnerships with the
Organisation would be to follow the DAC guidelines to: transform the institutional settings, bureaucratic structures, delivery practices and policy formulation of their development assistance models. Instead, emerging donors with this kind of engagement take this expertise to shape autonomous models and choose paths different to the ones suggested by the DAC. Consensus builder MICs are not interested in joining an organisation where they would have to comply with rules that they did not help to make. Besides, there are no real incentives for MICs to join an organisation when they actually receive the help they need to strengthen their programs and consolidate their agencies ‘for free’, without giving up the flexibility and lack of obligation that characterises their programs. And most importantly, how can they justify to their national constituencies complying with these principles and directing national resources to assist other countries as would be recommended by the DAC? Finally, new donors strongly emphasise the fact that they are still developing nations and home to a large proportion of the world’s poor population, and as such they are entitled to still receive ODA — assistance that they would have to relinquish if they were to join the DAC.

On the contrary, consensus collector MICs, such as Turkey, Mexico, Thailand and South Korea (the last one before ‘graduating’ as a donor and joining the DAC), value the benefits of joining the Organisation and are inclined to apply the principles suggested by the DAC, albeit with some reservations, such as in the case of Mexico. This group of MICs seeks the respect of Northern nations by complying with standards proposed by international regimes as a way to portray themselves as like-minded and reliable nations. Their reputation as engaged countries in the fight against global challenges drives them to conduct domestic transformations along the lines suggested by Western regimes.

As noted earlier, the DAC has become a point of reference for the development-aid agenda (see chapter I). Emerging donors, however, feel that the Organisation has a Northern bias and lacks legitimacy due to its limited membership. There are some incentives to create an organisation such as the DAC for Southern providers. This would mean that developing countries would have to renounce to the flexibility of their programs and set accountability standards that would expose their programs and allocations to domestic
constituencies. The involvement of domestic actors, in particular NGOs, civil society and academia, would initially spark some debate, but can also contribute to development cooperation strategies; however, decision-makers are reluctant to fully open these processes to non-government actors. This is particularly relevant when MICs are trying to increase sectoral and geographical outreach and when the resources and structural capability of their agencies are still quite limited. Civil society, academia and business sectors represent a large pool of untapped resources that could help improve the development cooperation strategies of MICs.

Having said this, UNDCF has become one of the spaces available to discuss development assistance matters, but its membership is too large for it to reach significant agreements. UNDCF was able to foster dialogue and bring the role of developing partners and the contributions of SSC to the development-aid debate. The other grouping that gained some traction is the G20 (thanks to the intense work of the Development Working Group). Detractors would argue that the G20 with its restrained membership lacks legitimacy —even though numerous traditional donors and most of the large non-DAC donors are members of the G20, including for example, Saudi Arabia, one of the largest donors but not usually part of DAC discussions. In brief, creating a Southern “DAC-like” forum would imply for emerging donors giving up the flexibility and obligation-free characteristics of their programs.

Today, ODA is facing new challenges due to evolving conditions in the international system. Development assistance has been surpassed by other sources of funding, and while ODA and ODA-like flows are still crucial for global development efforts, a renewed aid architecture is needed. Southern providers and SSC experiences bring added value to the development-aid debate. The experience from Northern donors and the practices of North-South aid can offer valuable insight to reinforce SSC, build institutional capacity, strengthen and reorganise bureaucratic structures, improve practices and policy formulation processes, and by the same token increase new donors’ exposure, presence and, of course, their international reputation and prestige. Better understanding of new donors, thanks to further analysis of their development cooperation
policies, can only be beneficial for stronger engagement and closer collaboration of a renewed development assistance paradigm.

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MICs are home to the largest proportion of poor people worldwide and as such they still have numerous domestic socioeconomic needs to fulfil. SSC has increasingly become a useful tool of MICs’ foreign activities, as is seen in the increasing amount of contributions and the efforts to structure cooperation policies. These transformations, however, have a different domestic impact depending on each middle-income nation. In contrast to ODA, where the DAC sets standards that traditional donors follow, there is not an equivalent institution as such, that guides the MICs’ SSC. In fact, most of the larger new development providers prefer to organise their own policies and practices in their own way. On the one hand, this enables new donors to keep the flexibility of their models; and on the other hand, they are able to avoid domestic contestation resulting from publicising development cooperation spending that could potentially be questioned by non-government actors who believe that MICs need to respond to domestic needs first, before assisting third nations.

The two case studies of this research show how even MICs with broadly similar cultural, historic and geographical backgrounds have quite different SSC practices and domestic institutional and bureaucratic settings. As such, it cannot be assumed that there is a model for Latin American SSC, let alone for the rest of MICs engaged as development cooperation providers. Trends, however, are common for most MICs and the examination of the two case studies in this research offers stepping stones to analyse the involvement of other MICs in development-aid efforts. As we saw in the accounts of India, Turkey and South Africa, while they have their own different SSC policies, there is an inclination among countries like Turkey to align closer to the DAC, whereas others tend to dissociate themselves from the Committee, as India and South Africa do.
SSC and ODA are different schemes, perhaps with a similar objective, but their foundations, settings and practices are not the same, which in turn impacts on MICs’ domestic institutional and bureaucratic settings and on their foreign policies. This means that consensus builder countries would be reluctant to implement domestic transformations according to international standards; while consensus collector nations, with the aim of being perceived as like-minded nations, would tend to apply the principles and guidelines suggested by international regimes. Having said this, traditional donors and new development partners must seek opportunities to increase joint engagement. This will not only help to expand the potential of SSC, but it will also present an opportunity to foster institutional building of MICs’ SSC schemes.

Finally, this thesis focuses on the development cooperation policies of new donors, particularly on those of Brazil and Mexico. This research offers a framework and a methodology that can be used to analyse other new development partners, as broadly presented in this chapter. Most importantly, these analytical tools can also be replicated to study the engagement of middle-income countries in other domains of global politics, such as climate change or trade negotiations.
CONCLUSIONS
his research project stems from a personal interest in trying to understand the increasing participation of developing countries in international affairs, particularly when these countries still face major domestic development challenges and have limited resources. Building on the cases of Mexico and Brazil, this thesis analyses the motivations driving middle-income countries (MICs) as development cooperation providers. Their involvement as donors demonstrates that MICs increasingly offer development assistance more assertively and, in a similar way to traditional donors, MICs have learned to appreciate the virtues of development assistance as a tool of foreign policy.

Evidence gathered during field research, to address the dual comparison, reveals first that ODA and SSC are similar practices in the sense that both are used to advance the interest of the donor. While both traditions evolved in parallel, as noted in the background chapters, their foundations, conceptions and core principles are different. These elements, in turn, impact the formulation and implementation of development cooperation programs. The key difference between ODA and SSC is MICs’ focus on becoming a donor as a way to increase their international reputation, prestige, image and respect: elements that, in the perception of MICs, are crucial to gain influence and to assertively participate in global decision-making. In the views of MICs, the reputation of
being a development assistance donor carries the perception of being a responsible actor engaged in the fight against global challenges.

This desire for an improved reputation pushes MICs to pursue domestic transformations in policy formulation, institutional settings, bureaucratic structures and delivery practices. Evidence put forward in this research, addressing the second comparison of this research -between MICs- that the domestic transformations and behaviour of middle-income countries engaged in international development assistance cannot be assumed to be universal. Some MICs are driven to implement domestic changes according to international regimes, whereas others tend to avoid transformations along those lines. National identity, cultural and historic heritage and foreign policy priorities produce different international behaviour, either as a consensus collector or as a consensus builder nation.

As noted in the introduction and further elaborated throughout the thesis, consensus collectors are usually like-minded moderate countries that act as ‘bridges’ to solve impasses and amass consensus around general initiatives. In contrast, consensus builder nations seek to create support around their own interests. In the quest for greater autonomy and increased influence in global governance, consensus builder nations bet on the success of their own models to gain the support of developing nations. In other words, consensus collector nations try to take advantage of their position as bridge countries, in contrast to consensus builders who try to position themselves as leaders of the developing world while pursuing greater global influence. These arguments are supported by the evidence posited in the case studies and examined in the relevant chapters. Mexico presents itself as a natural link between the OECD-DAC and developing nations. Mexican OECD membership drives the country to implement a development cooperation model mirroring the DAC’s standards. Conversely, Brazil’s need for Third-World support drives it far from established regimes in the search for greater autonomy.

Unlike ODA that is regulated by guidelines set in a body of norms established and accepted by traditional donors at this stage there are no common standards that guide or monitor the implementation of SSC nor a platform to
open a debate on the subject. Most new donors follow standards and practices that they believe appropriate to their own circumstances as developing nations. SSC is not a universal practice, and most new donors are middle-income nations with similar characteristics, but that have their own SSC definition, quantifying methodology and schemes to carry out independent development assistance strategies. Given this, it is difficult to assess and compare results among emerging donors, so SSC needs to be considered as a practice or a trend, rather than as a universal model.

The desire to gain prestige, reputation and respect drives some consensus collector MICs to implement standards set by international regimes, such as the DAC’s guidelines. On the contrary, consensus builder MICs seek greater autonomy by distancing themselves from international regimes and prefer to create and implement their own models. The analysis of the development assistance policies of Mexico and Brazil demonstrates the different transformations that MICs undergo to participate in development assistance, evidence that was reinforced in Chapter VII’s overview of the development assistance practices of India, Turkey and South Africa. By sharing successful models of public policy, new development partners are able to portray themselves as responsible global actors, and by the same token, they are able to recruit other developing countries as their allies. With the support of other Third World nations, some MICs are able to obtain the leverage to challenge Western hegemony and increase their sway on the international stage.

ACADEMIC CONTRIBUTIONS AND AVENUES FOR FURTHER RESEARCH.

Given limited scholarship on the motivations driving SSC, I chose to use traditional ODA models to construct a framework of reference that is suitable for the analysis of SSC practices. For this, I analysed ODA practices of ten traditional donors, by breaking down the interplay of four key policy-making variables:

1) institutions; 2) bureaucracy; 3) interest groups; and 4) non-material factors. Once this framework was built (see Chapter III), I transposed it for the analysis of the two case-studies. This framework disaggregates the variables that apply
in traditional North-South ODA policy-formulation and compares them to South-South Cooperation policy-making with the purpose of gaining insight into the motivations underlying SSC. The scope of this research is the outward expression of motivations underlying the provision of SSC by MICs. Having recognised that state is not a black box, as noted in the Introduction and Chapter I, is important to stress that the internal policy discussions related to the organisation and management of SSC are beyond the span of the project.

For the analysis of the case studies, evidence was collected through 43 semi-structured interviews. Data was cross-checked with government documents, and reports and statistics from international organisations. The choice of within-case analysis and process tracing as methods of enquiry relies on the advantages that these tools offer for small-n research projects.

As mentioned in the Introduction, the main contributions of this research can be summarised as follows. First, this research fills a gap in the literature on the analysis of development assistance policies by explaining the rise of MICs as development assistance providers and the motivations driving such practices. At this stage, most analysis of development assistance has been done on traditional donors, and there is limited research focusing on the motivations driving donors and even less attention is given to the motivations behind middle-income nations’ engagement as donors. Second, this thesis offers a methodological and theoretical tool that was built to analyse the two case studies: Mexico and Brazil. This framework of analysis is reproducible across similar studies on other middle-income nations that offer development assistance, as was broadly outlined in Chapter VII. Most importantly, these analytical tools can be used to examine the behaviour of MICs in other domains of global governance, as noted further below. Third, international relations combined with foreign policy analysis allows a study of the focus and susceptibility of SSC policies to international and domestic pressures. By first comparing SSC to ODA and on secondly by comparing the practices of different MICs, the analytical framework built for this research enables an examination of the international action and the domestic repercussions that MICs endure resulting from their engagement in global affairs,
Based on the above, I propose several avenues for future research that stem from this thesis. An immediate one is to analyse the success of development assistance policies delivered by the case study countries. As noted in the methods section, this research has a temporal framework starting in the 1990s and finishing on December 2014. Given that the two case study countries only recently started implementing suitable steps to transform development assistance into institutionalised policies, by the time of researching and writing this thesis, it was not possible yet to assess the results produced by these measures, including establishing an agency or drafting a cooperation program.

Also, Mexico and Brazil are in the early stages of developing a methodology to quantify development assistance contributions. Without solid data on development assistance contributions, it is difficult to measure and compare results. Nevertheless, there are two aspects that must be considered regarding this possible future research. The first one is related to the benefits that development assistance brings to recipient nations —this refers to the possibility of assessing if development assistance brings a real improvement in the quality of life of populations in recipient communities and whether these results can offer elements to compare the success of SSC against traditional ODA. The second, and more important aspect for the purpose of the current research, is to be able to evaluate if there are significant results, in terms of MICs’ growing influence in international governance discussions and in advancing their national interest, from using SSC as a tool of foreign policy. This could be evaluated, for example, by quantifying and analysing the support gathered by MICs in international organisations, either when MICs put forward candidacies to lead organisation or approval of initiatives.

Further research could be pursued by studying the development assistance policies of other MICs listed in the universe of study of this thesis, which includes the group of emerging donors accounting for 38 countries (see Chapter I). Steps were laid towards an analysis of Turkey, India and South Africa, countries becoming quite active as cooperation providers and whose development assistance policies were briefly outlined in the previous chapter. Another avenue for research is to analyse the future domestic transformations that Brazil may undertake resulting from its intention to become a member of
the OECD, as was announced by President Temer in June 2017, as earlier noted.

As per the public policy dimension, this thesis offered a comparative analysis of how ODA and then SSC were formulated, which variables have the largest impact on the formulation process and how the domestic interplay of these factors influences ODA and SSC practices and domestic transformations. As a result, another avenue for future research is to identify and study alternatives for ODA and SSC to complement each other, for example, through the formulation and implementation of schemes such as triangular cooperation, or to study the participation of other stake-holders, for instance, the private sector, in development assistance projects via public-private partnerships.

Finally, the theoretical framework for this research could be replicated to analyse the engagement of middle-income nations in other domains of global governance beyond development assistance. Developing countries are making silent changes to the international scene. While it could be argued that not all developing nations have the capability and the resources to influence global governance debates, their engagement in global affairs provokes preventive actions in the behaviour of Western nations and multilateral organisations, which in turn causes changes in international regimes. Examples of these can be found in negotiations on climate change, human rights, anti-corruption, financial inclusion, energy, gender equality, security, disarmament or trade, where middle-income countries are gradually becoming more active.

In the conceptual framework on Chapter I, I put forward a definition of state identity and refer to it as the sense of belonging to or membership of a grouping. In other words, expected behaviours and compliance with certain standards legitimises the identity of a state as a member of a certain group: for example, the requirements for EU candidates. The evidence in the case studies highlights how two middle-income nations, in the quest to portray themselves as responsible global actors, become actively involved in the provision of development assistance. The label of donor implies the perception of a sophisticated and modern country engaged in global affairs. This kind of behaviour contributes to the institutionalisation of international rules and
practices into domestic settings. This thesis analysed the formulation and implementation of MICs’ development assistance policies. Similar processes can be observed in areas such as respect for human rights, environmental preservation, the fight against organised crime, financial inclusion or gender equality, where despite limited resources MICs lead domestic transformations that not only comply with international standards, but also offer new alternatives to be shared with other nations and that also contribute to improve global governance.

As a preliminary guide to where we might look for other cases of MICs involvement in global governance and internalising international standards to transform domestic institutional and bureaucratic frameworks, we might begin by turning our attention to the following examples. Indonesia, Mozambique and Pakistan, undertook several reforms to promote financial inclusion (World Bank 2016a). According to the Climate Change Performance Index, Morocco and India have a leading role in tackling climate change (Burk et al 2018). Regarding the fight against corruption, Nigeria was the first African country to join the EITI (Extractive Industries Transparency Initiative) and submit the oil sector to an audit, while Malaysia’s anti-corruption strategy became a key national strategy within the Government Transformation Programme (UNDP 2018). Progress in gender equality is demonstrated by domestic transformations and investment in programs seeking to empower women and girls in Jamaica, Cambodia and Rwanda (UN Women 2017). And finally, multinational organisations with a large membership of developing countries, such as the Organisation of American States or the African Union, have institutionalised schemes to promote and monitor respect of human rights.

These are only some examples of how middle-income countries have gradually increased their participation in the fight against global challenges. While some of them take an active role in international governance discussions, they also internalise norms set by global regimes by institutionalising processes and conducting domestic transformations, as seen in the case of international development assistance. As stressed throughout this thesis, states behave and even conduct internal reforms according to what it is expected as the appropriate behaviour of a member of a group. Countries in general, but
especially emerging countries aiming to win respect and gain alliances, mimic peers and take conducive steps to demonstrate that they can also become responsible members of the community of nations.

The approach of this thesis enhances the analysis of foreign policy by adding the public policy dimension. Summing up, by comparing SSC against ODA and SSC between different providers, I examined the reasons why countries offer development assistance to set the stage for the research; from here, I compared the motivations driving traditional and emerging donors. This, in turn, brought forward the argument that the reputation and self-esteem element of national interest is key for MICs. The importance of reputational aspects is such that MICs are willing to submit themselves to domestic transformations in order to fulfil their aspirations for increased reputation, respect and recognition. Despite common trends, the behaviour of MICs cannot be assumed to be universal. Therefore, two outcomes stem from the reputational drive of MICs, whether a country would position itself in the global arena as consensus builder or as a consensus collector, as supported by case studies of Brazil and Mexico respectively.

This research offers an analytical framework to study the international actions and domestic ramifications of MICs’ increasing engagement in global governance. While the focus of this thesis was on better understanding the use of SSC as a tool of foreign policy, it also laid stepping stones for further analysis of the aspirations and intentions of middle-income countries in global affairs beyond the development-aid arena. The study of this aspect of MICs’ foreign action provides better understanding of their motivations and intentions as responsible global actors, which in turn, opens the door to better dialogue, greater involvement and stronger collaboration by MICs in key global governance debates.
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B. LIST OF INTERVIEWEES

BRAZIL

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### MEXICO

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### APPENDIX

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