



The Europeanisation of Foreign Aid Policy Slovenia and Latvia 1998-2010

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Umeå University, 2013

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Dedicated to the memory of Elena Robe, née Krikis (1924-2011)

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Abstract

In the early 2000s when several Central and East European countries (CEECs) negotiated their accession to the European Union (EU), they introduced foreign aid policy despite most of them being aid recipient countries at the time. This thesis seeks to explain the evolution of foreign aid policy in two Central and Eastern European countries that took divergent paths in adopting the policy, Slovenia and Latvia. While Slovenia evolved into a relatively active donor country among the CEECs, Latvia's aid policy developed relatively slowly and aid allocations were smaller.

The thesis approaches this subject from the perspective of the 'Europeanisation East' literature that seeks to explain policy adoption in the CEECs in terms of EU influence. The literature is divided on how to explain the policy adoption processes in the CEECs. Rationalists, on the one hand, stress the role played by external incentives, in particular the conditions the EU imposed on the CEECs for them to be admitted to the EU, known as EU conditionality. Rationalists also note the role of domestic veto players who can delay or even stop adoption of the policy if it incurs high adoption costs upon them. Constructivists, on the other hand, explain policy adoption in terms of identification and social influence, policy resonance, or the presence of influential norm entrepreneurs. In an important study, Schimmelfennig and Sedelmeier (2005) concluded that most of the policy adoption processes can be explained by the overwhelming influence of EU conditionality, thus downplaying constructivist explanations. This thesis examines whether their finding can be applied to the adoption of foreign aid policy in the pre-accession period (1998-2004). It focuses on the role of EU as well as domestic factors in the policy adoption processes. It then explores what factors account for further developments in the policy adoption processes in the period after the CEECs acceded to the EU (2004-2010).

The empirical basis of this study consists of a series of interviews with policy makers and civil society representatives in the two countries. The findings in these interviews have been checked against and triangulated with an encompassing examination of policy documents and archival material. The main findings about the pre-accession period indicate that EU conditionality indeed played an important role in foreign aid policy adoption, but so did identification and social influence. Hence policy adoption costs and the efforts of veto players could not delay policy adoption. In the post-accession period, it is argued here, the further policy adoption processes can largely be explained by identification and social influence. Nevertheless, veto players and adoption costs, as well as policy resonance, did emerge as constraining factors in the policy processes. All in all, the thesis argues that the policy adoption processes can be explained best

by a combination of both Constructivist and Rationalist theories and that role of domestic factors should not be neglected in research into EU influence on the new member states.

Keywords: Europeanisation; foreign aid policy; Rationalism; Constructivism; conditionality; identification and social influence; Central and East European countries; Latvia; Slovenia.

List of Abbreviations

ACTED	Agency for Technical Co-operation and Development
ADA	Austrian Development Agency
ACP countries	African, Caribbean and Pacific countries
CEECs	Central and Eastern European countries
CEF	Centre of Excellence in Finance
CEP	Centre for European Perspective
CICD	Centre for International Co-operation and Development
CIDA	Canadian International Development Agency
CoDev (or CODEV)	Working Party on Development Co-operation, at the Council of the EU
Commission	European Commission
CONCORD	European NGDO Confederation for Relief and Development
Council	Council of the EU
EaP	Eastern Partnership
EC	European Commission (the abbreviation is used only in the references in the text)
EDF	European Development Fund
ENP	European Neighbourhood Policy
EU	European Union
EU Presidency	Presidency of the Council of the EU
EU8 (or EU-8)	The eight new EU member states from Central and Eastern Europe that acceded to the EU in 2004
EU10 (or EU-10)	The ten new EU member states that acceded to the EU in 2004
EU15 (or EU-15)	The fifteen old EU member states that acceded to the EU before 2004
EUR	Euro
GAERC	General Affairs and External Relations Council, one of the Council's configurations
GDP	Gross Domestic Product
GLEN-Latvija	Latvian partner organization of the Global Education Network of Young Europeans
GNI	Gross National Income
IFIs	International Financial Institutions
IMF	International Monetary Fund
ITF	International Trust Fund for Demining and Mine Victims Assistance

LAPAS	Latvijas Platforma Attīstības Sadarbībai, Latvia's national NGDO platform
LVL	Latvian Lats
MDGs	Millennium Development Goals
MES	Ministry for Education and Science
MFA	Ministry of Foreign Affairs
MoF	Ministry of Finance
MP	Member of Parliament
NAM	Non-aligned movement
NATO	North Atlantic Treaty Organization
NGDO	Non-governmental development organization
NGO	Non-governmental organization
ODA	Official Development Assistance
OECD	Organization for Economic Co-operation and Development
RCCDC	Research Centre for Cooperation with Developing Countries
RCI	Rational Choice Institutionalism
SED Bank	Slovene Export and Development Bank
SFL	Soros Foundation Latvia
SFOR	Stabilization Force
SFRY	Socialist Federal Republic of Yugoslavia
SLOGA	Slovenian Global Action, Slovenia's national NGDO platform
Stability Pact "Together"	Stability Pact for South Eastern Europe Foundation "Together" – Regional Center for the Psychological Well-Being of Children
UK	United Kingdom
UN	United Nations
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Program
UNDP-Latvia	United Nations Development Program's office in Latvia
UNICEF	United Nations Children's Fund
USA	United States of America
USD	United States Dollar
USSR	Union of Soviet Socialist Republics

Preface and acknowledgements

This thesis is about why several Central and Eastern European countries (CEECs) adopted foreign aid policy upon their entry in the European Union (EU) in 2004. Many people have asked me why I chose this particular theme for the thesis. As it usually is with such questions, there is no simple answer. But it seems, when I look back, that this interest sprung from my experiences and meetings with people with whom I had intellectually stimulating discussions. I can recall at least three episodes that encouraged me to think about the foreign aid as my PhD thesis topic. The first was when I worked for the Latvian chapter of Transparency International. This organization partly derived its income from the foreign donors since very few domestic donors openly supported (or donated money to) the anti-corruption projects at that time. As Latvia entered the European Union in 2004, the foreign donors finalized their programs and gradually withdrew. I remember that I was truly surprised to learn that Latvia had become a donor itself and that I decided that one day I would like to explore it deeper.

My interest in foreign aid policy was renewed during my *stage* in the European Commission in 2007. I was assigned to assist a unit for the policy coordination within Directorate General for Development and Relations with African, Caribbean and Pacific countries (known also as DG DEV). During this traineeship I met many bright professionals who had dedicated their lives for human betterment in the developing countries. This was also a time of learning and I had many questions about what I saw and heard at the DG DEV. I became particularly curious about why some countries allocate higher sums to foreign aid than others.

Later my curiosity about foreign aid was fuelled by meeting critics of foreign aid, particularly, the Swedish writer Fredrik Segerfeldt. He argued that foreign aid policy was a wasteful and sometimes even harmful enterprise. My conversation with him convinced me that one should not take the existence of foreign aid for granted. It also strengthened my impression that foreign aid policy – as many other public policies – should be analyzed as a product of an inherently political process.

My admission for doctoral studies at Umeå University offered me a chance to explore why Central and Eastern European countries had engaged in provision of foreign aid. Now after five years of studying the topic, I realize that I would not have been able to make this journey without the guidance and support of many, many people that I met throughout my doctoral studies. Some of them I would like to mention here particularly.

First and foremost, I owe my deepest gratitude to Torbjörn Bergman and Magnus Blomgren, my thesis advisors. I am hugely indebted to them for all the constructive and reflective supervisory conversations which guided my

thinking about the research problem throughout these years. I am particularly grateful to both of my mentors that they have continuously fostered me as an independently thinking scholar. I have been told that the supervisor-PhD student relationship can often be of a somewhat hierarchical and formal character. This was never my experience. Both Torbjörn and Magnus showed curiosity about what I was studying and always treated me friendly and as their equal.

Second, I would like to thank also my colleagues at the Department of Political Science in Umeå. Their advice and comments during the bi-weekly Senior Seminars have been very helpful. I especially want to thank Svante Ersson for his encouragement and advice on methodological issues. I also want to mention Malin Åkebo, Johan Hellström, Charlotta Söderberg, Katarina Roos, Elisabeth Olivius, and David Feltenius for their helpful and constructive criticism and questions during the Department's seminars.

I also would like to thank the members of the informal "luncheon club", known among some as Uppsala-gänget (freely translated into English as the "Uppsala gang"). Besides breaking bread with each other on Wednesdays and Fridays, we had many jolly good conversations about the politics, the work and the life in general, which were both stimulating and entertaining. I would like to thank my colleagues David Feltenius and Jessika Wide particularly for letting me to stay at their house on several occasions; I deeply appreciated their hospitality, kindness and friendliness.

My gratitude goes also to other Swedish political scientists who have read or commented parts of my thesis that I have presented at various conferences and workshops in Sweden. I would like especially to mention Linda Berg, Kjetil Duvold, Karl-Magnus Johansson, Karl Loxbo, Monica Svantesson and Thomas Persson.

I extend my gratitude to the social scientists that I met through participation in the EADI Working Group on Non DAC Donors. Maja Bučar and Urška Zrinski shared their thoughts on Slovenia's foreign aid and helped me to understanding it better. Simon Lightfoot, Ondřej Horký-Hluchář, Balázs Szent-Iványi have contributed with stimulating comments and observations, as well as been generally supportive in regard to my research endeavour. Needless to say that I also have learned a lot from Maja, Simon, Ondřej and Balázs and their scholarly work on foreign aid policies of Central and East European countries.

It should be mentioned that for more than two years ago doctoral students within the Swedish Network for European Studies in Political Science (known among the Swedish political scientists under the confounding abbreviation SNES) decided to organize their own annual meetings. Such a peer-to-peer teaching and learning through open discussions were intellectually useful and stimulating. The annual workshops were also highly enjoyable due to their supportive social function. Therefore I would like to

thank Sofie Blombäck, Mattias Gunnarsson, Marcus Johansson, Olof Larsson, Olena Podolyan and Ekaterina Tarasova for their work and friendship.

In late 2011 I visited Uppsala Centre for Russian and Eurasian Studies (UCRS) and the director Claes Levinsson generously offered me a work space at UCRS. This was an offer that I, after regularly commuting to Umeå for many years, was more than happy to accept. Discussions with area specialists of Eastern Europe, Russia and Caucasus widened my intellectual horizons and contributed greatly to my work. I would like to particularly thank David Smith who agreed to be the opponent/commentator at the final seminar (in Swedish, *provdissputationen*) in Umeå in March 2013. His comments were very helpful in finalizing the dissertation and sharpening my main arguments.

I would like to thank also my informants in both Latvia and Slovenia. They took time from their tight schedules to answer my questions about how the foreign aid policy was introduced and implemented in their country. Without their answers this thesis would look very much different.

I also gratefully acknowledge the financial support that I received from Knut and Alice Wallenberg Foundation, the Lars Hierta Memorial Foundation and the Swedish Network for European Studies in Political Science. These financial contributions enabled me to carry out my field work in Slovenia and Latvia, as well to participate in PhD summer schools and conferences.

I acknowledge the work of Frances Boylston in undertaking the English revision of this text.

I express my gratitude to Christina Boström for her swift and excellent work with the technical aspects of preparing the manuscript for printing.

I should add the usual disclaimer that, despite all the help and support that I received from the people mentioned above, the responsibility for any possible mistakes or inaccuracies is only mine.

Finally, I would like to mention my family. There are two persons in particular that I would like to thank. The first is my husband Jens Timofejevs Henriksson. I do not think it is easy to be married to a scholar-in-the-making. I would imagine that to hear about and live with all the frustrations of a PhD student would be a rather difficult thing for any spouse to cope with. On top of that seeing one's husband moving to another town to pursue doctoral studies must be a very painful experience indeed. Still, Jens has always been very understanding and supportive to me throughout these years. I think that this worked so well because Jens is a genuinely tolerant, committed and loving man. In these individualistic times when one's personal ambitions and pre-occupation with self-realization are encouraged as virtues by the great many, I feel truly blessed to share my life with Jens.

The second person is my grandmother Elena Robe (née Krikis) who passed away in 2011. I dedicate this thesis to her memory, because her life choices – and indeed, her entire life – have been a great inspiration to me. I dare say that she was a very brave woman, both in private and in public. She married Mikelis Robs, a convicted political dissident at the time when Latvia was still occupied by the totalitarian regime of the Soviet Union. She also chose to become a professional art historian despite that such a choice was economically and politically inopportune in the harsh after-war times. When I was just a child, my grandmother noticed my interest in history and art. She cultivated it gently by introducing me to Greek and Roman mythology, taking me to the Foreign Art Museum in Riga – where she worked – to see, among other things, an authentic Egyptian mummy, letting me explore the museum’s graphic art collection and – when I grew older – lending me books to read on historic subjects. Throughout my youth I very often heard that these subjects were “impractical” and “useless”, which is why I am especially grateful to her for all the encouragement to follow my interests despite the majority’s opinions. But, most importantly, I am thankful to her that she always encouraged me to pursue academic studies and told me not to care about any potential pecuniary gains when selecting my university education. I hold dear the memory about the day when I told her that I would like to study political science. She looked truly fascinated at me with her eyes glittering and asked me exactly what one does when one is studying this “new” science. We sat down at the kitchen table and sipping hot coffee talked about this intriguing subject. Needless to say, when we were done with the conversation, she offered me her undivided support. I find her decency and her dedication to the science for the science’s sake, freed from all instrumental and ulterior motives and intentions, and to the family to be most admirable.

Peteris Timofejevs Henriksson
Uppsala, August 2013

Chapter One: Introduction

Introduction

Throughout the 1990s and early 2000s, the Central and Eastern European countries¹ (CEECs) underwent at least four mutually-intertwined processes of changes – transition to democracy, transition to market economy, state building, and integration into various organizations of European and transatlantic co-operation (Orrenstein et al. 2008:5). This study focuses on how and why, in this context, some of the new member states from Central and Eastern Europe adopted foreign aid policies² and how these policies evolved up until 2010. The adoption of foreign aid policy signalled that the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Slovakia and Slovenia were moving away from their role as lesser developed, aid-recipient countries to becoming more developed and globally engaged states that potentially could influence development in other countries. The introduction of these policies and their evolution are part of a wider pattern of policy changes in the region.

These change processes, particularly integration into the European Union (EU), often coincided with changes in various public policy areas, which have been addressed by a number of academic studies (e.g., Jacoby 2004; Kelley 2004; Vachudova 2005). One especially influential study was undertaken by a team of political scientists led by Frank Schimmelfennig and Ulrich Sedelmeier. They examined how the EU influenced policy adjustments in the CEECs. Their findings, published in 2005, emphasised the role of EU conditionality (Schimmelfennig & Sedelmeier 2005b; see also, e.g., Jacoby 2004; Vachudova 2005). In brief, they argued that the reason that the CEECs changed their policies or introduced new policies was in order to be admitted to the EU, which had required the CEECs to make certain policy adjustments to comply with the European norms and standards as a condition for entry to the EU (Schimmelfennig & Sedelmeier 2005b:215). This process of the EU imposing specific conditions on candidate states for EU membership is termed “EU conditionality”. However, this explanation raises the question about the role of domestic conditions in policy processes. One would expect that various domestic conditions usually play a significant role when democratic states adopt certain – even externally induced – policies.

¹ Although the CEECs are in many respects diverse (Berglund et al. 2004:3; Batt 2004:3, 4), there are good reasons to treat them as fairly similar (but not homogenous), which will be discussed in the Chapter 3.

² Foreign aid policy is defined here as a governmental policy that involves transfer of public resources to another independent government, civil society organization or international organization in part at least to “better the human condition in the country receiving the aid” (cf. Lancaster 2007:9; cf. OECD 2008). Terms “foreign aid policy”, “development co-operation policy” and “development policy” are used here interchangeably.

My research interest lies in explaining the development of foreign aid policy in this region. In the last decade a growing body of empirical literature and policy-oriented reports have emerged focusing on various periods of foreign aid policies in the CEECs (e.g., Grim & Harmer 2005; PASOS 2007; Bucar et al 2007; Bucar & Mrak 2007; Lightfoot 2008; Grimm et al. 2009). There have been relatively few theory-based studies that seek to explain the development of foreign aid policies in the CEECs (notable exceptions are, for instance, Lightfoot 2010 and Szent-Iványi & Tétényi 2008).

This study is about whether the introduction of foreign aid policy in the CEECs in the early 2000s can be explained by their adjustment of policies in order to conform to the conditions for EU membership (i.e., EU conditionality). Furthermore, this study examines if and to what extent domestic factors were present in the adoption of foreign aid policy in the period leading to the EU accession. The study, moreover, goes on to examine the factors underlying the development of foreign aid policies in the CEECs after their accession to the EU in 2004, when there was no longer any direct impact resulting from fulfilling conditions connected to EU membership.

This introductory chapter outlines the subject of the study, sets out its goals and presents the research questions and the theoretical approach used to address those questions. Subsequently, the study's methodological approach is outlined and the chapter concludes with a short outline of the study itself.

Aim and research questions

The point of departure for this study is the historical context in which the CEECs formulated their foreign aid policies. On the basis of the existing literature, it seems reasonable to conclude that the EU exerted a certain influence on the candidate countries when they decided to initiate foreign aid policy in the pre-accession period. Many influential studies have documented that there was a pervasive impact of the EU on the CEECs that resulted in changes in their domestic policies in this period of time (e.g., Schimmelfennig & Sedelmeier 2005b; Jacoby 2004; Vachudova 2005). But left open is the extent to which the EU impacted specifically on the emerging foreign aid policies in the CEECs as opposed to other (domestic) factors that were important in the policy adoption processes. This leads to the specific aim of this study – *to explain the evolution of foreign aid policies in the CEECs from the early 2000s when the policies were adopted until approximately 2010, paying particular attention to role of the EU and domestic conditions in the processes of policy adoption and later adjustments.*

As stated earlier, this study will engage in a dialogue with Schimmelfennig and Sedelmeier (2005b), revisiting their findings on the influential role of the EU conditionality to assess to what extent their conclusions can be

applied also to foreign aid policy area. It will examine whether and to what extent the domestic conditions influenced the formation of foreign aid policies in the pre-accession period. Moreover, this study goes one step further than that of Schimmelfennig and Sedelmeier by seeking to explain policy developments after the CEECs acceded to the EU in 2004. The following two research questions further specify the focus of the study:

First, *to what extent do the conclusions of Schimmelfennig and Sedelmeier apply to foreign aid policy in the CEECs?* As mentioned above, Schimmelfennig and Sedelmeier (2005b:215) found that, in the pre-accession period, the most influential explanation for policy adoption and policy change was EU conditionality, or more precisely, the credibility of conditionality. In their assessment, the domestic conditions had a limited influence on policy adoption or policy adjustments, mostly affecting only timing and speed of policy change (Schimmelfennig & Sedelmeier 2005b:216). This leads to the question whether and to what extent the EU conditionality and domestic conditions influenced foreign aid policy adoption in the pre-accession period. In posing this question, it should be stressed that this research applies specifically to the EU's influence on the evolving aid policies of the CEECs. Other external actors – such as the Organization for Economic Co-operation and Development (OECD), the United Nations Development Program (UNDP), the North Atlantic Treaty Organization (NATO), or the World Bank – may have exerted or tried to exert influence on the foreign-aid policy evolution in the CEECs, but their influence is not the focus of this research endeavour.

Second, *what factors can explain foreign-aid policy evolution in CEECs after the accession to the EU?* If EU conditionality was the main factor underlying the CEECs introduction of foreign aid policies, the impact of EU when it no longer held formal powers to encourage further policy change once the countries had become members is relevant. The EU tended to rely on “soft law” to encourage member states to change their foreign aid policies³. Did the EU completely lose its influence over foreign aid policy processes in the CEECs after accession? Or did EU influence transform itself into a more subtle peer-pressure? What was the role of domestic factors after accession? Did domestic conditions increase in salience when the EU influence receded after the accession? Once again, I stress that the focus is on EU influence, leaving aside other external actors' possible influence over the aid policies in the CEECs.

After having specified the aim of this study let me also say a few words about the ambitions of this thesis. The first ambition is to test the theoretical conclusions of Schimmelfennig and Sedelmeier (2005b) by applying them to

³ In sharp contrast to, for instance, competition policy or internal market policies, the EU had very few binding rules at its disposal in the foreign aid policy area.

a policy field that has not been systematically studied using the approach of Schimmelfennig and Sedelmeier (2005a). The second is to update their conclusions by including the post-accession period. Finally, if this study does indeed demonstrate that Schimmelfennig and Sedelmeier (2005b) downplayed the role of domestic conditions, by adding this dimension I seek to make a theoretical contribution to the approach elaborated by Schimmelfennig and Sedelmeier (2005a, b).

Beyond the above, this thesis has one additional important ambition, namely, to make an empirical contribution to the growing literature on evolution of foreign aid policies in the CEECs. In doing so, I study in depth and compare systematically the policy adoption processes in two countries (i.e., Slovenia and Latvia). In the ensuing section, I provide the main motives for studying the foreign aid policy from the perspective of Europeanisation literature.

Empirical and theoretical background for the study

Since the middle of 1990s, the CEECs had sought EU membership and the EU responded by inviting the CEECs to accession negotiations. The first round of negotiations began in 1998 with five CEECs and Cyprus, while the second round – with the other five CEECs and Malta – was initiated two years later. The negotiations were largely focused on how the candidate countries adjusted to the “*acquis communautaire*” (that is, the whole body of the EU rules) that was a condition (referred to as “*technical or acquis conditionality*”) for being admitted as a member of the EU.

As mentioned above, the CEECs adopted their foreign aid policies in the specific context of their accession to the EU when the *acquis conditionality* dominated the policy agenda. A major approach to how the EU membership and EU integration processes influence domestic policies and the domestic policy processes in member or candidate states is associated with what is known as Europeanisation literature. Europeanisation research has focused mostly on the policies that form the core of the EU activities, but to a lesser extent the external policies (Börzel & Risse 2006:486), and even less on the Europeanisation of foreign aid policies in CEECs. While there are some notable exceptions in the form of single case studies (Kāle 2007; Vittek & Lightfoot 2009; Horky 2010b; Szent-Iványi 2012b) and one broader regional study (Lightfoot 2010) that are informed by Europeanisation theories, there is still a knowledge gap in the Europeanisation literature about the specific elements contributing to foreign aid adoption in the CEECs, which is the subject of this study. Hence is the value of the empirical contribution to the literature on foreign aid policy adoption processes in two CEECs that is offered here in this study as it traces and analyses how the policies evolved in two specific cases – Slovenia and Latvia.

More importantly, as I will argue in Chapter 2, the conclusions of the mentioned case studies on foreign aid policy do not tend to engage in a dialogue with the wider Europeanisation literature and the ongoing debate between Constructivist and Rationalist schools. Therefore in this thesis, I intend to use the generated empirical conclusions, drawn from a comparative, in-depth study of two cases, to provide a feedback to the wider theoretical literature on Europeanisation of the CEECs.

We start, thus, from the seminal work of Schimmelfennig and Sedelmeier (2005a, b) supplemented by other works that cast their explanations in language of Europeanisation of CEECs. These scholars have often participated in an ongoing debate between Rationalists and Constructivists on how to explain the policy adjustment processes in the CEECs, both before and after the EU accession.⁴ This study engages in dialogue with the work of Schimmelfennig and Sedelmeier (2005b) by examining whether as applied to foreign aid policy their conclusions are relevant. Their main conclusion, after studying adjustment in various policy areas in the CEECs, was to support the Rationalist explanation of Europeanisation, namely, that policy adoption was motivated primarily to meet the conditions that the EU set for the candidate states' entry to the EU (Schimmelfennig & Sedelmeier 2005b:215). According to the two scholars, international norms, socialisation processes and other soft or peer influence had a lesser impact, whereas domestic factors played only a limited role in the policy adjustment processes (Schimmelfennig & Sedelmeier 2005b:220, 215). The extent that this applies to foreign aid policy is the subject of this study. While one would expect that the impact of EU conditionality is lesser now, after the accession, it does not appear to have resolved the debate between Constructivists and Rationalists as some observers cite evidence that countries pay attention to peer pressure from the EU (e.g., Maniokas 2009; Levitz & Pop-Eleches 2010). The verdict on the debate between the two schools of thought is thus still pending, as is the case with the Europeanisation literature, especially when it comes to the post-accession era.

There are two specific subjects in the literature on the post-accession phase that are particularly worth mentioning – the “reversal thesis” and the role of domestic conditions. The theoretical literature is ambiguous concerning what policy developments one should expect in the post-accession phase. Some feared that the policy adjustments in the CEECs, throughout the pre-accession process, would be “shallow” (i.e., not deeply institutionalised) and that after the accession the policy adjustments made as

⁴ This study, in other words, delimits its theoretical scope to the literature that explains the policy adjustment processes in CEECs in terms of Rationalist/Constructivist divide as framed by Schimmelfennig and Sedelmeier (2005 a, b). The findings of this study could have some indirect bearing on other theoretical debates between Rationalists and Constructivists on other subjects, but this study is constructed without such far-reaching ambitions in mind.

a result of pre-accession conditionality might be reversed as the EU would no longer have the leverage to influence the CEECs (Grabbe 2003; Goetz 2005; cf. Schimmelfennig & Sedelmeier 2005b:226). Others argued, based on their own empirical studies, that in fact no policy reversal followed upon the accession of the CEECs (Sedelmeier 2009a:17; see also Knill & Tosun 2009; Sedelmeier 2009b; Trauner 2009; Schimmelfennig & Trauner 2009; Levitz & Pop-Eleches 2010). At the same time, concern has been emerging over the CEECs' implementation of the new norms and policies (Goetz 2005:274; Treib & Falkner 2008:168; Schimmelfennig & Trauner 2009:6; see also Maniokas 2009; Trauner 2009; Dimitrova & Toshkov 2009).

The second aspect of interest to this study that the literature has addressed is the role of domestic conditions after the accession. Some argue that various domestic conditions have become more salient in the policy processes in the post-accession phase and that these can constrain the domestic decision-making processes and the adjustments to EU norms and rules (Dimitrova & Toshkov 2009; Maniokas 2009; Sedelmeier 2009b). Thus it is relevant to include the "reversal" and "shallow Europeanisation" theses in this study as we look at the role domestic conditions have played in the foreign aid policy area after the accession.

In the next section, I will briefly outline how the research questions will be approached methodologically. A deeper discussion of my methodological approach and research design will follow in Chapter 3.

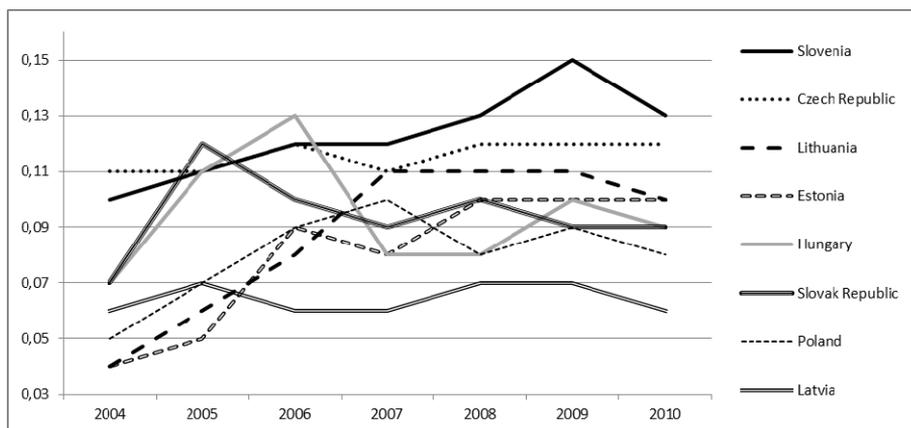
Methodological approach

The methodological approach taken here is that of case studies. Given that the subject of this study is the evolution of foreign aid policy, I use case studies to examine how the EU and domestic conditions influenced foreign-aid policy adoption and adaptation after accession. As noted above, there exist few empirically-oriented single case studies of foreign aid policy in the area. Kāle (2007) studied Latvia, Vittek and Lightfoot (2009) Slovakia, while Horkey (2010b) studied the Czech Republic and Szent-Iványi (2012b) looked at Hungary. There have been a few wider, cross-case analyses (e.g., Lightfoot 2010) but these are still rather limited in scope and ambition.

In order to study foreign-aid policy adoption in more detail and with the ambition of doing so from the perspective of the theoretical literature on Europeanisation and the debate between Rationalists and Constructivists, a particular attention is here given to two countries within a given geographic area. The geographic area includes eight of the ten new member states that acceded in 2004: the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Slovakia and Slovenia. Romania and Bulgaria are excluded from the "population" of this study, because they entered the EU only in 2007, and because the EU continued to monitor Romania and Bulgaria through a specially designed post-accession monitoring mechanism. The continued EU

capacity to thus impose certain sanctions to deal with cases of non-compliance makes Romania and Bulgaria “special cases” in any analysis of the dynamics of domestic politics. Even though the eight CEECs provide a useful context and point of reference, I will intensively study only two countries, namely, Slovenia and Latvia, for reasons set out later in this study.

Figure 1: Dynamics of foreign aid (ODA/GNI, %) in the eight CEECs, 2004-2010



Source: European Commission, the (2011b) *EU Accountability Report 2011 on Financing for Development. Review of progress of the EU and its Member States*. Brussels, SEC (2011) 500 – 27.

These two countries took somewhat different paths in their foreign aid policy evolution. In 2004-2010, Latvia’s foreign aid is seen to have been stagnating (see Figure 1), when measured on the basis of official development assistance (ODA) as a proportion of a country’s Gross National Income (GNI). Latvia’s ODA/GNI was the lowest in the Central and Eastern Europe in 2010. Slovenia’s aid, on the other hand, has been gradually increasing – its ODA/GNI levels dropped only once, in 2010, but even then it was still highest among the CEECs.

There is also a comparative dimension to the time period that I study; it is restricted to the period from approximately 2000 until 2010 and divided into two temporal sequences – pre-accession and post-accession. The first sequence covers the pre-accession phase which started in some of the CEECs around 1997-1998 when, at the Luxembourg Summit, the EU invited the “Luxembourg countries” (Czech Republic, Estonia, Hungary, Poland, Slovenia and Cyprus) to start the accession negotiations that began on March 31, 1998. For other CEECs, the pre-accession phase started somewhat later (around 1999-2000) when, at the Helsinki Summit in 1999, the EU invited the “Helsinki countries” (Bulgaria, Latvia, Lithuania, Malta, Romania and Slovakia) to launch negotiations on February 15, 2000. This research project also examines events before 2000 that had a direct or indirect bearing on the

adoption of foreign aid policies. The second period begins with the accession of the CEECs to the EU on May 1, 2004. This temporal sequencing allows for comparing how the new member states adjusted, if they did at all, to EU norms and targets after their accession. This temporal delimitation of policy evolution enables the researcher to be more precise about the effects of the EU, and, in particular, EU conditionality.

Outline of the study

There are six chapters following upon this introductory chapter. The theoretical framework is outlined in the second chapter which locates the study within the literature on how the CEECs adopted EU rules and policies throughout the enlargement process and after their accession to the EU. Relevant features of the Europeanisation literature is also discussed with particular emphasis on two theoretical strands of the literature, the Rationalist school and the Constructivist school. In addition the existing, theory-informed literature on the foreign aid policies of the CEECs is summarised.

Chapter 3 presents the methodological framework of the study revolving around the question of how the study is structured and designed so as to answer the stated research questions. It is argued that the qualitative, comparative study is an appropriate research design for this purpose. The study is constructed as a two-step process. First, two contrasting cases – foreign aid policies of Slovenia and of Latvia – are studied in depth using the process-tracing method, and then the cases are compared. I also discuss the sources that are used in the study, both documentary and oral, and set out the techniques for assuring their trustworthiness.

Chapters 4, 5 and 6 form the empirical backbone of the study. In Chapter 4, EU adaptational pressures are examined and I trace in detail how the EU and the Commission exerted adaptational pressure on the two CEECs to adopt foreign aid policies and adapt them to the EU common targets and values. Chapter 5 investigates the process of foreign aid policy introduction in Slovenia and Latvia in the early 2000s and examines what conditions were influential in each case. Chapter 6 continues by analysing policy adjustments between 2004 and 2010.

Chapter 7 summarises and compares the main findings of the study. It reflects on the theoretical implications of the findings and the main contributions to the Europeanisation literature and the literature on foreign aid policies in the CEECs.

Chapter Two: Theoretical framework: Europeanisation of policy

Introduction

In this chapter, I present the theoretical approach that is used in this study. The theoretical framework is a complementary combination of Rationalist and Constructivist theories that focus on how the Central and East European countries (CEECs) adapted their domestic policies to the European Union's (EU) *acquis communautaire* in the pre-accession phase and after the enlargement. This literature, known as the Europeanisation East literature, posits that, if the policy adoption process were EU-induced, it will have taken place via socialisation or social learning (according to Constructivist scholars), and/or external incentives or strategic calculations (as proposed by the Rationalist scholars).

The point of departure here are the findings of Schimmelfennig and Sedelmeier (2005a, b) that in most of the cases CEEC policy adoption can be explained in terms of external incentives. They concluded that the credibility of the EU's conditionality was a strong incentive for the governments of the CEECs to introduce new policies or adjust existing policies to EU rules and that domestic factors were overshadowed by the overwhelming impact of EU conditionality (Schimmelfennig & Sedelmeier 2005b:225). In this respect, their findings "go against the thrust of the Europeanisation literature, which highlights the relevance of domestic mediating factors and institutional inertia" (Schimmelfennig & Sedelmeier 2005b:225). But are these findings also valid in the specific case of foreign aid policy adoption in the CEECs before 2004 as well as its evolution in the post-accession phase, after 2004?

The chapter consists of six sections and it is organized as follows. First, I explain the choice of the theoretical perspective. In so doing I juxtapose the Europeanisation East literature and the "traditional" policy process literature and set out the reason for my selecting the former perspective as point of departure. Second, I proceed with an explanation of the concept of Europeanisation and how, for the purposes of this study, Europeanisation is understood as a set of processes via which candidate (or member) states adjust to the EU adaptational pressure. The two central concepts of "EU adaptational pressure" and "domestic response" are also defined here. In the subsequent section, I introduce the Europeanisation East literature and contrast it to the Europeanisation West literature concerned with how EU adaptational pressures influence domestic policy in West European countries. The fourth section discusses the work by Schimmelfennig and Sedelmeier (2005a, b) in the context of the contrast between Constructivist scholars, who stress the role of ideational, social or cultural factors and their

Rationalist colleagues, who focus on the strategic interaction among actors in an institutional environment. As I later argue, this divide is slightly overstated, but since their different theories will be the basis for my theoretical framework, I discuss their main features and, in the fifth section of this chapter I outline the main causal factors posited by Constructivists and Rationalists as presented by Schimmelfennig and Sedelmeier (2005a). It should be noted here that I base my treatment of the Rationalist and Constructivist on the conceptualization of Schimmelfennig and Sedelmeier (2005a, b).⁵ In the final section, I review the theory-informed literature on the foreign aid policies in the CEECs.

In this way, the theoretical framework outlined in this chapter makes it possible to study foreign-aid adoption processes in two CEECs. The framework thus serves as my guide in undertaking the analysis of these processes.

Choice of the theoretical perspective

At this point I wish to comment on why I chose the Europeanisation literature as the point of departure for constructing my theoretical framework rather than other fields of literature. Another plausible field of literature that could be used as a point of departure would be “policy process literature”, though it is misleading to speak of a monolithic “policy process literature” since it consists of various approaches, frameworks and theories.⁶ As foreign aid policy is related to foreign policy, one likely alternative would be to select the seminal work of Allison and Zelikow (1999) as a point of departure and to structure my theoretical discussion. First published in 1971 and later, after analysis of new empirical material, re-published in 1999, this is a classical work within the sub-field of policy studies that is known as the Foreign Policy Analysis literature. If we were to take Allison and Zelikow and the Foreign Policy Analysis literature as point of departure we would be assuming that decision making in foreign aid policy and foreign policy is highly likely to be similar.

When Allison and Zelikow aimed at explaining the Cuban missile crisis in 1962, they described three, rather broad, theoretical perspectives which they called the Rational Actor Model, the Organizational Behavior Model, and the Governmental Politics Model. These “models” can and have been used to

⁵ It should be again noted (see Chapter 1) that other scholars might envision the division between Rationalists and Constructivists in a different way than Schimmelfennig and Sedelmeier (2005a, b). Nevertheless, as my ambition is to present a response to Schimmelfennig and Sedelmeier, I focus on their understanding of the divisions and their conceptualization of these theories.

⁶ For instance, in the comprehensive volume *Theories of the Policy Process*, which thoroughly reviews the state of art of the policy processes literature, Sabatier (2007) listed nine such approaches– the stages heuristic, Institutional Rational Choice, multiple streams theory, punctuated-equilibrium theory, the Advocacy Coalition framework, policy diffusion framework, the “large-N studies”, policy network approach and social construction approach.

analyse other foreign policy decision-making processes. Moreover, it provides an overview of various strands of policy theories that can be applied to studying foreign policy decisions and it will be used below, in this short discussion, not as the main source of references, but rather as a tool to structure the various strands of foreign policy analysis literature.

When considering the question of which of the alternative perspectives, theories or models should be used to study the foreign aid policy introduction, my first preference would be the Rational Actor Model. First, it is most likely to be the most parsimonious explanation and the EU aspect (i.e., EU adaptational pressures) could be accommodated within the framework of the Rational Actor Model as fitting into the international opportunity and threat structure. Second, its assumptions about the rationality of actors who make decisions based on a strategic cost-benefit calculus are similar to those of the Rationalist strand within the Europeanisation literature. But, as Allison and Zelikow demonstrate, the Rational Actor Model leaves many aspects of the policy- and decision-making processes unexplained.

At the same time, it might not be feasible to combine all three models. Therefore, it seems to me that the most fruitful way of studying the foreign aid policy introduction would involve a combination of at least two of the models. The choice depends largely on what aspects of the policy-making process the scholar is most interested in. My interest lies primarily in the domestic decision-making processes and in explaining why one specific policy option was selected over the others. Hence, the Organizational Behaviour Model would not be chosen for such an analysis as its point of emphasis is on the importance of previously established routines and standard operating procedures in structuring governmental action and explaining the choice among alternative decisions. While these factors are indeed important, they say little about the political process underlying the decisions and thusly the model appears to be less actor-centric than the other two models.

Instead, I think the Rational Actor Model should be combined with the Governmental Politics Model, which focuses on the complex decision-making processes within the executive branch and sees it as ongoing political bargaining among many actors with different, sometimes conflicting goals and interests (Allison & Zelikow 1999:294-5). This combination might uncover not only the strategic calculation of costs and benefits, but also provide an answer to several other questions – for instance, which governmental actors dominated the process; which actors promoted their preferred options; was the decision-making process rational or was it rather an amalgamation of various conflicting interests and goals? In other words, the Governmental Politics Model – particularly, the Multiple Streams theory (see Kingdon 1984), that Allison and Zelikow (1999:280-1) refer to in their

conceptualization of the model – might highlight the messiness of the decision-making process and thus be a healthy corrective to an over-optimistically rational perspective of the Rational Actor Model dealing with how the decision came about. A particular strength of the Governmental Politics Model and the Multiple Streams theory would thus be the highlighting of the ambiguity of the decision-making process and the efforts of various policy entrepreneurs to “sell” their preferred options to others in the decision-making body.

However, one major weakness of these alternative theories is the unclear causal links. The Governmental Politics Model, and the Multiple Streams theory in particular, sets out a large set of variables and potentially important conditions and stipulates that it requires the presence of norm entrepreneurs for an issue to move up to the governmental agenda. The authors also remind us that “serendipity plays a big role” in modern politics (Zahariadis 2007:87). Still, they offer little guidance on which of the many variables and conditions can be expected to play the most important role, with the exception of policy entrepreneurs.

Another major problem with the Governmental Politics Model (and the Multiple Streams theory) is its focus on agenda-setting and the policy formation stage, thus neglecting the stage of policy implementation. It seems to me that if the policy adoption is seen as a process, and not an event, and if it is seen as consisting also of “behavioral adoption” (i.e., the extent to which the country actually implements the formally adopted policy), then the Europeanisation East literature is more useful in explaining larger policy processes. Two other relative strengths of the Europeanisation literature – in particular, the Rationalist and Constructivist strands within this body of literature, in contrast to the Multiple Streams theory – are that the Europeanisation literature approach limits the number of variables that can have a causal impact and that it pays attention to the particular European (or more precisely EU) context in which the policy was adopted. For these reasons I chose to study foreign-aid policy introduction and implementation taking the Europeanisation East literature as the point of departure. Before outlining the main features of the Europeanisation East literature, however, we will first discuss the concept of Europeanisation.

Europeanisation: EU adaptational pressures and domestic response

The term “Europeanisation” is among the most often-used concepts in EU studies and, by now, there is a plethora of definitions of Europeanisation. Johan P. Olsen (2002) distinguishes no less than five different definitions of

Europeanisation.⁷ Clearly, an attempt to define Europeanisation would be unproductive as a review of these various efforts is available elsewhere (e.g., Hix & Goetz 2000; Radaelli 2000:2-4; Buller & Gamble 2002; Olsen 2002; Featherstone 2003; Börzel & Risse 2006:484-5; Major 2005). I would add, however, that, following Featherstone (2003:3), a concept is of little value if it simply reiterates what other concepts have already described (cf. Moumoutzis 2011:609). Therefore, I reject the notion that Europeanisation is synonymous or similar to political integration, enlargement, or diffusion of certain European models, or the “emergence and development at the European level of distinct structures of governance” (Risse et al. 2001:3).

Schimmelfennig and Sedelmeier (2005a:7) defined Europeanisation in a more specific way as “a process in which states adopt EU rules”. In my opinion, this definition, although parsimonious, could be developed further with regard to the EU adaptational pressure.⁸ If the EU adaptational pressure is not included in the definition, one could label as Europeanisation policy diffusion (policy transfer) or home-grown policy initiatives,⁹ which have been inspired by policy developments in other European countries. In my assessment, the concept thus becomes “over-stretched” and synonymous with too many other phenomena (cf. Radaelli 2000). Europeanisation, in this study, is therefore understood as processes involving both 1) the EU adaptational pressures to adopt a certain policy or follow certain policy

⁷ First, Europeanisation can be defined as “changes in external boundaries”, for example in EU enlargement. Second, it can be conceptualized as (supra-national) institution building at the European level. Third, it is possible to see it as a “central penetration of national systems of governance” which refers to a re-organization (or adaptation) of domestic governance according to such a functional logic where the EU is the political centre and the system is ruled by “European-wide norms”. In other words, Europeanisation is analysed as the domestic impact of the EU, which is the most common definition of the phenomenon. Fourth, Olsen considers Europeanisation as diffusion of political and societal models (e.g. institutions) which are considered as typically European to non-European territories. Finally, Europeanisation is defined as the “degree to which Europe is becoming a more unified and stronger political entity”, which is usually conceptualized as EU integration. Olsen’s own preference is for the latter definition of Europeanisation, because it includes all the other definitions (Olsen 2002:923-4; 926-43). Similarly, Featherstone (2003:6-12) classified the Europeanisation literature in four large fields dealing with Europeanisation as historic phenomenon, transnational cultural diffusion, institutional adaptation and adaptation of policy and policy processes. Another attempt at producing an overview of different uses of Europeanisation is by Cole and Drake (2000:27) who listed four main interpretations of the concept – Europeanisation as independent variable, emulative policy transfer, smokescreen for domestic political strategies and imaginary constraint (cf. Buller & Gamble 2002).

⁸ As Kenneth Dyson and Klaus H. Goetz (2003:12) put it, the Europeanisation debate, “differences of emphasis notwithstanding – is at heart about the consequences of European integration for domestic political systems”. Compare with, for instance, Ladrech (1994:69) who defines Europeanisation as a process where “European political and economic dynamics” is seen as independent variable affecting domestic “politics and policy-making” (cf. Goetz 1995; cf. Olsen 1996; cf. Vink & Graziano 2007:7).

⁹ For instance, Schimmelfennig and Sedelmeier (2005a:20-25) refer to “lesson drawing” as one type of Europeanisation where policy adoption is domestically induced. I do not agree.

goals¹⁰ and 2) a domestic response from states at which the EU adaptational pressures are targeted.¹¹

EU adaptational pressure

As noted above, a crucial element of this study is the EU adaptational pressures. In the context of this study, it is relevant to note that there is little controversy in the Europeanisation East literature between Constructivists and Rationalists about EU adaptational pressure as a concept. The two theoretical streams have different views on how the adaptational pressures are mediated by various domestic conditions, but, as we shall see, they diverge little on the concept of EU adaptational pressure.

Considering EU adaptational pressure on foreign aid policy, the EU can be seen as, among other things, a community of development donors: half of the global aid flows originate from the EU and its member states. When Section XVII “Development Cooperation” of the Maastricht Treaty was adopted, EU development policy was acknowledged as a separate policy field within the EU and it could be expected that joining the EU entailed adjustment of domestic policies also with regard to development cooperation. This section, and in particular Article 130u, in the Maastricht Treaty provides that “Community policy in the sphere of development cooperation” shall “be complementary to the policies pursued by the Member States”, which evidently presumes the existence of foreign aid policies in the member states. Moreover, the Maastricht Treaty provides that member states have an obligation to coordinate their foreign aid policies with other member states and the EU, and that as well member states are expected to “contribute if necessary to the implementation of Community aid programmes” (Article 130x).

If the countries that aspire to join the EU do not provide foreign aid, they might be perceived as a “misfit” or “mismatch” (“goodness of fit” to use Börzel & Risse’s term) with EU policies (cf. Börzel & Risse 2003:61) that “cause” or give rise to the EU adaptational pressures¹². As Börzel and Risse put it: “The lower the compatibility between European and domestic processes, policies and institutions, the higher the adaptational pressure.” But, as Börzel and Risse later nuanced their position, incongruence between EU and domestic

¹⁰ A caveat should be issued here. In this study, Europeanisation is understood as “EU-ization” (Radaelli 2003:27), or, to put it simply, as policy adoption process induced by the EU (cf. Schimmelfennig & Sedelmeier 2005a:8). Inducement here refers to the EU adaptational pressures which can vary in strength and type: they can be relatively mild (peer pressure or social influence) or take the form of material incentives or coercion and they can be exerted by the Commission, or EU member states, or both.

¹¹ I acknowledge that there might be feedback loops from state level back to the EU level, but these feedback loops will not be at the centre of this study and I do not include them in the definition of Europeanisation used here (cf. Borzel & Risse 2006).

¹² This degree of “goodness of fit”, or more precisely, the degree of mismatch, has been called a necessary, but insufficient condition for domestic change (Börzel & Risse 2003:60) in, for instance, policy adoption.

policies does not translate automatically into pressure to adapt. There must be an “active intervention of actors” to translate “misfit” into adaptational pressure (Börzel & Risse 2006:492). I argue along the same line that the “objective” goodness of fit is just one aspect of adaptational pressure, the most important aspect being whether the Commission, or other agents, in fact, articulates the adaptational pressure either directly in the accession negotiations, or in its documents, or indirectly by empowering domestic actors that exert pressure on domestic elites (cf. Schimmelfennig & Sedelmeier 2005a:11; cf. Börzel and Risse 2006:492).

EU adaptational pressures, one would expect, varied according to the historic and country-specific circumstances. Consequently, I divide EU adaptational pressures into pre-accession and the post-accession. The pre-accession pressures could be expected to consist of the EU asking the candidates to adjust their foreign aid policy, if they had one, to the existing EU rules and shared practices.¹³ Most likely, the EU exerted this pressure in the accession negotiations and the Commission was tasked to monitor compliance with the *acquis*. In the post-accession period, the adaptational pressure is more likely to have consisted of more specific pressures to adjust to certain common policies or goals. Here I limit the focus of the study to the adaptational pressures that stemmed out of the EU’s commitment to increase foreign aid. This commitment was made at the Barcelona European Council in 2002 when the EU agreed on a common position in the negotiations at the Monterrey Conference on Financing for Development. This commitment (known also as Barcelona Commitments) was later re-confirmed and enshrined in many policy documents, most notably in the European Consensus on Development (see, Council of the European Union et al. 2005), and the Commission was tasked with annual follow-up of the implementation of this commitment. Reasons for these delimitations will be outlined in Chapter 3, which deals with the methodological choices.

Domestic response

An equally central part of Europeanisation, as defined above, is the “domestic response”. It is understood here as consisting of those governmental actions that the domestic political elite adopts in response to perceived EU adaptational pressures. To be more precise, the domestic response will be understood here as varying both in degree and in kind of adoption.

Considering the kinds of policy adoption, Schimmelfennig and Sedelmeier (2005a:7-8) argue that policy adoption should be understood as consisting of three forms: discursive, formal, and behavioural adoption. Discursive

¹³ At least formally, the area of development co-operation should have been a part of the accession *acquis*, as it was a subject covered by the articles 177 to 181 in the Treaty of Amsterdam. Whether the EU negotiated with the candidate states in this policy area and exerted pressure to adjust to the *acquis* is an empirical question.

adoption implies that the government states its intention to implement a certain policy that the EU has advocated. Such statements can vary according to the country context; they could be, for instance, the statements of government when assuming its office or the annual plans outlining intended policy actions. A weaker instance of discursive adoption could be references to the policy in official speeches by members of domestic political elites. Formal adoption is about the institutionalisation of policy, which is understood here as the establishment of policy structures, assigning to an organisation the task of policy planning and implementation, as well as policy planning (adoption of policy planning documents). A full formal adoption involves a complete institutional alignment with EU policy. Behavioural adoption is defined here as following the EU norms and policy when implementing the planned policy.

The degree of policy adoption¹⁴ can be conceptualized as a continuum where, at the negative pole, non-adoption indicates the absence of any governmental actions to bring the country's foreign aid policy in line with EU policy, while, at the positive pole, the full adoption stands for all governmental actions that have aligned the country's foreign aid policy with EU policy. Partial adoption implies that the government has taken actions to bring the policy in line with EU policy and norms, but that it has not produced a full alignment. (Schimmelfennig & Sedelmeier 2005a:7)

The two dimensions (degrees and kinds of adoption) are inter-related. For instance, it is impossible to assign the value of "full policy adoption" to a policy which has been discursively and formally adopted, but which lacks the appropriate financing. Such a policy adoption might simply be a tactical alignment with EU norms which could be later more or less easily reversed. On the other hand, if a policy is adopted both formally and behaviourally, it is unlikely that it is just a "tactical adjustment" and unlikely to be reversed. Such a policy adoption would still be deemed as a partial adoption, but it would be situated closer to the positive pole (full adoption).

In other words, policy adoption is not viewed as one historic event (e.g., when the government makes adopts foreign aid policy statement), but rather as a part of an evolving policy process in which the political and administrative elites establish institutional foundations, take part in policy planning and allocate resources for policy implementation. It should be emphasised that the focus of this study is not on measuring how the CEECs implemented their policies (policy outcomes), but on how their governments produced policy outputs, for example, by establishing institutions, adopting policy documents and allocating financial resources toward the policy.

¹⁴ There is also another classification of how to measure the degree of domestic response. Börzel and Risse (2003:69-70) distinguish between absorption (low degree of domestic change), accommodation ("modest" degree of domestic change), and transformation (high degree of domestic change).

In sum, Europeanisation is used as an organizing concept that refers to the processes in which the EU influences the member states, their policies and politics. However, the concept of Europeanisation does not explain how the process of policy adoption evolves, what mechanisms mediate the impact of the EU or what results can be expected. We should keep in mind that this is a concept and is not a theory, rather it refers to a phenomenon (or a “problem”) to be explained (Bulmer 2007:47; Radaelli 2006; Featherstone & Radaelli 2003:333) or, as Moumoutzis (2011:609) summed up the discussion, “the concept’s usefulness lies in its ability to raise interesting questions”. Europeanisation, I remind us, is defined here as consisting of both EU adaptational pressures and domestic response (i.e., policy adoption).

In the following sections, which look at the growing body of the literature on the Europeanisation of CEECs, the Europeanisation East, I argue that there is a need for further exploration of the role of domestic factors that are involved in the Europeanisation processes, particularly, after the accession.

Introduction to the Europeanisation East literature

Initially, systematic studies of Europeanisation aimed at explaining the domestic impact of the EU in its Western European member states. Therefore this stream of Europeanisation studies is sometimes called “Europeanisation West” (Héritier 2005). While there were some that expected a convergence to a common European model in various policy areas, the most common finding was that Europeanisation processes resulted in differential domestic responses and little convergence could be observed (Cowles & Risse 2001:232; Héritier 2001:9; Grabbe 2003:306; Goetz 2006:1). This finding led many Europeanisation scholars to stress the role of domestic factors in the EU member states and an exciting theoretical debate emerged between Rational Choice Institutionalism (RCI), or Rationalism, and Constructivism. The debate focused largely on how Europeanisation is facilitated or constrained through redistribution of resources or through socialisation and learning (for an overview, see Radaelli 2003, Börzel & Risse 2003; Börzel & Risse 2006; Bulmer 2007).

As the first wave of the EU accession negotiations with the CEECs started in 1998, domestic changes in the CEECs were added to the Europeanisation research agenda. Grabbe (2003:303, 306-8) noted that the changes were much deeper and broader in scope than those produced in the EU-15, for instance, in the CEEC’s political and democratic institutions. EU-induced changes coincided with the CEECs reforming their democratic institutions and their transition to market economies (Héritier 2005:204), which has led to warnings not to overestimate the EU’s role in producing changes in the CEECs (Grabbe 2003:305).

Some have stressed the commonalities between Europeanisation processes in the Western Europe and the CEECs (e.g., Grabbe (2003:317), Hughes et al. (2004) and Goetz (2005) noted the differential domestic responses to the EU adaptational pressures in various CEECs). Nevertheless, there are some major differences. First, until 2004 when the CEECs entered the EU, the Europeanisation East processes were conceptualized as a “one-way street” of unilateral adjustments from the side of candidate countries (Héritier 2005:207), because the relationship between the candidates and the EU was characterised by asymmetrical interdependence (Vachudova 2005:109-10; Moravcsik & Vachudova 2003; Grabbe 2003:318) and conditionality that reduced the impact of other domestic factors (Schimmelfennig & Sedelmeier 2005b:225; 2007). Second, the Commission’s pre-accession monitoring dealt largely with implementation of policy changes in the CEECs, while the Commission did not have similar powers in monitoring implementation processes in the EU member states (Héritier 2005:208). The Europeanisation East literature focused not only on exploring the role of the EU but also examined the effects of various domestic factors (for an overview, see Sedelmeier 2006). Moreover, the Europeanisation East scholars now focus on post-accession compliance and explore Europeanisation beyond the EU candidacy (for an overview, see Schimmelfennig 2012) as there were concerns that the domestic changes were “shallow” in the pre-accession period and could be reversed after the CEECs entered the EU (Goetz 2005:274).

The literature on Europeanisation of the CEECs in the pre-accession period (until 2004) and in the post-accession period (after 2004) continued the stimulating theoretical debate between Rationalists and Constructivists. A particularly influential contribution to this debate was the work conducted by a team of political scientists led by Frank Schimmelfennig and Ulrich Sedelmeier. Their ambition was to evaluate the Rationalist model of Europeanisation (the “external incentives model”) against the Constructivist models (Schimmelfennig & Sedelmeier 2005a:25). Their findings stressed the role of external incentives (in particular, the role of credible EU conditionality) in the policy adoption and adjustment processes in the CEECs that overshadowed the effects of other domestic factors (Schimmelfennig & Sedelmeier 2005b). The question is whether their findings can be applied also in the policy area of foreign aid.

In work on post-accession period, Rationalists have nuanced their explanations of the role of external incentives by admitting that various domestic factors played an important role in both the pre- and post-accession phase, e.g., adjustment costs, orientation of the ruling parties and NGOs (e.g., Sedelmeier 2009b; Schweltnus et al. 2009). Constructivists have focused on how various socialisation mechanisms promoted policy learning and changes in domestic policies (e.g., Krizsan 2009) or on fears of the EU’s

“shaming and naming” as a motivating factor for post-accession compliance (Maniokas 2009).

As the focus of this study is on Europeanisation East, in the next section, I will summarise main theoretical contributions in the field and how these theories explain Europeanisation processes in the CEECs.

Rationalist and Constructivist theories of Europeanisation

An important feature of both the Europeanisation West and Europeanisation East literatures is the debate between Rationalists and Constructivists on how to explain domestic responses to EU adaptational pressures. In the context of Europeanisation East, the effects of this discussion were exemplified by Schimmelfennig and Sedelmeier (2005a, b), which as noted serve as a point of departure for this study.

Underlying the debate over Europeanisation East are the differing basic assumptions on how political agents operate. Rationalists argue that the behaviour of agents (politicians, parties, and states) can be explained “in terms of *individual goal seeking under constraints*” (italics in original, Snidal 2002:74), i.e., agents act according to the logic of consequentiality¹⁵ (March & Olsen 1998:949; 1989:160). Constructivists, on the other hand, presume that agents act according to the logic of appropriateness and expect individuals to operate according to social norms, expectations, obligations and identities,¹⁶ in other words, according to what is socially seen as the appropriate course of action¹⁷ (March & Olsen 1998:951). Moreover, Constructivists stress the importance of agents acting not only in the material, but also in the social environment, consisting of collective understandings, norms and conventions, that “can provide agents with understanding of their interests” (Jupille et al. 2003:14; cf. Adler 1997) or “constrain the choices and behaviours of self-interested agents with given identities”¹⁸ (Checkel 2001a:180; for an overview, see Finnemore & Sikkink 2001).

The debate between Rationalists and Constructivists has often occurred on a meta-theoretical, ontological level and, while I do not want to

¹⁵ Political agents evaluate the likely consequences of the available strategies against their preferences and weigh costs of compliance against the benefits (March & Olsen 1989:160), while operating in institutional environments that constrains their choices (Pollack 2006:32).

¹⁶ As March and Olsen (1989:160-1) explains, “in a logic of appropriateness [...] behaviours (beliefs as well as actions) are intentional but not wilful. They involve fulfilling the obligations of a role in a situation, and so of trying to determine the imperatives of holding a position. Action stems from a conception of necessity, rather than preference”.

¹⁷ James Q. Wilson (1993) claims that norm-abiding behavior is not entirely a cultural construct, but rather depends on what he calls the moral sense – a natural impulse to behave morally and abide by moral rules. In other words, “humans, by their nature, are potentially good” (Wilson 1993:12).

¹⁸ This distinction between norms constituting an agent’s identity or constraining its choices and behaviour is important – the former version (constitution) of Constructivism is referred to as “thick” Constructivism, while the latter (constraining) is referred to as “thin” Constructivism (Checkel 2001a:180; Jacoby 2004:26; Jupille et al. 2003).

understate the differences between these ontologies,¹⁹ I agree with Jupille et al. (2003) that the differences are real, but not insurmountable. Take, for instance, the seemingly contradictory and irreconcilable statements on the bases of action (i.e., the logic of consequentiality and the logic of appropriateness). There is reason to believe that the logics “are not mutually exclusive” and that “any particular action probably involves elements of each” (March & Olsen 1998:952; cf. Mansbridge 1990). Although it is useful to distinguish between the logics analytically, they, in fact, might be very difficult to disentangle empirically (Mansbridge 1990; cf. Jupille et al. 2003:13). Emphasising the differences also can be counterproductive because an exclusive focus on either of the logics can potentially produce incomplete explanations (cf. Garrett & Weingast 1993:176-7). Moreover, it seems more useful to explore under what conditions one of the logics dominates over the other and how they interact with each other (cf. Börzel & Risse 2003:74-75). It is, for instance, suggested that “ideational factors” (i.e., the logic of appropriateness) will prevail over material or interest-based factors (i.e., the logic of consequences) when the implications of the material gains and costs are unclear and the implications of following the identity-based course of action are clearer (March & Olsen 1998:952).²⁰

Ontological differences notwithstanding, there are also concrete differences in how Europeanisation processes are seen by Constructivists and Rationalists and what expectations can be derived about the outcome of Europeanisation in pre- and post-accession period. As two Europeanisation West scholars noted, Rationalists interpret Europeanisation process as a “process of redistribution of resources” and Constructivists interpret Europeanisation process as a “process of socialization and learning” (Börzel & Risse 2003). In the Europeanisation East literature, Rationalist explanations in particular focus on the material interests of the domestic elites in the CEECs and external incentives emanating from the EU (Schimmelfennig & Sedelmeier 2005a; Schimmelfennig et al. 2006; Jacoby 2004; Kelley 2004). Constructivists, in this stream of literature, interpret the same processes as the Europeanisation West scholars, stressing the socializing role of the EU (Schimmelfennig & Sedelmeier 2005a; Schimmelfennig et al. 2006; Jacoby 2004; Kelley 2004; cf. Gheciu 2005). At

¹⁹ One such a major difference is regarding the character of the agent’s preferences: are they exogenous and pre-defined before entering an institutional environment (Rationalist view), or endogenous and changeable according to the norms that prevail in a certain institutional environment (Constructivist view)? (For an overview, see, e.g. Rothstein 1996:146-52)

²⁰ March and Olsen (1998:952) based the quoted proposition on Garrett and Weingast (1993:186) and it should be noted that there is also another alternative, slightly different situation when the logic of appropriateness dominates the logic of consequences. Garrett and Weingast (1993:186) suggested that agents tend to be influenced by ideational factors in the situations when they are confronted with multiple proposals for co-operation that are more or less equally costly or beneficial and when the power resources are more or less equally distributed among the participating agents.

this point we will proceed to an outline of the main features of the two explanations in turn.

Rationalism – external incentives and adjustment costs

The rationalist version of Europeanisation envisages EU-induced changes in the political opportunity structure offering additional resources to some domestic actors or denying them to others (Börzel & Risse 2003:63; Börzel 1998:67). In the Europeanisation processes taking place in the enlargement context, Rationalists predict that the EU will change the political opportunity structure by offering incentives to adopt certain policies. Rationalist argument revolves around the “reinforcement by reward” strategy, that is, the EU setting conditions for candidate states, which they are supposed to fulfil in order to receive the EU rewards that can vary from various material rewards, such as pre-accession aid, to the ultimate reward of EU membership (Schimmelfennig & Sedelmeier 2005a:10-1; Schimmelfennig et al. 2006:7; cf. Jacoby 2004:33; cf. Vachudova 2008:26-7). However, EU conditionality (as the conditions set by the EU and the related rewards are called in the Europeanisation literature) per se is not the only factor determining the policy adoption. The EU has to demonstrate that the conditionality is credible and that the rewards can be denied to non-complying states (Schimmelfennig & Sedelmeier 2005a:13-6), which was not always the case (Hughes et al. 2004).

As adopting a policy advocated by the EU can change the existing distribution of resources in the domestic arena, Rationalists expect that some actors might perceive the policy adoption as incurring unacceptable adjustment (or adoption) costs upon them. If the perceived adjustment costs are related to a prospect of losing power, status or material resources, the actors can decide to exert their veto or, more correctly, resist the proposed policy by acting as “veto players”. In such a case, the government has to overcome resistance from the veto players who prefer the status quo in order to adopt the policy. (Schimmelfennig & Sedelmeier 2005a:16-7; Schimmelfennig et al. 2006:59; cf. Jacoby 2004:33; cf. Kelley 2004:431-2; cf. Börzel & Risse 2003:64-5; cf. Hughes et al. 2004)

Policy adoption, in the pre-accession phase, is expected to be proportional to the expected policy adoption costs and it is suggested that the most probable form of adoption will be of a discursive nature or, as Schimmelfennig and Sedelmeier (2005a:17) put it, “talking the EU talk”. If rules are adopted, it is likely that they might be “dead letters”, as demonstrated by Treib and Falkner (2008:172). The degree of adjustment, generally, is expected to be dependent on informational asymmetry between the EU and candidate states and, if the EU is highly informed on the process of policy adoption in the CEECs, it can be hard to escape full policy adoption (Schimmelfennig & Sedelmeier 2005a:17). Studies on the CEECs adopting

the *acquis* show that the EU conditionality had an overwhelming impact and that veto players and adoption costs were not influential (Schimmelfennig & Sedelmeier 2005b; Treib & Falkner 2008:164). Others argued that the EU conditionality was in some policy areas unclear and inconsistent and that it was often met by domestic opposition (Hughes et al. 2004). Some Rationalists seem also to be pessimistic about the depth of changes and warn of “shallow Europeanisation”, arguing that the acceding countries had few incentives to “lock in” the adopted policies, especially, if there was a chance (or hope) that the adopted policy might be re-negotiated or reversed after the accession (Goetz 2005:262; cf. Goetz 2006:13; cf. Schimmelfennig & Sedelmeier 2005b:226).

In the post-accession phase, new member states were expected to continue their strategic calculation of further adjustment costs but, with EU conditionality being absent, non-compliance is even more likely – unless there is reason to expect the European Court of Justice to impose financial penalties for non-compliance. If the adjustment costs were deemed as high and if the policy adoption were imposed upon them in the pre-accession phase, it could be expected that the new member states would either stall further adjustments or reverse the policy adoption, provided that this choice of action would not result in some type of punitive reaction from the EU (Epstein & Sedelmeier 2009:13; cf. Goetz 2005).

Surprisingly, it has been concluded that the eight new member states, which acceded to the EU in 2004, “have done consistently better than the EU-15”, i.e., the “old” member states, in transposing EU law to their national law in the period after 2005, and that transposition of the EU rules did not deteriorate after the accession when external incentives were absent (Sedelmeier 2009a:17; see also Knill & Tosun 2009; Sedelmeier 2009b; Trauner 2009; Schimmelfennig & Trauner 2009). Schimmelfennig and Trauner (2009) note, however, that there is variation in compliance levels across the countries and policy sectors. The countries that performed relatively worse in transposing the EU rules in the pre-accession period have continued to do so after the accession (Knill & Tosun 2009). It is important to note that transposition of the EU rules does not imply their successful implementation (Goetz 2005:274; Treib & Falkner 2008:168). It is a concern supported by Schimmelfennig and Trauner (2009:6) who found a “significant gap between transposition, on the one hand, and law enforcement and application, on the other” in the CEECs after the accession (see also Maniokas 2009; Trauner 2009; Dimitrova & Toshkov 2009; Treib & Falkner 2008).

Nevertheless, Rationalists concluded that domestic conditions were significant, particularly in the post-accession period. Some stressed the importance of high administrative capacity as a facilitating factor in the rule transposition process (Dimitrova & Toshkov 2009:12; Knill & Tosun 2009;

Schimmelfennig & Trauner 2009). Manioakas (2009) studied Lithuania which, at the time of his study, still was the best performer among the CEECs in transposing the EU rules into national legislation. He singled out the role of the effective administrative structure that was specifically designed to speed up the transposition of the EU rules in the pre-accession period (cf. Knill & Tosun 2009:11). Sedelmeier (2009b:13-14) found that two paths lead to transposition of gender equality rules and strong enforcement institutions: first, the absence of high adjustment costs and second, social democratic governments together with strong NGOs specializing in the gender issues. Others have noted that high political salience of a certain legislation can activate veto players that politicises certain legislative initiatives and constrains the transposition processes (Dimitrova & Toshkov 2009; Maniokas 2009; Sedelmeier 2009b). In other words, domestic political actors, which were not influential in the pre-accession period, become politically important after accession.

Constructivism – persuasion and socialisation

Constructivists, in general, argue that Europeanisation should be understood as processes whereby the EU constitutes an institutional environment in which candidate states or new member states are subjected to normative persuasion and socialisation by the Commission and the member states. Constructivists argue that the EU would seek to persuade candidate states that the proposed policy is appropriate. Alternatively, the normative pressure from the EU can empower domestic agents (norm entrepreneurs) to persuade the government of the policy's appropriateness²¹ (Schimmelfennig & Sedelmeier 2005a:18; Schimmelfennig et al. 2006:33; cf. Börzel & Risse 2003:66). Other scholars argue that the socialisation processes need not result in changes of the agent's beliefs about the policy's merits (i.e., whether it is "appropriate"); it is enough that the agent conforms to the peer pressure. This "thinner" version of socialisation is referred to as "role playing" (Checkel 2005: 810-12; cf. Jacoby 2004:26) or "social influence" (Johnston 2001; Kelley 2004:428).

Socialisation and persuasion processes are facilitated if the policy proposed by the EU fits or resonates with the domestic political culture, other policies or practices (policy resonance). If the policy is novel and elites in the candidate state have few prior beliefs that contradict the policy ideas, it still has a chance of being adopted. But, if the policy clashes with the domestic norms or if elites have prior ideas about the policy contradicting

²¹ In another version, socialisation processes are interpreted as consisting of teaching exercises where the international institution adopts the role of "teacher" and "teaches" the candidate state (which adopts the role of "student") the common norms or policies of the international institutions (Finnemore 1993). For instance Gheciu (2005) argues that NATO used several "socialization techniques" (e.g., persuasion, teaching, role-playing) to build what she refers to as "habitus" (templates of proper behaviour, thinking and beliefs) in the area of defence.

the predominant EU beliefs, the policy will most likely not be adopted. (Checkel 2001b:562-3; Schimmelfennig & Sedelmeier 2005a:20)

Identification is another facilitating factor and the policy is adopted if domestic elites in the candidate state strongly identify with the EU. Accordingly, the elites will be more willing to pursue the proposed policies in order to be seen as belonging to the “in-group”, namely, the EU (Schimmelfennig & Sedelmeier 2005a:19; Schimmelfennig et al. 2006:60).

Policy adoption is thus seen either 1) as an outcome of candidate states being persuaded or socialized into believing that the adopted policy is appropriate or 2) as an outcome of candidate states role playing, i.e., accepting the prescribed policies without believing in their appropriateness. It is also expected that socialisation will lead first to a somewhat shallow institutionalization that later will deepen and the policies and their underlying norms will be internalized. If successful, socialisation should leave deep traces in the state’s policies and the commitment to the policies should not change after the state has acceded to the EU.

Some findings from the post-accession period support the socialisation thesis. Given that the EU scholars did not find any strategic reversal of policies in the CEECs after accession (e.g., Knill & Tosun 2009:11; Levitz & Pop-Eleches 2010), as had the Rationalists expected, some have argued that the exemplary compliance behaviour could be explained as socialisation effects (e.g., Sedelmeier 2009a; Maniokas 2009; Levitz & Pop-Eleches 2010). This is supported by a case study of Lithuania, which has the best compliance record across the CEECs. Maniokas (2009:11) suggested that Lithuanian decision-makers were sensitive to the shaming and naming practices used by the EU even in the post-accession period. According to him, this fear of the EU critique contributed to compliance with the EU norms (Maniokas 2009). This suggests that politicians either have internalized the EU norms, or are concerned about their country’s reputation and involve in “role playing”. Similar findings are presented by Levitz and Pop-Eleches (2010:480) that suggested that peer pressure from other EU member states might be one of the factors accounting for the lack of “backsliding” in the democracy and governance after the accession.

Somewhat different support for the socialisation effects is provided by Krizsan (2009). Her case study of transposition and enforcement of the EU rules in the area of equality policy in Hungary stressed the positive role of various EU soft policy mechanisms and normative pressure (e.g., involvement in expert groups at the EU level), in combination with various financial instruments (inter alia access to structural funds), in increasing domestic norm resonance and state capacity, as well as in empowering the non-state actors that the Hungarian government included in the policy processes. Thus the social learning (together with the EU’s financial support)

had an indirect positive impact on transposition and enforcement of the equality policy measures. (Krizsan 2009)

Sedelmeier (2009b) argued that one of the paths to successful transposition and enforcement of the EU's gender equality policy in Hungary, Lithuania, Slovenia and Czech Republic involved not only strong social-democratic governments that are positively inclined toward the proposed legislation, but also strong NGOs that specialise in the gender equality issues. This finding resonates with the Europeanisation West literature that argues that strong norm entrepreneurs can mobilise public opinion in order to persuade the government to adopt an EU policy and advise it on policy planning and implementation (Börzel & Risse 2003). However, Sedelmeier (2009b) cautions that both conditions – a government's social democratic orientation and strong NGOs – are sufficient only in conjunction. A strong social-democratic government, he argues, will still need NGOs that could provide expertise and advice in gender issues. On the other hand, if gender equality NGOs are strong, they will still need support from the government to adopt the policy measures (Sedelmeier 2009b:11).

Summary

In sum, the two schools – Rationalism and Constructivism – envision the process of change taking place differently. In Table 1 below the main components of each version are summarised.

Table 1: Summary of Rationalism and Constructivism

Theoretical school	Domestic factors (causal mechanisms)	Main actors	Action (instruments)
Rationalism	Credible conditionality	EU, domestic decision-makers	External incentives, strategic calculation
	Adjustment costs and veto players	Domestic decision-makers	External incentives, strategic calculation
Constructivism	Identification and social influence	EU, domestic decision-makers	Peer pressure, role-playing
	Policy resonance	Domestic decision-makers	Socialisation
	Norm entrepreneurs	NGO activists, domestic decision-makers	Normative pressure, socialisation

Rationalism points to the strategic behaviour of the EU, which sets out policy adoption as part of conditions for entry to the EU and provides incentives, as well as domestic decision-makers, who respond to the stimuli by strategically calculating costs and benefits of the policy adoption. Generally, the Rationalist version focuses on two main factors: 1) credible conditionality and 2) adjustment costs and veto players. Constructivist theories of

identification and social influence, policy resonance, and norm entrepreneurs stress the social character of policy adoption and they conceive the policy adoption processes as socialisation. While identification and social influence involve the EU or its member states exerting peer pressure on the candidate states or other member states, domestic decision-makers of the targeted countries are faced either with reconsidering their preferences or with role-playing. While changing one's preferences is a deep change and usually hard to observe, role-playing does not necessarily involve a deep change, but is rather an adaptation to the expected role of being a "good candidate state" or "good member state". Constructivist theory on policy resonance implies that domestic decision-makers identify the policy advocated by the EU as resonating with their perceptions of "good policy" and can be seen as a part of a weaker socialisation or social learning. Norm entrepreneurs can, according to the Constructivist theory, exert normative pressure on domestic decision-makers arguing that policy adoption is the right (appropriate) thing to do. If norm entrepreneurs are successful, domestic decision-makers are persuaded by their arguments and this process thus can be classified as socialisation.

What is common for both Rationalist and Constructivist literature on the Europeanisation in the CEECs is the conclusion that the EU adaptational pressures are mediated by several causal factors (causal mechanisms) that "translate" and influence how the domestic response will be formulated at the candidate (new member) state's level. To be more concrete, it is clear that, even if EU conditionality had a strong impact on policy adoption, as Rationalists have claimed, various domestic factors also played an important role. In particular, the domestic factors rose in salience after the accession when conditionality was largely absent. Moreover, based on the review of existing literature, it seems that an exclusive emphasis on either Rationalist version of policy adoption processes or on the Constructivist version could be misleading. Therefore it is important to combine the approaches and weigh causal strength of every domestic condition, or, as Jupille et al. (2003:16) put it, to "move from 'either/or' to 'both/and'" approach in studying Europeanisation. In the following sections I discuss the main components of Rationalist and Constructivist explanations of Europeanisation in the CEECs that will be used in this study.

Domestic factors (causal mechanisms)

In this section, I outline and specify the main domestic factors given causal weight in the Europeanisation processes in the Rationalist and Constructivist literature. As noted, this study presents a response to the work of Schimmelfennig and Sedelmeier (2005a, b), therefore what follows here is not an exhaustive list of all possible domestic factors that could have had a causal impact. But neither do I blindly adopt the theoretical framework of

Schimmelfennig and Sedelmeier (2005a). Instead, I have chosen to focus on five factors: two from Rationalist literature, namely, credible conditionality, and adjustment costs and veto players; three from Constructivist literature, namely, resonance, identification and social influence, and norm entrepreneurs. While Schimmelfennig and Sedelmeier focused on three models (Constructivist model of social learning, Rationalist model of external incentives, and a mixed model of lesson-drawing) I focus here on two models (the social learning model and the external incentives model). Moreover, I have included norm entrepreneurs as a factor and excluded the factor they term “legitimacy of rules and process”.²²

Credible conditionality

EU conditionality is part of the external incentives model,²³ as presented by Schimmelfennig and Sedelmeier (2005a:10), and it is one of the most studied themes in the context of EU enlargement in 2004 and 2007. Given that Schimmelfennig and Sedelmeier (2005b) identified it as the most important causal factor that can explain policy adoption in the CEECs, it is appropriate to examine the argument of credible EU conditionality very closely.

The conditionality model assumes that the candidate states will be more likely to adopt EU rules and policies if the EU uses credible incentives to reward the policy adoption and to punish non-adoption. The conditions for receiving the rewards are agreed upon in international bargaining between the EU and the candidate states and this bargaining situation, in case of the Eastern enlargement, was characterised as being asymmetrically in favour of the EU and its present member states (Schimmelfennig & Sedelmeier 2005a:13-4; Moravcsik & Vachudova 2003; Vachudova 2005). It should also be noted that conditionality here is not synonymous with EU adaptational pressure. The EU adaptational pressure can involve making, for instance, foreign-aid policy adoption as a condition for entry in the EU, but the EU can exert adaptational pressure also through negotiations (for instance, by trying to persuade the candidate country’s elites to adopt foreign aid policy) and

²² There are at least two reasons for exclusion of the legitimacy factor. First, I believe that legitimacy is superfluous in the model of social learning as presented by Schimmelfennig and Sedelmeier (2005a). The accumulated scientific knowledge demonstrates that the accession process, in particular, the adoption of EU *acquis* was characterised by high degree of power asymmetry (Vachudova 2005:109-10; Moravcsik & Vachudova 2003; Grabbe 2003:318). It means that the accession process had to be ridden by the problems of legitimacy, because the candidate states had to adjust to all of the conditions that the EU had posed and they lacked influence in virtually all areas of accession negotiations. Still, the policy adoption has taken place in all EU policy areas, even if policies have been adopted to varying degree in a cross-country and cross-sector comparison. Most importantly, I believe that the “quality of rules” or “quality of process” per se cannot produce any changes; only agents (e.g. political or administrative elites) who perceive an EU policy as “legitimate” can produce changes or adopt the proposed EU policy. In my view, this variable can be subsumed under the mechanism of policy resonance which is included here and covers the perceptions of policy as a “good policy”.

²³ Checkel (2005:809) calls this mechanism “strategic calculation”, but its essence is exactly the same.

not to make the policy adoption as a condition for obtaining the EU membership.

The literature names three conditions that increase the credibility of the EU conditionality.²⁴ First, the credibility of conditions increases if the EU can demonstrate that it is able to withhold the reward in case the candidate states do not comply with the imposed conditions. Moravcsik and Vachudova (2003) argued that the costs for not continuing enlargement in case of non-compliance was much less for the EU than for the candidate states, as the latter were more interested in joining the EU than the former. Therefore the EU threat to withhold EU membership in the case of non-compliance, generally, can be deemed as credible. Second, credibility is also increased if the EU is consistent in allocating rewards and distributing punishments. If some countries are rewarded for an achievement, but others are not, it can leave the impression that the enlargement is politically motivated and can decrease the credibility of incentives (Schimmelfennig & Sedelmeier 2005a:15). Third, the asymmetry of information on compliance with the conditions should be minimal. If the candidate countries are not obliged to provide detailed information on how they adapt to the EU conditions, it is likely that the candidates will not do so or do so only superficially (Schimmelfennig & Sedelmeier 2005a:15-6; cf. Kahler 1992:114). Grabbe (2003) argued however that the Commission invested highly in the development of comprehensive monitoring systems to manage the Eastern enlargement, which was not only unprecedented, but exceeded the Commission's powers of monitoring compliance with the EU rules in the existing member states.

EU conditionality has been most influential in inducing adjustments to the EU political acquis, which meant that the applicant countries were expected to adjust to EU-defined norms on democracy, rule of law, minority protection and human rights before they were recognised as candidate countries²⁵ (e.g., Kelley 2004; Schimmelfennig et al. 2005; 2006; Schimmelfennig & Sedelmeier 2005b; Pridham 2007). In the context of this study, findings on effects of the acquis conditionality, however, are more important as they deal with how the CEECs adjusted to EU rules and

²⁴ Schimmelfennig and Sedelmeier (2005a:15) mention also the fourth condition – cross-conditionality has to be “absent or minor”, which means that there should be no other alternative international institution stipulating less strict conditions offering in exchange similar or higher benefits for compliance than the EU (cf. Kahler 1992:113). As it is believed that the CEECs, generally, had no alternative to EU integration (Schimmelfennig & Sedelmeier 2005a:15), this condition is not seen as influential in this study.

²⁵ Findings of the studies on the political conditionality are somewhat mixed. Kelley (2004:453) found that the political conditionality in the area of ethnic minority protection overrode the domestic opposition and thus it led to norm adoption. On the other hand, Schimmelfennig et al. (2005; 2006) show that credible conditionality is a necessary, but not sufficient condition to induce a political change in the aspirant countries. Schimmelfennig et al. (2005:49-50; 2006:240) argue that low adoption costs is another necessary condition which combined with the credible incentives proves to be sufficient to achieve a policy change (see also Schimmelfennig & Sedelmeier 2005b:213). Schimmelfennig et al. (2006:240-1) added also another path to policy change – through credible incentives and high pro-Western identification.

policies, the *acquis communautaire*²⁶ (Schimmelfennig & Sedelmeier 2004:669). This literature asserts that effects of EU *acquis* conditionality were “pervasive” and, once the accession negotiations were started and the credibility of incentives thus rose, the conditionality outweighed such domestic conditions as adjustment costs that were important in cases of political *acquis* (Schimmelfennig & Sedelmeier 2005b:215). Schimmelfennig and Sedelmeier (2004:671-2) explained this overwhelming impact of the EU conditionality by the fact that adjusting to the *acquis* did not involve any dangers for veto players in terms of losing political office. Moreover, they argued that “once a credible membership perspective is established, adoption costs in individual policy areas are discounted against the (aggregate) benefits of membership, rather than just the benefits in this particular policy area” (Schimmelfennig & Sedelmeier 2004:672). However, some variations in the conditionality effects were observed. For instance, Dimitrova (2005:90) argued that countries which considered themselves to be frontrunners in the enlargement process perceived conditionality in civil service policy as less credible, partly because it was not a central area of the EU *acquis*. Thus low salience of certain policy areas (or vagueness of *acquis*) decreased the credibility of conditionality also in such areas as free movement of workers, social policy and aspects of regional policy (Grabbe 2005:115-7; Sissenich 2005:159-61; Hughes et al. 2004). In addition, Jacoby (2005) observed temporal variations in rule adoption and the effects of domestic veto players. For instance, the Klaus government acted as an effective veto player resisting EU external incentives to change Czech regional policy, but it could only delay the policy reform (Jacoby 2005:100-1). Similarly, a study examining how Poland transposed EU air pollution legislation found that the initial resistance to the reform was raised by the veto players within the Polish electricity production sector (Andonova 2005:153). When the EU adaptational pressure became more distinct and the EU incentives became more credible after the accession negotiations were launched, Poland adopted the directives as required by the EU (Andonova 2005:153-4).

Veto players and adjustment costs

Veto players are powerful political actors that can exert veto power if they perceive that a policy adoption incurs upon them high adjustment costs. In such a case, they can block (i.e., veto) or delay the policy adoption (Schimmelfennig & Sedelmeier 2005a:16-17). Evidence from the pre-accession period demonstrates that the “factor” of veto players has a causal bearing on, inter alia, the timing and degree of policy adoption (e.g.,

²⁶ *Acquis communautaire* is a term used to describe the whole body of the EU rules that the candidate states are obliged to implement upon their accession to the EU.

Andonova 2005; Jacoby 2005; Brusis 2005). There is also evidence from the post-accession phase that this factor can play an important role in how the CEECs adjust to EU norms and policies (e.g., Schimmelfennig & Trauner 2009; Dimitrova & Toshkov 2009; Sedelmeier 2009b).

Conceptualization of veto players in this project

Some words should be said about the concept of “veto players”, and how it is used in this research project. Originally, Tsebelis (2002:2; cf. Tsebelis 1995) distinguished between institutional (e.g., upper or lower house in a parliament, president, etc.) and partisan (e.g., majority party, coalition partners, etc.) veto players. According to Tsebelis (2002:2), veto players are either individual or collective actors who are either constitutionally or by other formal means endowed with powers to turn down a policy proposal. In other words, veto players have capacity to reject an unwanted policy proposal, but they do not necessarily have to use their veto power.

The concept, however, has also been used in a broader sense. Caporaso (2007:31) noted that Europeanisation scholars pay attention to the informal, or de facto, veto players who have the “capacity to obstruct, slow down, or amend legislation or implementation”. Héritier (2001:10) is one of the Europeanisation scholars who have distinguished between formal and “factual” veto points, both of which affect a government’s capacity to carry out a policy reform. According to her conceptualisation, it follows that policy adoption will most likely be advocated by a “supportive coalition” while the “factual veto points” will try to constrain the policy reform (Héritier 2001:10-1). It is implicit in her conceptualisation that the status quo policy will not change, unless the supportive coalition (be it the government or a government department) succeeds in overcoming resistance from the factual veto points. An illustration of this approach is the study by Douillet and Lehmkuhl (2001) of how the French government tried to reform the road haulage rules as a response to EU adaptational pressures. Two opposing advocacy coalitions – one of which advocated the liberal reforms, while the other one demanded re-regulation of the already liberalized market sector – were identified (Douillet & Lehmkuhl 2001). Because the haulers’ associations and trade unions advocating re-regulation of road haulage did not have direct access to power to influence the reform agenda, they organised strikes and succeeded in mobilising public opinion against the reforms, thus defeating the dominant pro-liberalisation coalition and forcing the government to change its policy²⁷ (Douillet & Lehmkuhl 2001:114-5).

²⁷ Since Héritier (2001) and Douillet and Lehmkuhl (2001) presented their approaches, research projects based on this broader conceptualisation have proliferated (and not only in the Europeanisation literature). Bauer et al. (2004) criticized Tsebelis (2002) for neglecting the crucial role of societal actors which, in some political systems where corporatist arrangements are present, are deeply involved in policy-making processes. While some scholars have focused on such informal veto players as trade unions (Obinger 2002; Busemeyer

In this study, “veto players” will be understood in this latter, broader sense of the term proposed by Caporaso (2007:31) and I will focus as well on the administrative actors within the executive branch. There are good reasons for doing so. First, the existing literature demonstrates that some administrative actors can exert veto powers. For instance, Dyson (2000), Bulmer and Burch (2005) and James (2009) pointed out that the Treasury exerts veto powers on British EU policy-making. Also, a study by Steunenberg (2006) demonstrated that the administrative actors can, sometimes, exert a high level of discretion in shaping the legal transposition of EU directives into the national legislation.²⁸ Second, there are reasons to assume that some policy areas are not perceived as politically salient and will be discussed or dealt with not by political agents (ministers, MPs, political parties, etc.), but by bureaucrats from the respective ministries. This, however, does not necessarily mean that there will be no frictions between the actors involved, as the seminal study analysing the “government politics” revolving around the Cuban Missile Crisis (a highly salient foreign policy issue) in 1962 demonstrated (Allison & Zelikow 1999). The bureaucratic politics approach to foreign policy analysis has also stressed the role of various bureaucratic participants, their cognitive biases and their organizational interests in shaping policy decisions and policy implementation (Halperin & Clapp 2006). The third reason is based on theoretical considerations and concerns a recent critical appraisal of the compliance literature which indicated that norm (or, for that matter, policy) adoption and implementation has been to a large extent de-politicised (Brosig 2012:391). Brosig (2012:395) criticized, in particular, the tendency of treating public administration, administrative capacity and administrative actors as depoliticized agents in the Europeanisation literature. He argued, for instance, that lack of “administrative capacity can also be politically induced”. Administrative actors have “actorness by themselves” (Brosig 2012:395). In other words, administrative players’ role in foreign-aid policy adoption and implementation processes should not be neglected.

One important difficulty in opening up the concept of veto players to include also bureaucratic and political actors is that of “conceptual stretching”. If the concept is extended to include many different phenomena, it risks becoming vague (Sartori 2009:14), which contributes to

2005; Carrera et al. 2009; Hartlapp 2009), other have emphasised the role of Christian churches as societal veto players in the “politics of morality” (Fink 2009; Schmitt et al 2013).

²⁸ He conceptualised transposition as a coordination game in which the “higher-level players” (for instance, ministers, higher civil servants) have delegated their power to “lower-level players” (for instance, civil servants) to transpose an EU directive (Steunenberg 2006). His analysis of two case studies with different number of higher- and lower - level players indicates that timely transposition depends on the number of high-level players, but also on how many different lower-level players are involved in preparing the EU directives for transposition, because ministerial departments can also exert veto powers in the preparatory phase (Steunenberg 2006).

conceptually-confused debates within the discipline when different scholars using the same concept mean different things. One alternative to including powerful administrative actors in the definition of veto players would be to use the concept of “political will” to denote the presence or absence of willingness among the responsible politicians or senior civil servants to push for initiation, implementation and follow-up of a certain policy initiative (e.g., Brinkerhoff 2000). However, I argue that this concept lacks the precision that it is supposed to introduce into this research project because “political will” is a very vague and elusive concept (Post et al. 2010:654), even though there have been some attempts to refine and operationalise it (e.g., Post et al. 2010; Brinkerhoff 2000).

Another alternative could be to substitute my conceptualisation of bureaucratic actors as veto players with the concept of “institutional capacity” or “institutional inertia”. One might argue that if the initiation and implementation of foreign aid policy are constrained by other powerful ministries or higher echelons of the same ministry, it is probably more appropriate to speak about the lack of institutional capacity to push the policy adoption through. For instance, Hille and Knill (2006) found that the shortcomings (in particular, lack of administrative capacity) of the national bureaucracies were to blame for differential adjustment before the accession, rather than the veto players, which they understood to be partisan actors blocking or delaying the policy adoption (for a similar approach to the post-accession phase, see also Dimitrova & Toshkov 2009:12; Knill & Tosun 2009). The management approach (e.g., Hille & Knill 2000; Dimitrova & Toshkov 2009; Knill & Tosun 2009) focusing on the traits of and shortcomings within the national bureaucracies as an explanatory variable, however, is exactly the target of the criticism (i.e., Brosig 2012) presented above. The underlying assumptions of this theoretical school seem to be that the administrative systems of the CEECs have limited capacity, that this capacity cannot be “politically induced” or that the policy initiation and implementation are apolitical processes conducted by equally apolitical administrations (Brosig 2012:395).

To sum up this discussion revolving around the conceptualization of “veto players”, I do not argue that all kinds of political, administrative or societal actors should be covered by this concept, because it would open doors to “conceptual stretching”. Rather, in contrast to radically loosening up the concept, I merely extend it to include the administrative players whose role in policy adoption and implementation has so far been neglected (Brosig 2012:395) and by doing so I stipulate that they have to fulfil two criteria: first they are relevant only so far as they possess the “capacity to obstruct, slow down, or amend” policy adoption or implementation (Caporaso 2007:31); second, as Schimmelfennig and Sedelmeier (2005a:16-7) indicated, potential veto players exert their veto power if policy adoption involves certain costs

(adoption or adjustment costs), such as losing the opportunity to receive alternative benefits from sources other than the EU, or quite concrete welfare or power costs. In cases where the perceived adjustment costs for the groups or individuals in powerful positions are higher than the benefits offered by the EU (such as closing of EU negotiation chapters, material aid from the EU, or EU membership itself), these veto players can try to delay or avoid policy adoption, i.e., veto the policy adoption (Schimmelfennig & Sedelmeier 2005a:16-7). In other words, one has to account for what constitutes the “adjustment costs” that the bureaucratic actors perceive when they resist policy adoption.

Role of veto players in Europeanisation East

The literature on political conditionality stresses the role of domestic veto players such as parties within the ruling coalition (e.g., Schimmelfennig & Sedelmeier 2004; Schimmelfennig et al. 2005; Schimmelfennig 2005; Schimmelfennig & Sedelmeier 2005b) while the literature on the *acquis* conditionality suggest that the number of veto players was generally quite small during the pre-accession period (Dimitrova 2002:176) and that the enlargement process was dominated by the executive branch in the CEECs (Grabbe 2001:1016). Nevertheless, Jacoby demonstrated that number of veto players (or, as he puts it, “actor density”) and their influence can vary across different policy areas, and that the number of actors tended to be higher in areas with historical legacies (Jacoby 2004).

As mentioned in the previous section, the *acquis* conditionality, in particular, if it was credible, had an overwhelming effect and suppressed the importance of veto players (Schimmelfennig and Sedelmeier 2004:671-2; 2005b). Veto players had an impact on the timing and degree of adoption (Andonova 2005; Jacoby 2005; Dimitrova 2005; Brusis 2005). But did the role of veto players increase after the accession when the conditionality was absent? Schimmelfennig and Trauner (2009:6) argue that veto players did re-emerge in the post-accession period, along with other domestic factors. For instance, Dimitrova and Toshkov (2009:9-10) argued that Racial Equality Directive and other EU anti-discrimination legislation met strong resistance from more conservative parties in the governments in Latvia and the Czech Republic. Latvian Christian parties acted as effective veto players expressing their opposition to the proposed legislation and thus raising its political salience in the election year, which led to serious delays in the rule transposition (Dimitrova & Toshkov 2009:9). Sedelmeier’s study (2009) on the transposition of EU legislation on gender equality at the workplace stressed that the EU rules were adopted either when the centre-left governments were in power and were supported by strong women’s movements or when the governments perceived the adjustment costs as low. Maniokas (2009) showed that the weak coalition government failed to

enforce EU directives in the energy sector in Lithuania that otherwise is known as one of the best-performers in transposition and enforcement of the EU directives in the EU. These findings indicate that the role of veto players and adjustment costs should be examined particularly closely in the post-accession policy-making.

Identification and social influence

Identification and social influence are a central part of the Constructivist explanation of how the CEECs adopted EU rules and policies during the pre-accession period. The argument in short runs as follows: the non-member states are more likely to be susceptible to EU adaptational pressures if the domestic elites and the general public of these countries identify with the EU as the “reference group” (or “in-group”) to which they want to belong to and whose values they share (Schimmelfennig & Sedelmeier 2005a:19). Policy adoption through identification – or, as some would put it, socialisation of states – can follow two separate paths: persuasion or social influence (Johnston 2001:495).

Persuasion, in this context, implies that the EU persuades the domestic elites of a candidate state or new member state to adapt to the existing roles of the way the EU member state is supposed to behave and what policies it is supposed to adopt and implement (Schimmelfennig & Sedelmeier 2005a:19; cf. Johnston 2001:496). It is also important to note that persuasion occurs “in the absence of overtly material or mental coercion” (Johnston 2001:496). Persuasion is assumed to be successful if the country is a “novice” in the EU context (as the candidate and new member states usually are) and sees the EU as an “in-group” to which the country wants to belong. Another interpretation is that the country will be more likely to adopt a certain EU policy if it wants to “avoid appearing inconsistent” with its previous statements or actions (what can be described as “self-image”) in the “social environment” of the EU (Johnston 2001:497). The outcome of this persuasion involves a deep change, such as one leading to the domestic elites redefining the country’s interests and values (Johnston 2001:499; Checkel 2005:812-3).

Social influence, in the context of identification, implies that a country (i.e., candidate or new member state) is more likely to adopt an EU policy if the policy adoption is related to “distribution of social rewards and punishments” (Johnston 2001:499). Also here, it is assumed that the country identifies strongly with the EU and therefore is concerned about its reputation (or image) within the “in-group”, or what is described as its “status” (Johnston 2001:500). If the policy adoption is rewarded with “back-patting” (i.e., reputational rewards or increased status), the country will more likely adopt the policy promoted by the EU. If policy non-adoption is punished with opprobrium from the “in-group” (i.e., reputational costs or

decreased status), the country will more likely try to avoid non-compliance. Moreover, it is added that the social influence is effective only in the absence of material inducements or “threats of sanctions” (Johnston 2001:506). In other words, the motivation for complying with the social influence need not be altruistic or idealistic (i.e., follow the logic of appropriateness); it can be purely egoistic²⁹ (i.e., follow the logic of consequentiality) (Johnston 2001:502). The outcome of this kind of socialisation can be expected to be “role playing” or “adoption of new roles”, which does not necessarily involve changes in values or interests (Checkel 2005:808). The country may have publicly conformed to its new role (e.g., as a donor country), but it does not mean that the domestic elites have privately accepted it (Johnston 2001:499).

Findings on the role of identification in Europeanisation processes are mixed. Kelley (2004) examined how international institutions used membership conditionality and social influence to influence the ethnic minority policies in CEECs. She found that “socialization-based efforts only really worked when the domestic opposition was quite low or if the ethnic minorities themselves had bargaining power in the government” (Kelley 2004:453). Her conclusion was that “conditionality motivated the actors while socialization-based efforts guided them” (Kelley 2004:453). Schimmelfennig et al. (2006) studied how international institutions succeeded in promoting the democratic and minority protection norms (the political acquis) in nine European countries. Their conclusion was that one of the paths leading to norm adoption included a combination of two factors: credible membership incentives and positive Western identification. They found that positive Western identification, in this model, can mitigate moderate domestic adjustment costs (such as the national government, temporarily, losing power) because, for instance, if joining the EU is seen as a “basic foreign policy goal”, it will strengthen the credibility of incentives (Schimmelfennig et al. 2006:240-1).

Another project, devoted to explaining how the soft practices of EU governance influenced the re-organisation of states and societies in the three Baltic States, argued that identification with modern Western states was the main driving force of change (Jacobsson 2010:15). As the Baltic States identified with the EU and the Western European countries, they had little room to manoeuvre and found themselves in the process of adapting to the already existing “scripts” of how modern European countries should reform their states and policies in order to be considered modern and European (Jacobsson & Nordström 2010:166). In contrast to Kelley (2004) and

²⁹ There might also be another logic of action in place when the states are playing a certain role (i.e. conforming to “peer pressure”), namely, the logic of habit. They might have internalised the expected behaviour and, after some period of time, perform their roles unreflectively, which leads to habitualisation of certain norms or expected patterns of behaviour. (cf. Schimmelfennig et al. 2006:4; cf. Hopf 2010)

Schimmelfennig and Sedelmeier (2005b), this research project was sceptical about the influence of the strategic cost-benefit adaptation: “As soon as they [i.e., the states] have decided that EU membership is part of their (new) identity, cost-benefit calculations become rather rare” (Jacobsson 2010:15). Instead, the main argument was that the Baltic States did not wish to be perceived as “backwards, “old world” and outmoded” (Jacobsson 2010:15), which I interpret as indicating that the reform processes in the Baltic States were facilitated by their identification with the EU and the modern Western states and that the socialisation processes dominated.

Epstein (2008) studied how Hungary, Poland and Romania reformed their banking sectors and found that the banks were privatised only when the external advisers from various international financial institutions were present and the domestic politicians desired “social recognition” from them in context of the EU accession. When the domestic actors did not desire the “social recognition” (which I interpret here as not being susceptible to the social influence), the external advisers were powerless (Epstein 2008:117).

I shall analyze the explanatory power of the identification and social influence not only in the pre-accession phase, but also during the post-accession period. One reason for doing that is a recent study by Levitz and Pop-Eleches (2010) who were puzzled by the apparent lack of “backsliding” (i.e., non-compliance with the EU norms concerning democracy and governance) in the CEECs after their accession to the EU. They argued that the EU’s incentives had an influential role in the pre-accession role and, based on this literature, they formulated a theoretical expectation that policy reversal (“backsliding”) would occur in the post-accession phase because the pre-membership incentives were removed after the accession (Levitz & Pop-Eleches 2010:458). However, they found “little support” for this “backsliding thesis” (Levitz & Pop-Eleches 2010:469). Consequently, they suggested that socialisation mechanisms and, in particular, peer pressure from other EU member states in the post-accession phase could be one of the explanations for this lack of backsliding³⁰ (Levitz & Pop-Eleches 2010:480).

Policy resonance

Another variable that could facilitate the adoption of the policy is resonance, also called “cultural match” (Checkel 1999:87), implying that it is more likely that EU policies will be adopted, if political and administrative elites perceive the proposed policies as a “good thing” (Schimmelfennig & Sedelmeier 2005a:20) or that the proposed policies “resonate with domestic norms, widely held domestic understandings, beliefs, and obligations”

³⁰ Levitz and Pop-Eleches (2010) also found that a greater linkage (e.g. international travel, etc.) is strongly associated with better performance in the area of anti-corruption. This leads them to question the explanatory power of Rationalist model, at least in the post-accession period, and they interpret this evidence as indicating that socialisation mechanisms (such as social pressure) might be in place (Levitz and Pop-Eleches 2010:480).

(Cortell & Davis 2000:73; Checkel 1999:87). Resonance could be also interpreted more broadly implying that an EU policy is more likely to be adopted if domestic policy-makers have had experience with similar policies before, or if their experiences at least do not contradict their experiences, beliefs or collective understandings (cf. Checkel 2001b:562-63). The Constructivist concept of resonance overlaps, at least partly, with the Historical Institutional concept of historical legacies which, according to this school, shape policy-making processes later³¹ (cf. Checkel 2001b).

Policy resonance per se does not have an agency, but it can empower certain agents by their referring to it as “legitimate” or a “good thing” (Schwellnus 2001:13). As I can distinguish, there are, at least, two different settings in which agents can “use” policy resonance to push for the policy adoption. First, domestic decision-makers can be confronted with EU adaptational pressure to adopt a certain policy in a bargaining situation, such as in accession negotiations. In this situation, I suggest, the concept of resonance to a degree overlaps with the concept of legitimacy. If domestic elites deem a policy to be a “good thing”, then they would deem the policy adoption to be “legitimate”. If, in a hypothetical situation, the EU asks candidate or member states to implement an ambiguous policy or a policy that does not have a basis in EU rules, the domestic elites would most certainly not perceive the policy adoption as either “good thing”, or “legitimate”. Second, domestic decision-makers can be confronted with EU adaptation pressure in a domestic setting in which either domestic or transnational norm entrepreneurs, or both, try to persuade the government to adopt the EU policy (cf. Schwellnus 2001:15).

In both cases, there are, at least, three various options: 1) the proposed policy does resonate with domestic policies, norms, collective understandings, etc., 2) the proposed policy does not resonate with policies, norms, collective understandings, etc., but neither does it contradict them (decision-makers have “few prior, ingrained beliefs” on the matter, as Checkel (2001b:563) put it) and 3) the proposed policy contradicts the “prior, ingrained beliefs” of the policy makers. If resonance exists (option 1) or does not exist (option 2), the policy is more likely to be adopted, particularly, if the policy makers are subject to persuasion by the EU. If the policy contradicts (cultural mismatch or option 3) the domestic culture,

³¹ For instance, a classical study examined how Sweden, Britain and the United States responded to the Great Depression and, drawing on the notion proposed by Hecló (1974) that “policy making is inherently historical”, argued that policy legacies shaped formulation of new policy initiatives in the 1930s (Weir & Skocpol 1985:119).

norms, etc., it is more likely that it will not be adopted³² (cf. Checkel 2001b: 562-63; Checkel 1999:87).

Checkel (2001b) provides an illustration from his own research. According to him, Ukraine was more open to discussion and persuasion on the subject of citizenship norms, because the Ukrainian decision-makers had few “ingrained conceptions” that would contradict those of the Council of Europe and, moreover, the decision makers were novices in the area of human rights and citizenship. In Germany, in contrast, the ethnic conception of citizenship was very strongly rooted and contradicted the norms advocated by the Council of Europe. Therefore it was much more difficult to persuade German decision-makers to change the norms of citizenship. Also a study on the adoption of minority protection and non-discrimination norms in Romania, Poland and Hungary found that resistance to norm adoption in Romania and Hungary can at least partly be explained by low norm resonance in these countries³³ (Schwellnus 2005).

Norm entrepreneurs

Constructivism asserts the importance of the norm entrepreneurs in the construction of international norms in achieving domestic change³⁴ (for an overview, see Finnemore & Sikkink 2001). Norm entrepreneurs can be, for instance, non-governmental organizations (NGOs), transnational advocacy networks, epistemic communities or influential individuals that hold strong persuasions or specific knowledge about certain policy field. They actively participate in advocating a certain norm (for example, human rights) or, in this particular context, foreign aid policy that they believe is in principle appropriate or “right” (Finnemore & Sikkink 1998:896-7; Risse & Sikkink 1999:5-6; Finnemore & Sikkink 2001:401-2). I use here the concept “norm entrepreneurs”, even if it might be argued that NGOs (NGOs working with development co-operation) do not actively advocate certain norms in foreign

³² Dimitrova and Rhinard (2005) proposed a finer distinction based on the level of conflict. They distinguished three types of norm conflict (lack of resonance) – the EU norms can conflict with first order domestic norms (i.e. concerning sectoral level, technical questions), second order domestic norms (i.e. concerning cross-sectoral, political questions) and the third order domestic norms (i.e. concerning societal, deeply held so-called “value” questions). Their case study of Slovakia adopting EU anti-discrimination directives shows a significant delay in the norm adoption as some of the directives conflicted with third order domestic norms and the EU norms were contested in the Constitutional Court (Dimitrova & Rhinard 2005).

³³ A recent case study on the long term effects of the EU conditionality concerning minority rights in Latvia demonstrated that EU conditionality effected a formal legal change only and that it, in effect, “locked in” “a majority consensus on the inappropriateness of a political norm as well as the minority’s lack of engagement, and thereby limited or undermined the effect of formal legal change” (Sasse 2009:61). In other words, conditionality strengthened the existing low resonance of the minority protection norm in Latvia.

³⁴ The Constructivist concept of “norm entrepreneurs” and their influence on the norm or policy adoption resonates with the Multiple Streams Framework of policy processes that claims that “policy entrepreneurs” can couple the “streams” of policy, politics and problems at the moments of “policy windows” thus achieving a policy change (see, e.g. Zahariadis 2007:74). Also the Advocacy Coalition Framework focus on how various individuals and organisations sharing similar core beliefs can try to influence the policy process by forming advocacy coalitions (see, e.g. Sabatier & Weible 2007:196).

aid policy-making processes as is the case in field of human rights. I agree with Lancaster (2007:61) that aid giving has become a norm in relations between the rich and poor countries, especially, in regard to aid provided for developmental purposes – what she calls “aid-for-development norm”. According to Lancaster (2007:34), NGOs have historically advocated “aid for development” in public debates. Therefore, it is conceivable to speak about the NGOs as norm entrepreneurs.

In the Europeanisation literature the influence of norm entrepreneurs on domestic policy change is conceptualised as social mobilisation. The social mobilisation model provide a theory of how norm entrepreneurs interacting with national governments achieve domestic policy change as envisioned by the EU (Börzel & Risse 2003:67) It could be argued that European integration (for instance, certain decisions on the EU level) can empower domestic actors or transnational advocacy networks with normative arguments. If they take advantage of the new conditions, these societal actors can mobilise the society or public opinion to push for domestic policy changes. While Finnemore and Sikkink (2001) and Risse and Sikkink (1999) build their theoretical contributions on evidence from human rights advocacies, suffrage campaigns and “laws of war” campaigns, their argument could be reformulated to apply also to the EU context and domestic policy change (e.g., Checkel 2001b; Schweltnus 2005). Building on the “spiral model” proposed by Risse and Sikkink (1999:17-35), we can argue that norm entrepreneurs engage with national governments if they find that a certain policy advocated as a norm at the EU level (e.g., foreign aid policy) is not adopted or implemented at the domestic level. As proposed by Risse and Sikkink (1999:17-19), it could be also argued here that a national government adapts to the international norms in stages – in the beginning, the national government might break with the international norms which triggers activation of norm entrepreneurs and their networks. When norm entrepreneurs start their persuasion or “shaming-and-naming” campaign against the national government, the latter might deny that it is not complying with international norms. In later phases, the government makes some “strategic concessions” and adapts to the international norms if the activities of norm entrepreneurs have attracted international reaction or a strong social sanction. This initial strategic adaptation can lead to a “socialisation process”, involving shaming and naming, persuasion from the side of either domestic actors or the EU actors. After the EU policy is institutionalised (i.e., adopted), the final stage involves internalisation of the EU policy, meaning that it is followed “rule-consistently”, implemented, or “behaviourally adopted”. Throughout the process, the norm entrepreneurs are supposed to play an important role in both mobilising public support and drawing the attention of the EU if the national government does not comply (Risse & Sikkink 1999; cf. Finnemore & Sikkink 2001; cf. Checkel 2001a, b).

In this study, norm entrepreneurs will be understood as those civil society organisations involved in such social mobilisation efforts as described above to persuade the state actors (be they politicians or civil servants) that it is appropriate to adopt and conduct foreign aid policy. In other words, it is not enough for the civil society actors to voice a positive attitude to foreign aid policy or related issues to be classified as “norm entrepreneurs” here. Moreover, the primary focus will be on such formalised civil society actors as (NGDOs).

Norm entrepreneurs as a causal factor has featured in research on Europeanisation West (for an overview, see Börzel & Risse 2003). It is, however, awkward that Schimmelfennig and Sedelmeier (2005a, b) did not include this factor in their analysis. The general “weakness of society vis-à-vis the state” in the CEECs was mentioned as one the reasons why it is unlikely that societal actors might mediate the EU impact in the domestic arena (Schimmelfennig et al. 2003:498). Also, more recent research suggests that capacity of civil society in the CEECs is very weak, especially in comparison to the Western European countries (Sissenich 2010). On the other hand, some argued that “enlargement did constitute a new opportunity structure offering civil society actors additional rights, money and networks” and that whether societal actors became “empowered” was subject to “their willingness and capacity to make use of these new opportunities” (Börzel 2010:2; Kutter & Trappman 2010). For instance, Sedelmeier (2009b) demonstrated that specialised women’s NGOs were part of the necessary conditions for successful transposition and enforcement of the EU legislation on gender equality at workplace in CEECs (see also Avdeyeva 2010).

There is at least one empirical reason why civil society actors could be expected to play the role of norm entrepreneurs, despite the dim assessment of civil society in the CEECs. It seems that there is a “Western model” of foreign aid provision that involves channelling a share of a donor state’s aid through such civil society actors as the NGDOs.³⁵ It is important to keep in mind that the NGDOs have emerged as important actors since 1980s³⁶ when a new paradigm of development co-operation emerged stressing the importance of channelling aid through civil society actors (Banks & Hulme 2012:3; Edwards & Hulme 1996; Hellinger 1987). Holland and Doidge

³⁵ It is estimated that the Western donor countries channelled as much as “13 % of total aid disbursements *to and through* NGOs” in 2009 (OECD 2011:19; *italicized* in original). There are variations in how large a proportion of the donor country’s aid budget is allocated through the NGOs, however – for instance, France and Greece allocated only 1 % and 2 % respectively, while the UK, Luxembourg and Ireland allocated 14 %, 32 % and 37 % respectively in 2009 (OECD 2011:21). According to OECD data (2011:14-5), the donor countries see delivery of certain services as the main contribution of the NGDOs, but they are also seen as important to promote the awareness of development co-operation issues

³⁶ Lancaster (2007:37) notes that various civil society organizations (church groups, relief NGOs, etc.) were involved in the provision of foreign aid and foreign aid policy making processes already earlier – in the USA, the government involved the NGOs since the 1940s, and in Sweden the government engaged the NGOs in the 1950s.

(2012:12) cited such an approach that stresses the importance of NGOs as the “appropriate deliverer of development assistance” as one of the measures by which the “EU makes a unique contribution to “global development”. It should be added that the EU (in particular, the Commission) itself is known as a donor that has supported the NGOs. The EU started co-financing the European NGOs that, together with their partners in developing countries, implemented various development co-operation projects in the mid-1970s. Moreover, since 1979 raising awareness on development co-operation issues in Europe has been included among the activities to be financed by the EU (Carbone 2008b:243).

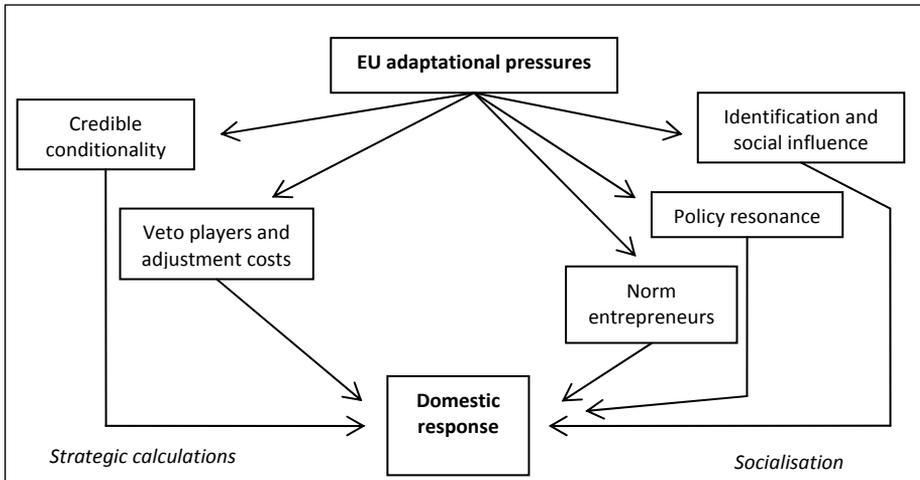
Having this in mind, I propose that the NGOs could emerge as norm entrepreneurs in some distinct ways. The first mechanism involves the NGOs within the CEECs trying to legitimate their role of being effective foreign-aid policy actors in the domestic arena by social mobilisation campaigns or policy advocacy in which they might refer to the Western model of NGO involvement in foreign-aid policy processes as a normative example that the respective CEEC should follow. Once their role is ensured in the policy-making processes, the NGOs might continue with various campaigns or policy advocacy activities to influence the foreign aid agenda. Another mechanism would be to focus on the role of the EU as a source of financial and other support. It is likely that the NGOs from the CEECs might seek the EU’s financial or other support and, if successful, be empowered to engage in social mobilisation campaigns by conducting activities within the CEECs aimed at influencing national foreign aid policy.

Based on these considerations, this factor – persuasion by norm entrepreneurs – should not be excluded *prima facie*, without empirically testing its causal weight.

Summary

As I outlined above, the Rationalist model of policy adoption or adjustment processes is based on external incentives (credible conditionality) and strategic calculation of domestic political actors (adjustment costs and veto players). The Constructivist model is based on socialisation processes that stress the agency of domestic actors (norm entrepreneurs), the role of institutional membership shaping and constraining the choices of domestic actors (identification and social influence) and the commensurability of policies advocated by the EU within domestic institutions, norms and collective understanding (policy resonance). These models are summarised in the Figure 2 below.

Figure 2: Graphic model of the main paths of Europeanization East



Although very schematic and simplified, Figure 2 helps illustrate the empirical links that I will investigate. Note that while authoritative studies of Europeanisation in the CEECs maintain that the Rationalist theoretical model has been more successful in explaining the policy adjustment processes (Schimmelfennig & Sedelmeier 2005b), this study uses analytical concepts from both theoretical perspectives. This section described these concepts generally drawing on theories and findings about the Europeanisation in various fields of public policy. Therefore, in the next section, I will be more specific on what the Europeanisation scholars have found in their analysis of Europeanisation of foreign aid policies in the CEECs, which is a relatively new, but growing field of scientific literature.

Review of the existing literature on foreign aid policies in the CEECs

Although empirical work on the emergence of foreign aid policies within the CEECs appeared already in early 2000s,³⁷ there have been few attempts to

³⁷ For early empirical accounts on the effects of enlargement on the EU development policy see - van Reisen (2001) and Dauderstädt (2002). The Commission ordered a comprehensive study of the development policies in the accession countries (i.e. Migliorisi 2003) and financially supported another study (i.e. Krichewsky 2003). After the enlargement, the literature on the foreign aid policies in the CEECs have been primarily empirically focus (see, e.g. Grim & Harmer 2005; PASOS 2007; Bucar et al 2007; Bucar & Mrak 2007; Bucar et al. 2008; Lightfoot 2008; Grimm et al. 2009; Lightfoot & Zubizaretta 2010; Horký 2010a; Paragi 2010; Szent-Iványi 2012a; Horký & Lightfoot 2012; Andrespok & Kasekamp 2012; Kopyński 2012; Krylová et al. 2012; Bučar 2012; Horký 2012; Oprea 2012). Some have also examined the enlargement's effect on the EU development policy or the development policies of the CEECs as a part of wider studies on the EU's development co-operation (e.g. Carbone 2007; van Reisen 2009; van Reisen 2010).

explain their emergence and evolution theoretically. The scarce theory-informed literature on the foreign aid policies of the CEECs can be divided into three parts. First, historical legacies of the Central European donors have been explored from a Historical Institutionalist approach where the central concept is path dependency (Szent-Iványi & Tétényi 2008). In this strand Szent-Iványi and Tétényi focused on foreign aid policies of the Visegrád countries (Czech Republic, Hungary, Poland and Slovak Republic) and dealt with the Visegrád countries re-instituting the policies that had existed during the Cold War. These two scholars argued that the present re-emerging policies bear strong resemblance with past policies in respect to 1) selection of partner countries, 2) structure and volume of aid policies, 3) level of NGO involvement in policy implementation, as well as 4) level of the public awareness of development issues (Szent-Iványi & Tétényi 2008:574).

Second, there has been also an attempt to explain the aid allocation behaviour of the CEECs based on the literature that focuses on explaining donors' motives of aid-giving comprising such variables as "donor interest", "recipient needs", economic performance and institutional quality of the recipient country (Szent-Iványi 2012a). In exploring the motives of aid allocations by the four Visegrád countries, Szent-Iványi found that the level of poverty ("recipient need") and the previous economic and institutional performance of the recipients cannot explain the aid-giving behaviour of the Visegrád donors (Szent-Iványi 2012a:84). His findings, at least partly, support the "donor interest" thesis implying that the CEECs gave aid to their partner countries based on their political and economic interests (Szent-Iványi 2012a:84-5).

Finally, there are studies explaining foreign-aid policy evolution in the CEECs as a region (e.g., Lightfoot 2010) and in some selected countries³⁸. These studies are similar to each other because their theoretical framework is either inspired by, or based on, the Europeanisation literature – which is why I will address these contributions in greater detail.

The existing studies of Europeanisation of the CEECs' foreign aid policies have conceptualized Europeanisation as "the way EU affects institutions, norms, and practices inside the member states"³⁹ and treated Europeanisation as "top down"⁴⁰ (Vittek & Lightfoot 2009:22; Lightfoot 2010:331). Some studies underscored the role of the EU and other international actors (e.g., UNDP, CIDA, OECD) in the emergence (or re-emergence) of the policies in the region (Kále 2007; Lightfoot 2010; Vittek &

³⁸ For instance, Kále (2007) selected Latvia, Vittek & Lightfoot (2009) examined the case of Slovak Republic, Horký (2010b) focused on Czech Republic and Szent-Iványi (2012b) studied the case of Hungary.

³⁹ This definition is proposed by Dimitrova (2002:172).

⁴⁰ Szent-Iványi (2012b:54) and Horký (2010b) treat Europeanisation as a "process in which states adopt the EU rules" (i.e. the definition proposed by Schimmelfennig & Sedelmeier 2005a). Horký (2010b:3) interprets this definition as not being "top-down". I interpret Szent-Iványi (2012b) as implicitly working with the "top down" definition, however. Kále (2007:1) adopts a similar definition.

Lightfoot 2009); many of them also were sceptical of the extent of EU influence. As EU influence in adopting foreign aid policies is a central aspect of this study, I pay more attention here to this puzzling disagreement in the literature.

On the one hand, it was stressed that the area of foreign aid policy was not treated as a priority in the enlargement negotiations (Lightfoot 2010:333-4) and that EU conditionality in this area was neither clear enough (Szent-Iványi 2012b:55), nor a “deal breaker” (Vittek & Lightfoot 2009:21). Nevertheless, Vittek and Lightfoot (2009) asserted that pre-accession conditionality was influential in the adoption of foreign aid policy in their case study of Slovakia. Others have pointed out that the *acquis* in the area of foreign aid policy was “soft” and conditionality was “weak”, which then lead the authors to suggest that socialisation was probably the most prevalent Europeanisation mechanism (especially, Horky 2010b, also Szent-Iványi 2012b; cf. Kāle 2007). Studying the case of Czech Republic, Horký (2010b:1) argued that this country re-started its development co-operation policy already in 1995 when it entered the OECD. He interpreted this historical fact as indicating that “there is insufficient evidence for the belief that the EU has a dominant role in shaping development co-operation in the Czech Republic and hence among the Central and Eastern European states as whole”. I agree with Horký (2010b) that this fact, indeed, can challenge the notion that the EU was the dominant factor behind the re-establishment of Czech foreign aid, but I disagree with his conclusion that the EU did not have a “dominant role” in the emergence of foreign aid policies in the CEECs, because only three of the CEECs entered the OECD before they joined the EU. Moreover, even if the Czech Republic re-established its foreign aid programs upon its accession to the OECD, it does not necessarily mean that the EU did not exert adaptational pressure on the Czech Republic and that the EU did not directly or indirectly influence its foreign aid policy in the pre- and post-accession period. Obviously, EU conditionality and the EU influence is a contentious issue that has to be studied further.

In all four studies, the choice of the dependent variable (i.e., what the EU has potentially changed) converged around the volume of the aid, its geographical focus, goal and institutional capacity in the national aid structures (Vittek & Lightfoot 2009; Lightfoot 2010; Szent-Iványi 2012b). Horký (2010b) broadened his scope to also include aid quality, co-ordination and complementarity and policy coherence in development. These choices of dependent variable are not surprising, because the themes were on the EU’s development co-operation agenda throughout the 2000s. Kāle (2007) focused, on the other hand, on how the EU affected the national role conception of Latvia and how Latvia as a country adopted the “‘EU way of governance’ of development aid”.

Regarding the outcomes of Europeanisation, there are varying views. Lightfoot (2010:345) argued that the Europeanisation of the foreign aid policies was “shallow” in the CEECs as a region. In his assessment, the Czech Republic and Slovenia were “leading the way as donors” (Lightfoot 2010:346). Horký (2010b:27) was more critical and asserted that development aid of the Czech Republic was an example of a “shallow Europeanisation” and stated: “More often than not, EU norms are rejected rather than adopted”. In his case study of Hungary, Szent-Iványi (2012b:56) even went so far as to assert that he could find “little evidence of Europeanisation in Hungary’s international development policy”. In stark contrast, Vittek and Lightfoot (2009) were more positive about the impact of the EU conditionality and an EU’s role in general, as they assessed the EU being a “major driving force behind the re-emergence of Slovakia as a donor” (Vittek & Lightfoot 2009:32; cf. Lightfoot 2010). Kāle (2007:63) argued that the national role conception changed in Latvia during the accession process and afterwards, but, paradoxically, found that, in the case of Latvia, it did not imply convergence with the EU’s orientation of multilateralism in aid policy. Kāle demonstrated that Latvia’s historical experience shaped its aid policy and that, to a certain extent, the ideology of Latvian aid is inconsistent with that of the EU (Kāle 2007).

Clearly, this short review of the existing literature on Europeanisation of the foreign aid policies in the CEECs indicates that there is a disagreement on the domestic impact of the EU. Part of the disagreement has roots in methodology (i.e., operationalisation), for instance, how to evaluate the EU’s role in the policy evolution (i.e., what should be regarded as “shallow”, or, for that matter, “deep”, Europeanisation) and how to pinpoint the EU’s causal role (i.e., lack of clear counterfactual reasoning and explicit alternative explanations). It reminds us that while Europeanisation studies are focused on searching for the effects of the EU’s influence, it is uncertain that the EU exerted any influence at all (Goetz 2000).

The authors also illuminated various domestic factors that intervened in the Europeanisation processes. Insufficient political will, economic recession, domestic foreign policy interests, decentralisation of aid provision, lack of qualified personnel, personnel rotation, and asymmetrical relations between the government and civil society are all factors seen as contributing to the meagre degree of adjustment to full EU norms and goals in the area of development co-operation (Vittek & Lightfoot 2009; Lightfoot 2010; Horký 2010b; Szent-Iványi 2012b). With the notable exception of Kāle (2007), the studies are predominantly inductive in their approach and generate a huge amount of empirical data on the policy evolution, but, in my view, fail to feed back explicitly into the wider Europeanisation East literature on the main domestic factors mediating the EU impact. Horký (2010b:6) even went so far as to explicitly deny any interest in the Constructivist and Rationalist debate.

Despite the illuminating single case studies and broader regional studies, I argue that the time is ripe for a more systematic, comparative study of the emergence of the foreign aid policies in the CEECs. Such a study should not desperately seek for effects of the EU, but rather openly scrutinize various potential sources of impact, while keeping in mind that emergence of the policies in many CEECs occurred during the pre-accession period. Moreover, it has to be clear in its methodology, operationalising both the independent variable, dependent variable and specifying the causal mechanisms underlying the trajectories of foreign aid policy adoption in the CEECs.

Chapter Three: Method, operationalisation, and sources

This chapter begins by outlining the methodological approach on which this study is based and then presents the justification for the choice of the case study strategy. Both theoretic and methodological considerations underlie my choice to integrate two types of case study approaches: the comparative case analysis and the within-case analysis. In this chapter I explain the selection of cases and how I conducted the within-case studies. The ensuing section will deal with operationalisation of the independent and dependent variables as well as the causal mechanisms. Specifically, I deal with the operationalisation of EU adaptational pressures, domestic response and causal mechanisms. Finally, I discuss the sources upon which the study is based.

Methodological approach

The discussion between the methodological traditions – qualitative versus quantitative – has been likened to a religious debate (Mahoney & Goertz 2006:227). While this imagery is evocative, there are other, more pragmatic reasons why someone chooses to conduct research in the qualitative or quantitative tradition. One motivation for such choice stems from the alternative approaches to explanation that each tradition uses (Mahoney & Goertz 2006:230-2). To put it succinctly, we can distinguish two main approaches to explanation in the political science – the “causes-of-effects” approach (the qualitative style of research) and the “effects-of-causes” approach (the quantitative style of research). The latter usually implies measuring the causal effects of certain independent variable, while the former is oriented towards explaining individual cases in an in-depth manner, paying particular attention to causal complexity. (Mahoney & Goertz 2006:230-2; cf. Gerring 2007:43-44)

I am not arguing here that one of these approaches is better than the other, but I do argue that some research questions are more compatible with one of the approaches than the other. In this research project, I assume that EU adaptational pressure is the triggering factor that sets in motion policy processes (likely political processes as well) at the domestic level that produce what here is called the domestic response in form of policy adoption. However, this study is not primarily about measuring the effects of EU adaptational pressure, but rather about explaining what role the EU and domestic factors played in adoption of foreign aid policies in two CEECs: Slovenia and Latvia. In other words, this thesis studies whether the domestic response was produced by the EU conditionality and/or some domestic

factors. I expect that the EU pressures are mediated by domestic factors that can account for the differential policy outcomes in the CEECs. This brings me to conclude, given the potentially complex causation that this research project aims at unravelling and the need to study the causal processes in an in-depth manner, that the more appropriate approach with which to align my research effort is the “causes-of-effects” (qualitative) approach.

This position resonates with the generic approach to explanation in the Europeanisation literature, which is mainly characterised by its focus on the domestic level where EU adaptation pressure is translated into a domestic response. Consequently, Europeanisation scholars often engage in case studies of individual policy areas or domestic processes at the national level (Exadaktylos & Radaelli 2009; Haverland 2005). Furthermore, the Europeanisation research is characterised by an emphasis on studying the role of various causal mechanisms or complex causation (Exadaktylos & Radaelli 2009; cf. Börzel & Risse 2006:490-4).

The research questions and the established research tradition in the Europeanisation literature are not primarily the only reasons to choose the causes-of-effects approach. As Hall (2003:375) has noted, methodology is not always aligned with ontology in the political science. Therefore the choice – to study in-depth foreign-aid policy initiation and implementation in the CEECs and the EU adaptational pressures manner – is here explicitly based on the foundations of the ontological position of Scientific Realism (Lane 1996; Bhaskar 1998; George & Bennett 2005:136). This position implies that the causation, on the ontological level, can be understood in terms of causal mechanisms: “A sequence *A*, *B* is necessary if and only if there is a natural mechanism *M* such that when stimulated by *A*, *B* tends to be produced.” (Bhaskar 1998:11) In other words, a study of how *A* caused *B* is about studying the process of causation where *M* (mechanism) is triggered by *A* (causal agent), thus producing *B* (outcome). The contention is that the “mechanism linking a cause and outcome can be understood using a machine analogy. Each part of the theoretical mechanism can be thought of as a toothed wheel that transmits the dynamic causal energy of the causal energy of the mechanism to the next toothed wheel, ultimately contributing to producing outcome” (Beach & Pedersen 2013:29).

The underlying mechanisms can be unobservable; the Realists posit an ontological depth, a notion that reality consists of more than the empirically observable layer – the empirical – but also of the actual and the real level of reality. Hence the epistemological commitment that science should move from acquiring knowledge about the manifest phenomena to deeper levels of

knowledge about the underlying structures or mechanisms of the phenomena⁴¹ (Bhaskar 1998:17; cf. Beach & Pedersen 2013:44).

In practice, I interpret this ontological position and its epistemological implications as suggesting that 1) the empirical world is highly complex, 2) the causation is characterised by various causal mechanisms, 3) these mechanisms are not easily disentangled and 4) it can demand a close, in-depth study of the social phenomena one is interested in, which involves making “causal-process observations” (Collier et al. 2004:252), which can be assessed and admitted as evidence for the working of the hypothesised causal mechanisms (Beach & Pedersen 2013). On a more concrete level, it means that by studying closely and in-depth the way the foreign aid policies in the CEECs were adopted, we may be able to trace the workings of various causal mechanisms that produced the policies.⁴² In the next section, I describe the research design I used in studying the foreign aid policies in the CEECs as I endeavoured to uncover the causal mechanisms of those policies.

Research design and case selection

As indicated in the previous section, a primary objective of this thesis is to explain the causal mechanisms linking EU adaptational pressures with domestic response (adoption of foreign aid policy) in the specific “population” of the CEECs. I intend to study these domestic processes by combining process-tracing methods with controlled case comparison. In other words, the study’s research strategy is that of case study and it is intended to involve generating within-case causal inferences and cross-case causal inferences. After setting forth the main reasons for the selection of foreign aid policy as the policy sector for this study, I proceed in this section to specify the population from which I select the cases for closer examination. Consideration will also be given to what extent the selected population can be considered to be homogeneous. I conclude this section with a description of the methodological choices behind my case selection.

Why study foreign aid policy?

There are several reasons for the choice of foreign aid policy. The first reason is rather simple – the literature on Europeanisation of foreign aid policy in the CEECs is relatively small, even if it is growing (see the review of this

⁴¹ According to Bhaskar’s version of Realism, besides the empirical (Humean) level of knowledge, which is characterised by statements about the experience, there exists also the actual (Lockean) level, which informs about the tendencies of things or events, whereas the real (Leibnisian) level of knowledge accounts for the underlying mechanisms of the thing or event (Bhaskar 2008:19).

⁴² For instance, Checkel (2006:367) defends proxies as an instrument in the process-tracing to measure whether and to what extent causal mechanisms, such as persuasion, led to changes in the European norms on citizenship in the institutional settings of the Council of Europe. Similarly, strategic calculation, which is one of the hypothesised mechanisms in this research project, is, most probably, not a directly observable mechanism and, probably, there will be few policy-makers who are willing to acknowledge that the decisions on the foreign aid is made based on strategic and not on humanitarian goals.

literature in the previous chapter on theoretical framework), and there still is a knowledge gap concerning what kind of mechanisms mediated the EU adaptational pressures in the domestic arena of the member states. As Börzel and Risse noted (2006:486-7) in their review article of Europeanisation literature, there has been little attention paid to how the EU has influenced the member states' external policies. A great part of the Europeanisation research has focused on the "first pillar" policy areas.

From this observation follows the second reason that I selected foreign aid policy as the policy sector to analyse. Due to the interest in how the CEECs adopted norms related to the policies that are close to the EU core activities (e.g., internal market, environmental policy) and norms in the field of human rights and minority protection, the Europeanisation literature has largely focused on the transposition of various directives and binding norms that can be termed here as "hard" policy instruments, usually providing certain legal sanctions in case of non-compliance. But there has been relatively little focus on the policy areas where the EU exerts softer influence rather than employing hard policy instruments (legally binding rules) and in which peer pressure is used to deal with non-compliance rather than being punished by legal sanctions. One such policy area where the EU most likely exerts its soft influence is the foreign-aid policy area. In development co-operation policy area, according to Article 130u of the Maastricht Treaty, the EU shares competence with the member states or, as the Treaty postulates, the EU's policy in this area "shall be complementary to the policies pursued by the Member States".⁴³ Still, Article 130x of the Maastricht Treaty states also that the "Community and the Member States shall co-ordinate their policies on development co-operation and shall consult each other on their aid programmes".⁴⁴

In practice, this means that the EU conducts a common EU foreign aid policy (i.e., the EU's development policy) complementary to the foreign aid policies of member states. According to Article 130w of the Maastricht Treaty, the co-decision procedure has to be used to adopt legislative acts concerning implementation of the EU's common foreign aid policy.⁴⁵ Even if the EU and member states are obliged to co-ordinate their policies and

⁴³ Also later treaties imply that the EU and the member states share competence in the foreign policy area. For instance, Paragraph 4 Article 4 of the Treaty on Functioning of the EU (effective from December 2009) states that "in the development cooperation and humanitarian aid, the Union shall have the competence to carry out activities and conduct a common policy; however, the exercise of that competence shall not result in Member States being prevented from exercising theirs".

⁴⁴ Almost identical wording is found in Article 210 of the Treaty on Functioning of the EU (December 2009) in which it is stressed that the EU and member states "shall coordinate" their foreign aid policies and "shall consult each other" on the aid they provide "in order to promote the complementarity and efficiency of their action".

⁴⁵ Also Paragraph 1 Article 209 of the Treaty on Functioning of the EU (December 2009) provides that the so-called "ordinary legislative procedure" shall be used to adopt "measures necessary for the implementation of development cooperation policy".

consult each other, there are no mechanisms, such as directives, that would generate legally binding obligations for the EU member states. The most common product of EU decision-making in the foreign-aid policy area is conclusions adopted by the Council of the EU. This means that EU adaptational pressure might consist of agreed commitments and various policy statements that are known as soft law (i.e., Council conclusions) because, in contrast to directives, regulations and other binding rules (hard law), the EU commitments, policy statements and other kinds of soft laws do not contain provisions for sanctions that can be applied to non-complying member states.

In terms of the Rationalist theories, the EU is not expected to provide any substantial incentive for adjustment in the form of material punishment outlined in a legally-binding legislative act. Consequently, Rationalists might argue that one should not expect a high degree of compliance from the side of the candidate or new member states. Indeed, if the candidate or new member states were to make any adjustments, it would be a surprising finding. According to proponents of the Constructivist school who do not see material incentives as the primary cause for adjustment, the EU can be expected to try to “socialise” the candidate and new member states either by persuasion or by exerting subtle influence (peer pressure). If any adjustments were made by the newcomers it would not be an especially surprising finding, the Constructivists claim, but rather as an envisaged result of the EU’s peer pressure or its power to persuade.

One caveat to bear in mind when selecting this policy area is that one might critically argue that foreign aid policy – especially, if it is seen as being as integral part of foreign policy – is a “special case” and the findings about the EU’s influence on the member states in this policy area cannot be generalised to other policy areas. I agree to some extent with this critical stance – foreign aid policy, indeed, can be conceptualised as being a rather particularistic and idiosyncratic area that revolves around the ambitions of donor states to influence the development of the recipient country by providing financial aid and other kinds of assistance. Still, considering the mode of decision-making (i.e., soft law) that is used in this area, it would seem logical to expect similar dynamics to be present in regard to the EU’s influence in other policy areas in which EU plays a complementary role to the member states policies and in which the decisions at the EU level consists of soft law.

Specifying the population

One of the first tasks that has to be done when constructing a research design and selecting cases is to define the relevant population of cases in which the study is interested. The first delimitation is theoretical and geographical at the same time. As indicated in Chapter 1, in this thesis when

I make reference to the “CEECs”, I am talking about the eight CEECs that applied in the middle of the 1990s for EU membership, participated in the accession negotiations in the late 1990s and early 2000s up until 2002 and joined the EU in 2004. These eight are the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Slovakia, and Slovenia. Although Bulgaria and Romania, strictly speaking, are part of Central and Eastern Europe and they even participated in the accession negotiations, these two countries are excluded from the population because of the circumstances of their accession process differed radically from the others. First, Bulgaria and Romania acceded in 2007 and their accession process was “lengthier and more difficult” (Trauner 2009:2). More importantly, the EU instituted special post-accession monitoring measures and constructed particular “safeguard measures” to which it could resort in case the two countries did not comply with the EU legislation and/or backslid in their commitments to reform their policies further (Trauner 2009:2). It is my contention that the post-accession monitoring in these two countries creates specific domestic political dynamics and this factor disrupts a valid comparison with other CEECs where no such monitoring measures and post-accession conditionality were arranged.

We should not, however, leap to the assumption that the other eight CEECs underwent an identical EU accession process, rather we see that there was a fair amount of variation. In 1997, the Commission assessed the applicant countries and proposed that only Estonia, Hungary, Poland, the Czech Republic, and Slovenia should be invited to the accession negotiations. It deemed other CEECs as not yet ready to start the negotiations. The Luxembourg European Council decided to open accession negotiations with five of the CEECs (and Cyprus) in 1998 (these five have come to be known as the “Luxembourg countries”). In 1999, the Commission assessed the progress of other CEECs and recommended launching negotiations also with Latvia, Lithuania and Slovakia (as well as with Romania, Bulgaria and Malta). The Helsinki European Council endorsed the Commission’s recommendations and the negotiations with the “Helsinki countries” started in 2000. The EU also adopted a “regatta” approach meaning that the accession would take place only when the negotiations and appropriate preparations were finished with the individual country. A review of this historical process, especially the Commission’s differentiating approach towards dealing with the applicant countries, reveals that the accession negotiations with the CEECs, the preparedness of the CEECs and the timing of accession differed, but in the case of our eight CEECs that constitute the population of this study all finished their accession negotiations in 2002 and became members of the EU in May 2004.

Certainly, these eight CEECs should not be treated by default as being similar,⁴⁶ but I do contend that they are largely similar in respect to their relative lack of foreign aid policies and the nature of their foreign-aid policy adoption during the pre-accession period. For instance, Estonia, Latvia and Lithuania were part of the Union of Soviet Socialist Republics (USSR) and Slovenia was part of the Socialist Federal Republic of Yugoslavia (SFRY) and as such they had neither an independent foreign policy nor an independent foreign-aid policy during the Cold War period, given that these policy areas were managed by the federal governments of the USSR and the SFRY, respectively. Some CEECs – the Czech Republic, Poland, Hungary, Slovakia (it was an integral part of Czechoslovakia) – were providers of both bilateral and multilateral aid during the Cold War period as they were part of the Council of Mutual Economic Assistance. However, their aid programs were cut or discontinued after the break-down of Communism in the Central and Eastern Europe (Horký & Lightfoot 2012:3; Carbone 2007:47; Szent-Iványi & Tétényi 2008:577). It has been argued by Szent-Iványi and Tétényi (2008:577-8) that some path dependencies and historical legacies from the Cold War period can be observed in these four countries, in particular, the selection of partner countries, aid levels and policies, involvement of non-state actors and social awareness on international development and poverty issues.⁴⁷ Szent-Iványi and Tétényi (2008:578) also claimed that the foreign aid and foreign policies of Czechoslovakia, Hungary and Poland, during the Cold War, were heavily influenced by the Soviet Union's foreign policy and its strategic interests.⁴⁸ While I submit that some historical legacies might have mattered in policy adoption in the early 2000s, many important

⁴⁶ Berglund et al (2004:3) observed that “contemporary ‘Eastern Europe’ is something of a misnomer”, because the countries have developed rather differently since the breakdown of the Cold War. Also Judy Batt (2003:4) described “diversity” as the “hallmark” of the CEECs, particularly, if one considers the cultural diversity of the countries (Batt 2003:3). Nevertheless, she defended comparability of the CEECs, because there were similarities in the way how the CEECs developed politically and they also shared a similar pattern on interactions with the “wider Europe” (Batt 2003:9). First, the CEECs experienced a long period of the Communist rule (Batt 2003:5). Second, the CEECs are situated in a geopolitically vulnerable position as the “Lands in Between, a broad frontier zone between Russia and Germany, Europe and Asia, East and West” (Batt 2003:9). Also Berglund et al. (2004:2) refers to the CEECs as the “‘interface’ countries”. Third, the CEECs, historically, have experienced problems in establishing their statehood in an environment characterised by a high degree of ethnic and cultural diversity (Batt 2003:11-4). Fourth, the statehood and independence of many CEECs suffered due to the imperialist ambitions of the neighbouring great powers during the Second World War (Batt 2003:15-17). Fifth, and in my opinion most importantly, the CEECs shared their ambition of “returning to Europe” and modernising their countries to be admitted to the EU and NATO (Batt 2003:17-8).

⁴⁷ I submit that it might be the case that the Czech Republic inherited certain elements from Czechoslovakia's aid policies, but Szent-Iványi and Tétényi (2008) fail to pinpoint, and, in my assessment, also to convince exactly how the Slovak Republic (which became an independent state in 1993) inherited legacies in its foreign aid policy from the former federal state of Czechoslovakia. It should be mentioned that foreign policy was an exclusive competence of the federal government of Czechoslovakia, while the foreign economic relations was a competence shared between the republics and the federal government (Kirschbaum 1995:244; Žák 1995:246)

⁴⁸ For instance, Skalnik-Leff (1997:66) claimed that Czechoslovakia's foreign policy during the Cold War period “revolved around the objectives and orientations of Soviet foreign policy”.

features of the Soviet-influenced foreign aid policies of the CEECs changed when the countries re-oriented their foreign policies to membership in the EU and NATO. I agree therefore with Horký and Lightfoot (2012:3) that even these Visegrád countries should be considered “new donors”, not “re-emerging donors”, as their foreign aid policy “capacities and experiences, most likely, were ‘lost in transition’”.

In summary, I argue that the CEECs, while they should not be seen as being a truly “homogenous” population, they do have strong similarities of experiences and can be treated as comparable, albeit not identical, cases. The situations in which they found themselves when they adopted foreign aid policies in the early 2000s – all of them were candidate countries aspiring to enter the EU and most of them had to create their foreign aid policies from scratch in the early 2000s – are very similar and therefore they are treated here as comparable cases.

Selecting cases – theoretical, methodological and empirical reasons

In this study an in-depth, contrasting case study of foreign aid policy adoption in two CEECs – Slovenia and Latvia – is undertaken. As described in the preceding section, the CEECs can be considered roughly comparable, especially in regard to foreign-aid policy adoption, since most of them had to create such policy in the early 2000s. In this respect, Slovenia and Latvia are very similar. First, both of the countries gained their independence in 1991, having previously been part of other countries. Although Latvia was an independent state in the interwar period, 1918-1940, both countries were for a long time part of a federal country. Under such circumstances, both can be thus treated as new countries with no previous foreign-aid policy experience on their own. After the Cold War, they had to set up independent foreign policy structures. Both chose similar foreign policy orientation, setting the membership of EU and NATO as their priorities. While they pursued differential paths of economic reforms and were in different geo-political situations (Slovenia was distancing itself from the Balkan wars, while Latvia was distancing itself from Russia), I deem them to be roughly comparable on the dimension of foreign aid policy, as they were expected to set up their foreign aid policies virtually from scratch. To conclude based on the assumption that the CEECs (including Latvia and Slovenia) can be treated as

roughly comparable cases for the study of foreign-aid policy adoption, I shall now elaborate on the variation that is the focus of this comparative study.⁴⁹

One of the main reasons to study cases where a certain level of variation exists is to maximise the causal leverage, and accordingly my main criterion for the selection of cases here is related to the domestic response variable. In other words, the two countries were selected here for a cross-case comparison in order to be able to draw some, even if limited, generalisations about foreign-aid policy adoption processes in the CEECs.

Domestic response is understood here as foreign-aid policy adoption and it displays a variation across the CEECs. As outlined in the theoretical chapter, foreign-aid policy adoption in this study is defined as consisting of three separate dimensions: discursive, formal (institutional), and behavioural adoption. By first briefly considering just one dimension of policy adoption, namely, formal adoption, we can focus on adoption of a comprehensive policy document as being a basic indicator to determine when the policy was formally adopted (see Table 2). By a comprehensive policy document we mean a policy statement that is long-term (not ad hoc or short-term) and outlines foreign aid policy (not foreign aid as simply an ad hoc measure). Estonia, Slovakia and Slovenia were the first CEECs to adopt a document that had some similarity to a foreign-aid policy statement. Estonia adopted only a short-term policy document (one-year plan). Slovenia adopted a document committing Slovenia to participate in the reconstruction of South East European countries only and this document was not seen as a foreign-aid policy or development co-operation statement. In fact, Slovakia was the only country to adopt a long-term, comprehensive policy document as early as 1999. Two countries, Hungary and the Czech Republic, adopted their foreign aid policy statements during the three year period between 2000 and 2003, four countries adopted their policy statements in 2003 and one did in 2004. Most of these countries adopted what I classified as “comprehensive policy statements”, but Lithuania adopted only a medium-term policy statement (for the period of 2003-2005). In fact, Lithuania and Slovenia adopted comprehensive foreign aid policy statements in 2006 and in 2008 respectively only after their accessions.

With exception of Slovakia, most of the early adopters were Luxembourg countries, which started their accession negotiations in 1998. They adopted

⁴⁹ My arguments for selecting roughly comparable cases that vary on the variable of domestic response may remind of the case selections strategy that Przeworski and Teune (1970:32-4) dubbed the “most-similar systems” design, which implies that two or more similar cases that have only one difference in between them, which is then studied in order to be explained (cf. Gerring 2008:668). It is quite clear that there are few, if any, countries that are similar on all other variables with exception of one variable, even among the CEECs which are usually fitted under the category of East European “transition countries”. I deem that there are strong arguments against characterisation of Latvia and Slovenia as “similar” cases, therefore I do not frame my case selection strategy as “most-similar systems” design.

foreign aid policy statements, in one or another form, until December 2002 when the accession negotiations with the eight CEECs were concluded. With exception of Poland, most of the late adopters were the Helsinki countries, which started their accession negotiations in 2000. They adopted foreign aid policy from 2003 to 2004, in the period after the negotiations were concluded. A preliminary conclusion, thus, to be drawn is that the formal policy adoption is correlated with the date when the candidate country starts its accession negotiations, with the above-mentioned exceptions of Slovakia and Poland. If one looks at formal policy adoption simply in terms of the adoption of comprehensive foreign aid policy statements (i.e., not ad hoc assistance to certain region or shorter or medium term assistance-programs), it is puzzling that Slovenia was the only Luxembourg country to adopt its comprehensive policy statement after the accession (see Table 2), given that Slovenia was otherwise praised for its successful adjustment to the *acquis*. The only Helsinki country that adopted a comprehensive policy statement after the accession was Lithuania.

Table 2: Adoption of foreign aid policy document

Country	Title of the policy document	Character of the policy document	Adoption date
Estonia	Principles of Development Co-operation for the Years 1999-2000	Non-comprehensive (short-term)	20 January 1999
Slovakia	Concept of Development Assistance	Comprehensive	7 July 1999
Slovenia	Strategy of the Republic of Slovenia's Participation in the Economic Reconstruction of South East Europe	Non-comprehensive (ad hoc measure, not a policy statement)	December 1999
Hungary	Concept of the International Development Cooperation of the Republic of Hungary	Comprehensive	24 July 2001
Czech Republic	The Czech Republic's development cooperation concept for 2002-2007	Comprehensive	23 January 2002
Estonia	Principles of Estonian Development Co-operation	Comprehensive	15 January 2003
Latvia	Basic Principles for the Development Co-operation Policy	Comprehensive	19 February 2003
Lithuania	Guidelines of Lithuanian Development Assistance Policy for the years 2003-2005 (No. 564)	Non-comprehensive (medium-term)	6 May 2003
Poland	Strategy for Poland's Development Cooperation	Comprehensive	21 October 2003
Czech Republic	Guidelines on the Czech Republic's Development Cooperation	Comprehensive	31 March 2004
Lithuania	Resolution No 561 of 8 June 2006 on the Approval of the of the Development Co-operation Policy Guidelines of the Republic of Lithuania for 2006-2010	Comprehensive	8 June 2006
Slovenia	Resolution of International Development Cooperation of the Republic of Slovenia until 2015	Comprehensive	11 July 2008

Sources: Krichewsky, Lena (2003) *Development Policy in the Accession Countries. 2nd edition*, <http://www.trialog.or.at/images/doku/study-march03.pdf>, last viewed on 9 May 2013 - 14 (Estonia), 27 (Slovakia), 30 (Slovenia), 17 (Hungary), 11 (Czech Republic), 19 (Latvia), 21 (Lithuania), 24-5 (Poland); Estonian MFA (2001) "Estonian Development Cooperation Projects in 2000", *Website of Estonian MFA*, <http://www.vm.ee/?q=en/node/237>, last viewed on 9 May 2013; Estonian MFA (2012) "Overview of Estonian development cooperation", *Website of Estonian MFA*, <http://www.vm.ee/?q=en/node/4084>, last viewed on 9 May 2013; Caucik, Marian (2002) "Evolution of Development policy of the Slovak republic", *Trialog Newsletter*, no.1, http://www.trialog.or.at/images/doku/trialog_newsletter0202_en.pdf, last viewed on 9 May 2012; Slovenian MFA (n.d.) "International Development Cooperation and Humanitarian Assistance: Documents", *Website of Slovenian MFA*, http://www.mzz.gov.si/en/foreign_policy/foreign_policy/international_development_cooperation_and_humanitarian_assistance/documents/, last viewed on 9 May 2013; Hungarian MFA (2003) "Hungarian Policy For International Development Cooperation (IDC)", *Website of Hungarian MFA*, <http://www.mfa.gov.hu/kum/en/bal/Archivum/Archives/idc.htm>, last viewed on 9 May 2013; OECD DAC (2007) "Special Review of the Czech Republic's Development Co-operation (2007)", *Website of OECD*, <http://www.oecd.org/dac/peer-reviews/45367897.pdf>, last viewed on 9 May 2013, p. 8; "Basic Principles for the Development Co-operation Policy" (2003) *Website of the Latvian MFA*, <http://www.mfa.gov.lv/en/policy/DevelopmentCo-operation/BasicDocuments/BasicPrinciples/>, last viewed on 13 February 2013; Government of the Republic of Lithuania (2003) "Resolution no. 564 of 6 May 2003 on the Approval of

the Guidelines of Lithuanian Development Assistance Policy for the years 2003-2005”, *Website of Seimas of the Republic of Lithuania*, http://www3.lrs.lt/pls/inter3/dokpaieska.showdoc_e?p_id=210441&p_query=&p_tr2=2, last viewed on 10 May 2013; Kool, Annika (2007) “Development Cooperation in Lithuania: Country study”, *Website of Trialog*, http://www.trialog.or.at/images/doku/Lt_countrystudy_final_dec2007.pdf, last viewed on 10 May 2013; UNDP Poland (2004) “Poland shifts its role to become a donor once again: Press release”, *Website of the UNDP Poland*, http://www.un.org.pl/rozwoj/doc/eng_press_release_MDG.pdf, last viewed on 10 May 2013.

Another feature of domestic response that is investigated in this study is how the CEECs aligned with EU commitments to increase the official development assistance (ODA) after the accession. A useful way to measure whether the countries abide by their EU commitments and how committed they are in implementing an active foreign aid policy is to assess the country’s contributions in terms of ODA allocations as proportion of its GNI (see Table 3).

Table 3: Foreign aid (as ODA/GNI) in the CEECs, 2004-2010

Countries	2004	2005	2006	2007	2008	2009	2010
Czech Republic	0,11	0,11	0,12	0,11	0,12	0,12	0,12
Estonia	0,04	0,05	0,09	0,08	0,1	0,1	0,1
Hungary	0,07	0,11	0,13	0,08	0,08	0,1	0,09
Latvia	0,06	0,07	0,06	0,06	0,07	0,07	0,06
Lithuania	0,04	0,06	0,08	0,11	0,11	0,11	0,1
Poland	0,05	0,07	0,09	0,1	0,08	0,09	0,08
Slovakia	0,07	0,12	0,1	0,09	0,1	0,09	0,09
Slovenia	0,1	0,11	0,12	0,12	0,13	0,15	0,13

Source: European Commission, the (2011b) *EU Accountability Report 2011 on Financing for Development. Review of progress of the EU and its Member States*. Brussels, SEC (2011) 500 – 27.

The common characteristic of the CEECs’ contributions is that they are small in comparison to the Western donors’ contributions. But, even within this cluster, there are considerable differences. In 2004, when the CEECs entered the EU, one of the worst performers was the Luxembourg country of Estonia. Its ODA in relation to its GNI was only 0.04%, while the two Luxembourg countries Czech Republic and Slovenia were the “best” performers. Their aid contributions in relation to their GNI amounted to 0.11% and 0.1% respectively. The differences persisted also after the accession, for instance, in 2010, Slovenia’s ODA in 2010 (0.13% of GNI) is more than double that of the Latvian ODA (0.06% of GNI).

If one combines both dimensions in the same table (see Table 4), at least two common features can be distinguished. First, most of the countries adopted their comprehensive foreign-aid policy statements before their

accessions, Slovenia and Lithuania being the exceptions. Second, all but Latvia have increased their foreign aid during the period 2004-2010. Latvia is an exception here, because its ODA/GNI ratio was the same (0.06%) in 2010 as it was in 2004.

Table 4: Behavioural and formal adoption of foreign aid policy

Countries	Adoption of a comprehensive, long-term policy statement	ODA/GNI, 2004	ODA/GNI, 2010
Czech Republic	2002	0,11	0,12
Estonia	2003	0,04	0,1
Hungary	2001	0,07	0,09
Latvia	2003	0,06	0,06
Lithuania	2006	0,04	0,1
Poland	2003	0,05	0,08
Slovakia	1999	0,07	0,09
Slovenia	2008	0,1	0,13

Sources: Table 2 and 3.

In comparing these countries we can see the relevance of selecting Slovenia and Latvia, especially due to the theoretical implications of this empirical discussion. If one uses the theoretical lenses of Rationalism, it seems that the EU conditionality explains why most of the CEECs adopted a comprehensive foreign-aid policy statement before their accessions to the EU. The deviating case here is Slovenia⁵⁰ that, being a Luxembourg country, which started its accession negotiations in 1998, adopted its policy statement four years after accession and it is theoretically relevant in explaining this late formal adoption. It is a somewhat puzzling case because Slovenia had one of the highest foreign aid to GNI ratios during the period of 2004-2010. Can the EU conditionality really account for the late formal policy adoption? Or is this late adoption a case of socialisation that produced results in the form of a comprehensive foreign-aid policy that followed a longer period of domestic deliberations and experimenting with foreign aid initiatives that targeted neighbouring South Eastern Europe?

If one considers the behavioural adoption, as measured here roughly by ODA/GNI dynamics, Rationalist explanation can also be called into question. No country reversed the policy, and the aid volumes of the CEECs did not stagnate over the time; indeed, most of the countries increased, even

⁵⁰ I do not treat Lithuania as an outlier case here, because, although it adopted a comprehensive foreign aid policy statement only in 2006, it was a “Helsinki country” that started its accession negotiations in 2000 and it could be argued that this delay was due to the late date when the accession negotiations were started. Moreover, Lithuania had previously adopted a medium term policy statement (i.e., three-year policy plan) in 2003, while Slovenia had adopted a regionally-oriented assistance policy plan (although not formally framed as foreign aid policy statement) in 1999.

if only slightly, their ODA volumes in the period 2004-2010. Slovenia was even very close to reaching the EU target for the new member states, which was set at 0.17% ODA/GNI by 2010; Slovenia's ODA/GNI proportion reached 0.15% in 2009. It seems that the rising levels of the ODA could be an indication that the new member states tried to comply with the EU commitment to increase the ODA volumes to achieve the Millennium Development Goals⁵¹ by 2015. An outlier here is Latvia whose ODA/GNI proportion stagnated in the period 2004-2010. A closer examination of this case may be able to generate a theoretic account of why the country seemed lagging behind in policy implementation even though its foreign-aid policy statement was adopted in 2003.

In sum, the two cases are worthy of a closer study due to the empirical evidence of their foreign-aid policy adoption and the theoretical implications of their differing empirical trajectories. First, Slovenia does not seem to comply with the Rationalist hypothesis that an EU candidate country would at least adopt a foreign aid policy statement (formal adoption) before the accession due to the EU conditionality. Slovenia is therefore an especially perplexing case from a theoretical basis because Slovenia seems to be one of the best performers among the CEECs when judged by the relatively large proportion of its GNI allocated to foreign aid during the period under scrutiny. In other words, behavioural adoption seems to have preceded the formal adoption. This leads to the question: is Slovenia a case of socialisation in which the norm of conducting a foreign policy was internalised among the political and administrative elites?

Second, Latvia adopted a foreign-aid policy statement before the country acceded to the EU and thus the case of Latvia seems to confirm the Rationalist expectations, even though the formal adoption followed the finalisation of the accession negotiations. After the accession, while other CEECs were increasing their aid volumes, Latvia's aid volumes stagnated. This leads to the question: is Latvia a case in which the EU conditionality was effective, but whose political and administrative elites engaged in strategic calculations and let the newly created policy fall into the state of oblivion?

⁵¹ In 2000, world leaders, at the specially summoned United Nations summit in New York, agreed on the United Nations Millennium Declaration which was the basis of eight specific developmental goals that were to be achieved by 2015 (Millennium Project 2006). The goals included eradication of extreme poverty and hunger, achieving universal primary education, promotion of gender equality and empowerment of women, reduction of child mortality, improving maternal health, combating HIV/AIDS, malaria and other diseases, ensuring environmental sustainability, and developing a global partnership for development (Millennium Project 2006). In 2002, the EU, therefore, committed to raise significantly the ODA to achieve the Millennium Development Goals and later enshrined the commitment in the European Development Consensus, which set out specific targets of increasing financing for development for the old and new member states. The new member states were supposed to achieve 0.17% ODA/GNI target by 2010 and 0.33% ODA/GNI target by 2015.

Why process tracing?

In this section, I describe the main reasons for employing the process tracing methods and, as well, I elaborate on the process tracing method that I use in this study.

Although I argue above that Slovenia and Latvia are comparable, one cannot overlook the methodological problems that the case selection strategy poses. A major statistical criticism raised against the case study strategy is traditionally couched in terms of degrees of freedom, or as Arend Lijphart (1971:685) put it, “many variables, small number of cases”. Also King et al. (1994:118-20) cautions against having an indeterminate research design. In other words, small-*N* studies usually involve a large set of variables and a small number of cases, which leads to the analysis and causal argumentation being often paralysed by the inability to fulfil the “*ceteris paribus*” condition. Some qualitative researchers responded to this argument by criticising what they perceive as inadequate methodological advice based on the quantitative template of research design. Some even have raised a strong argument against the notion of indeterminate research designs pointing out that “all inferences drawn from observational data share fundamental problems of alternative explanations and misspecified models” (Collier et al 2004:237).

Other qualitative researchers have suggested combining the comparative case methods with the within-case study or process-tracing as a solution to the problem of indeterminate research design. George and Bennett (2005:28-30, see also 157-60, 215) emphasised as a particular benefit of process-tracing that this method involves collecting many causal process observations that allow for the rejection at least of some of the alternative hypotheses.⁵² In other words, findings generated by the process tracing method do not imply that there might not be other paths leading to the same outcome, but the use of process tracing method can strengthen one’s causal argument about the relevance of certain factors or causal mechanisms in generation of a specific outcome (George & Bennett 2005:214-5; cf. Beach & Pedersen 2013).

Some words should be said about the process tracing methods on which I rely to generate the within-case causal inferences. Although process tracing methods have lately become increasingly popular in the political science, Beach and Pedersen (2013:2) observed that there still is confusion about what exactly is process tracing. While, for instance, George and Bennett (2005:206) defines process tracing as a method striving to “identify the intervening causal process – the causal chain and causal mechanism – between an independent variable (or variables) and the outcome of the dependent variable”, Beach and Pedersen (2013:11) distinguish between

⁵² Moreover, another benefit of using the process tracing is that “it is possible to derive an explanation from a case and then test it against different and independent evidence from within the same case” (Bennett 2008:705).

three process tracing methods: theory-testing, theory-building and explaining outcome (or more exactly, case-oriented) process tracing.

Theory-testing process tracing involves three steps: 1) conceptualisation of the causal mechanism from the existing literature, 2) operationalisation of the hypothesised causal mechanism and 3) collection and analysis of evidence on whether the hypothesised causal mechanism was present in the particular case (Beach & Pedersen 2013:14-5). This kind of process tracing method will be used to test whether EU conditionality or other domestic conditions can account for foreign aid adoption in the CEECs in the pre-accession period. To certain extent this method will be used also to test whether the factors specified in the theory chapter (with the exception for EU conditionality) can account also for the further policy evolution in the post-accession period. But when examining the post-accession period, the ambition is not only to test the theory, but also to refine it and develop new theoretical insights. Therefore, I have chosen to use the theory-building process tracing. This latter kind of process tracing method is used “when we know that a correlation exists between X and Y but we are in the dark regarding potential mechanisms linking the two” (Beach & Pedersen 2013:16). Another alternative use of the theory-building process tracing is in situations when the outcome variable (Y) is known but the cause (X) of it is not known (Beach & Pedersen 2013:16). This kind of process tracing also consists of three steps: 1) collection and analysis of empirical material, 2) inference that the collected empirical material reflects observable manifestations of a certain causal mechanism and 3) inference from the observable manifestations that a particular causal mechanism was present (Beach & Pedersen 2013:17-8). Both theory-testing and theory-building process tracing are by nature theory-centric and they are used to generate generalisations about a certain population of cases (Beach & Pedersen 2013:11). The third variant – explaining outcome process tracing – aims at generating a “minimally sufficient explanation of a certain outcome” only in one particular case (Beach & Pedersen 2013:18), and this kind of process tracing will not be used in this study.

More concretely, the process tracing, as the method is defined here, involves 1) specifying the theoretical causal mechanisms, 2) operationalising them by specifying the empirical tests that will be used to test whether they were present in the specific cases, 3) collecting causal process observations that are later assessed and, if admitted as evidence, 4) the evidence is used to confirm (or to disconfirm) the presence of the hypothesised causal mechanisms and to rule out alternative explanations (Beach & Pedersen 2013). The underlying idea is that different kinds of evidence have different “probative value to alternative explanations of a case” and the method is based on the assumption that it is possible to adjudicate between alternative explanations considering the discriminating value of the evidence collected

during the process tracing⁵³ (Bennett 2008:706; Beach & Pedersen 2013:99-105).

Summary

At this point I shall endeavour to summarise the main arguments for choosing this research design. First, I argue that the research puzzles poses questions about the role of domestic factors and the EU in the foreign-aid policy evolution in the CEECs. It is argued here that the research questions require an in-depth study to give a satisfactory and persuasive response. Second, the Europeanisation literature suggests that the domestic impact of the EU is best studied at the domestic level, engaging in identifying and tracing the effects of domestic factors. I argue that this theoretical view of how the EU influences its member states is compatible with the ontological position that conceptualises causation in terms of causal mechanisms. In order to align the ontology with the methodology, I emphasise the need to study the foreign aid policies in an in-depth manner by engaging in a cross-case comparison of Latvia and Slovenia. However, as the cross-case comparison suffers from several methodological problems, I argue along the lines of George and Bennett (2005) that the causal leverage is increased by going even deeper into the cases by employing the process-tracing (cf. Gerring 2007:43-8). Accordingly, I have argued for use of controlled comparison, thus setting out to compare two CEECs with divergent paths of their foreign-aid policy evolutions. Moreover, I have argued for a within-case study to increase the causal leverage even more. However, these methodological choices have their drawbacks because neither Latvia nor Slovenia are representative cases of the CEECs, in the sense that they would represent “typical” or “average” values on the dependent variable (foreign aid policy adoption). Their foreign aid policies can be found on the extreme poles of the continuum, if measured by the ODA/GNI proportion. Nevertheless, the trajectories of their foreign aid policy adoption pose relevant theoretical questions about the applicability of the EU conditionality for explaining the foreign aid policy adoption in the CEECs.

Operationalisation

In this section, I operationalise the central variables, i.e., EU adaptational pressure and domestic response as well as the causal mechanisms. To paraphrase Checkel (2006:365), it is necessary to answer the question of

⁵³ Both Bennett (2008) and Beach and Pedersen (2013) base their argument that the process-tracing methods are able to discriminate between various alternative explanations on the so-called Bayesian logic. In other words, the collected evidence that supports one hypothesis must be evaluated on the basis whether this evidence confirms also the alternative hypotheses or whether it disconfirms the alternative hypotheses (cf. Van Evera 1997:30-4). If the collected evidence supports the initial hypothesis and also confirms the alternative hypotheses, it is of little causal power and does not strongly update the confidence in the theory (see Bennett 2008:709).

how we would recognise, for instance, EU adaptational pressures, if “it were to walk through the door”. In qualitative research, operationalisation and valid measurement of variables and mechanisms can be very difficult,⁵⁴ but it is assumed that “when X causes Y it may operate so as to leave a ‘signature’, or traces of itself that are diagnostic” (Lawrence B. Mohr in George & Bennett 2005:217). This means that we might never be able to observe “strategic calculation”, but we can expect to find its “traces”. This is one of the reasons why the qualitative researchers, in particular, process-tracers, detail special “diagnostic tests” (or measurement by proxy) or “empirical tests” to ascertain whether a certain variable or mechanism had taken place (George & Bennett 2005:217-8; Checkel 2006; Bennett 2008:706; Beach & Pedersen 2013).

EU adaptational pressures

As outlined in the previous chapter on theoretical framework, the EU adaptational pressures are understood here as being targeted at the CEECs in order to have better alignment with the EU legislation and practices in the area of development co-operation. I have divided the EU adaptational pressures in two rough categories: pre-accession pressures and post-accession pressures (the operationalisation is summarised in Figure 3). It is assumed here that both kinds of EU adaptational pressures were aimed at urging the candidate countries (or, after the accession, the new member states) to adopt the foreign aid policies fully – not simply to promise to adopt the policy, i.e., discursive adoption, and not simply to adopt formal policy statements and institutions, i.e., formal adoption – and as well to allocate the appropriate financing and to increase gradually that financing according to the EU commitments (behavioural adoption). Nevertheless, it is also assumed here that the pre-accession pressures were mostly targeted at achieving discursive and formal adoption (i.e., being prepared to conduct a foreign aid policy when the country becomes the EU member state), while the post-accession pressures were targeted at encouraging the new member states to adopt the policy behaviourally.

Therefore, in order to establish whether the EU exerted some pre-accession adaptational pressures, I examined and analysed the Commission’s reports on the progress of candidate countries in aligning with the *acquis* and interviewed the decision-makers and experts (see Figure 3). To establish whether the EU adaptational pressures were present in the post-accession phase, my major source was the Commission’s annual reports on the financing for development and conduct interviews with relevant policy-makers and experts. The EU adaptational pressures might be apparent if the

⁵⁴ As Checkel (2006:367) put it: “Did I ever actually see somebody persuaded, see a decision maker change his or her mind? No, I did not. I was not a fly on the wall, secretly observing these sessions.”

Commission had persistently reviewed (i.e., monitored) a country's performance in a certain policy area or sub-area (e.g., establishment of foreign aid policy, achieving common EU targets for financing for development, etc.) and expressed its normative opinion or recommendations on the desirability of adopting a particular measure or aligning its policy with the common EU position.

It is important to recognise, as I stress here, that the self-reported perceptions of the EU adaptational pressures also are important. Even if the Commission compiled long and detailed normative assessments of the foreign aid-policy adjustment process in the candidate or new member states, these efforts can be deemed futile if the domestic decision-makers did not perceive that the EU exerted a pressure on them.⁵⁵ Therefore, when it is possible the written sources should be complemented with interviews with decision-makers or experts who had insights into the adoption processes. While the decision-makers might not admit that they adopted a policy or a certain measure due to the pressure from the Commission, the experts can provide a neutral assessment on what role the EU played in the policy adoption or adjustment processes.

Measuring degree of adaptational pressure is about measuring salience of the Commission's articulated pressure and measuring the "objective" goodness of fit – whether there was a discrepancy between what the EU expected from the candidate/new member states and the actual situation of the candidate/member states. Low pressure will be observed if the Commission only mentions the incompatibility of the domestic policies with the EU policies in its reports, but does not elaborate on what the country should do to address the issue. Medium pressure will be observed if the Commission not only mentions the incompatibility of the domestic policies, but also elaborates on what the country should do to address the issue – the more specific the assessment and recommendations are, the higher the adaptational pressures. High adaptational pressures will be observed if the Commission addresses the issue not only in its reports, but also in other forms explicitly prioritising it in its relations with the respective country and stating that non-compliance with the EU *acquis* or common goals can worsen the relations between the EU and the respective country.

⁵⁵ For instance, Haverland (2006:136) assumed that the "EU requirement", usually, does not vary – if the EU has adopted a rule, all the member states are expected to introduce the necessary changes. This might be so in case of "hard rules" (directives, treaties, etc.) in what are known as "mature policy areas" (e.g. the Single Market), but it is less obvious that the EU adaptational pressures do not vary in less "mature", still evolving (Grabbe 2003:319) policy areas throughout the time and across the countries. Heather Grabbe (2006:90-4) described that "EU's influence" (what could be described as "EU adaptational pressures"), in the pre-accession period, was often constrained due the diffuseness and uncertainty of EU's conditions. For instance, the EU could give sometimes contradictory signals to the candidate states what reforms they were expected to implement (Grabbe 2006:91). Among many the factors that contributed to uncertainty was, for instance, the lack of priority among the many tasks that the candidate countries were expected to implement in the period until 1998 (Grabbe 2006:92).

Figure 3: EU adaptational pressure and its observable implications

Pre-accession pressure	Post-accession pressure
<ul style="list-style-type: none"> - Articulated in the accession negotiations - Based on agreed targets on development co-operation - Monitoring through regular reports on country's progress in aligning with the <i>acquis</i> - Review of individual country's performance - Specificity of country-related recommendations/ opinions 	<ul style="list-style-type: none"> - Articulated in deliberations at the Council of Ministers - Based on agreed targets on increasing the financing for development - Monitoring through annual reports on financing for development - Review of individual country's performance - Specificity of country-related recommendations/ opinion

Domestic response

As previously mentioned, domestic response to the EU adaptational pressures is conceptualised here as those governmental actions that the domestic political elite adopt in response to perceived EU adaptational pressures. I have also indicated in the previous chapter that I distinguish between different kinds of adoption (discursive, formal, and behavioural) and degrees of adoption (non-adoption, partial adoption, full adoption). In that chapter I discussed as well that the kinds and degrees of adoption are inter-related (e.g., discursive and formal adoption amounts to partial adoption, while formal and behavioural adoption amounts to more than partial adoption).

Discursive adoption is defined as “incorporation of a rule as a positive reference into discourse among domestic actors” (Schimmelfennig & Sedelmeier 2005a:8). In this study, I will refer to discursive adoption when the government in the respective country recognised the foreign aid policy as a legitimate policy instrument among other policies (for a summary of the operationalisation, see Figure 4). The policy will be judged as discursively adopted if the country's government explicitly mentions it in a government declaration upon assuming the office and specifies the policy's goals or measures that the government intends to fulfil during its time in office. Partial discursive adoption is observed if the government makes an explicit reference to it, but does not elaborate on the policy goals or implies that similar measures to the foreign aid will be carried out by the government.

Formal or institutional adoption is conceptualised here as a process when the government forms a special organisational entity to plan and implement the policy (e.g., a unit in a ministry, department in a ministry, or an agency), adopts a policy framework (policy statements), and institutionalises the policy (adopts a law or other binding legal document that sets out the policy goals, instruments and organisation) (cf. Schimmelfennig & Sedelmeier 2005a:8). As these steps can be hardly taken simultaneously, it is reasonable

to assume, for instance, that the government first will adopt a policy statement and then successively will follow with other measures. I conceptualise the full formal adoption when all the mentioned steps are taken. If only one or some of the steps are taken, the formal adoption should be deemed as partial only.

Behavioural adoption is understood here as a change in the respective country's behaviour that can be deemed as conforming to the EU policy and goals (cf. Schimmelfennig & Sedelmeier 2005a:8). I measure the behavioural adoption by a proxy measure of financial contributions to the foreign aid policy area. In order to express the financing for development in relative terms that could be compared across the countries, I use the ratio of foreign aid to the country's gross national income (the ODA/GNI measure). I claim here that the higher the proportion and the more rapidly it is increasing over time, the more likely is the policy's behavioural adoption. I argue that the proportion indirectly (by proxy) indicates whether the policy has received financing so as to be implemented and how high this financing is in comparison to GNI. I acknowledge that this measure is a very rough approximation of the government's commitment to the foreign aid policy area, but its main advantage is that the ODA/GNI proportion can be compared across the countries and it focuses on an important aspect of policy process, namely, its implementation. If a new policy does not receive funding or its funding is decreasing over a period of time, it can hardly be described as a functioning policy area, it is merely "dead letters". Moreover, this measure is also used by the Commission when evaluating the member states' compliance with the EU's commitment to increase financing for development (one of the "Barcelona commitments"). It should be noted that the new member states, according to Article 23 of the European Consensus on Development, were expected to reach the level of 0.17% ODA/GNI by 2010 and 0.33% ODA/GNI by 2015 (Council of the European Union et al. 2005).

If the country over-performs (increases its ODA/GNI rapidly and reaches the target before the deadline), I deem that as an indication that the respective country has either internalised the norms of appropriate donor behaviour or is "role-playing" the newly gained role of a donor. It is, in other words, most probable that socialisation mechanisms have influenced its response. On the other hand, if the respective country underperforms (its ODA/GNI is reduced or stagnates over time), it is likely that the country has not internalised the norms, but has adjusted its ODA volumes strategically.

Figure 4: Domestic response (policy adoption) and its observable implications

Discursive adoption	Formal (institutional) adoption	Behavioural adoption
Government explicitly recognises the foreign aid policy in its declaratory document when it assumes its office.	<ul style="list-style-type: none"> - Government establish an organisational unit tasked with the policy planning and implementation; - Government adopts the policy statement; - Government institutionalises the policy by adopting a law (or other binding legal document setting out the “rules of game” in the foreign aid policy area. 	<ul style="list-style-type: none"> - Government starts allocating the foreign aid as a specific budget item; - Government allocations increases over time, as measured by ODA/GNI; - Government allocations are in line with the EU goals for increasing the financing for development (in particular, in the post-accession phase).

Causal mechanisms

Causal mechanisms are difficult to observe and the process-tracers formulate either the “empirical tests” (Beach & Pedersen 2013:95), or the “proxy-measures” assuming that one or another mechanism might have left “traces” that can be found if “diagnostic tests” are used (George & Bennett 2005:217-8; Bennett 2008:706). For example, a study on how the CEECs adjusted their environmental policies to the EU norms suggested that the “network-building, capacity-building, framework agreements, and support for transnational expert groups” are activities that characterised social influence mechanisms, while “monitoring, strategic information-sharing, dependency of assistance on particular outcomes, and negotiations of follow-up procedures” are activities that characterised instrumental adjustment (Andonova 2005:139-40).

The first of causal mechanisms is credible conditionality, which is measured here along two dimensions: 1) factual, i.e., whether the EU applied any conditionality in the foreign aid policy area and (2) credibility, i.e., whether the conditionality was credible. To establish the fact of conditionality occurs relatively easy by examining whether the foreign aid policy was included among other *acquis* items in the pre-accession monitoring carried out by the Commission.⁵⁶ If the Commission reviewed the progress of candidate countries in aligning with the *acquis* in its regular reports, it should be considered as a necessary, but not sufficient, indication that this causal mechanism was present (for a summary of operationalisation see Figure 5).

⁵⁶ For instance, the Commission’s Regular Reports are considered as instrument for “furthering” the EU conditionality (Pridham 2007:237) or falling under external incentives model (Andonova 2005:139).

Figure 5: Credible conditionality and its observable implications

Credible reward/ punishment	Informational asymmetry
<ul style="list-style-type: none"> - Existence of foreign aid policy as part of the accession acquis; - Salience of the foreign aid policy in the accession negotiations; - Documented linkage between compliance and rewards/punishments and consistency in applying rewards/punishments; - Decision-makers' perceptions of the conditionality 	Existence of detailed monitoring mechanism

To measure credibility of this conditionality is more challenging. As Schimmelfennig and Sedelmeier (2005a:15) pointed out, the credibility of conditionality depended on three conditions: 1) the EU had to demonstrate that the reward can be withheld if the candidate did not comply with the acquis, 2) the EU had to be consequent in distributing rewards for successful adjustment and 3) the informational asymmetry⁵⁷ between the EU and the candidate country had to be small. In this study, I will apply these to foreign-aid policy developments. Specifically, I will examine 1) if the EU demonstrated that the EU membership will be withheld if the candidate did not make adjustments to the EU's policies and goals in the field of foreign aid, 2) if the EU distributed the rewards/punishments consistently and (3) if the informational asymmetry between the EU and the two countries were small. Observable implications of credible reward/punishment entail salience of the foreign aid policy in the accession negotiations and documented linkages between the compliance and rewards and consistency in applying rewards/punishments. Moreover, I add also a subjective dimension – whether decision-makers perceived the EU conditionality as credible in the area of development policy. I stress that the perception of EU adaptational pressures as 1) being part of EU conditionality and 2) being a credible condition is of high importance because this project examines how the EU adaptational pressures were perceived in the domestic arena. If the candidate states failed to perceive adjustments in the foreign aid policy area as a condition for the accession and, most importantly, as a credible condition, it does not matter that the EU outlined conditions in its documents or if civil servants working at the Commission referred to the foreign aid policy as part of the EU conditionality. Therefore, in order to capture the subjective perception of the credibility of EU conditionality, I chose to interview domestic decision-makers (both politicians and civil servants) in Slovenia and Latvia. A distinct observable implication of small informational asymmetry is the existence of a detailed monitoring

⁵⁷ By informational asymmetry, Schimmelfennig and Sedelmeier (2005a:15) meant that the Commission had to ensure that the candidate states, actually, implemented the changes required by the EU. Therefore the Commission set up a proactive monitoring of candidate states' progress in aligning with the acquis during the pre-accession period.

mechanism that the Commission uses to ascertain the degree of compliance (see Figure 5).

One should bear in mind that, as the EU conditionality consists of conditions that the EU imposes the candidate states for their entry in the EU, the conditionality cannot be observed in the post-accession period. In brief, this causal mechanism might have been present during the pre-accession period only.

Veto players and adjustment costs are components of strategic calculation. This is, presumably, the most difficult mechanism to measure empirically, as the domestic actors (be they politicians or civil servants) might not be willing to reveal their preferences in foreign aid policy processes, especially if their motives are strategic and not norm-based. The operationalisation of this causal mechanism is illustrated in Figure 6.

As previously discussed in the chapter on theoretical framework, it is more likely that the veto players might be found in the executive branch of government, as the legislative branch had a minor role in the enlargement processes in the CEECs. Accordingly, it could be expected that the veto players might be identified as either administrative agents (civil servants), or political actors (ministers).

Figure 6: Veto players and adjustment costs and its observable implications

Pre-accession phase	Post-accession phase
<ul style="list-style-type: none"> - Existence of actors incurring high adjustment costs in case of foreign aid policy adoption; - The actors state their preference of partial adoption or non-adoption; - Other actors refer to the actors incurring high adjustment costs as constraining or hindering the adoption of foreign aid policy. 	<ul style="list-style-type: none"> - Existence of actors incurring high adjustment costs in case of further foreign aid policy adjustments (in particular, in the area of financing for development); - The actors state their preference of partial adjustments or no adjustments; - Other actors refer to the actors incurring high adjustment costs as constraining or hindering the adoption of foreign aid policy.

Moreover, given that the foreign aid policy, due to its relative novelty in the Central and Eastern European politics, can be expected to be a relative “non-issue” on the agenda of the political parties, it is doubtful that the political party manifestoes would reveal the preferences of individual parties and their ministers, especially during the pre-accession period. Hence, there are two strategies about how to examine whether the foreign-aid policy adoption or adjustment processes were hindered or constrained by veto players. The first strategy involves deducing the preferences of actors from the documentary evidence, in particular, archive documents (interdepartmental letters, draft documents, etc.) The second strategy involves close examination of oral sources and reliance on their assistance in identifying the “drivers” (facilitating factors and actors in the policy processes) and the

“breaks” (constraining factors and actors) (see Figure 6). According to my conceptualisation of the veto players and adjustment costs (see the chapter on theoretical framework), I stipulated that the veto players have to possess the capacity to slow down, block or in other ways influence the policy-making processes (i.e., it is not sufficient for the actors just to “be against” the policy or some aspects of the policy). I also stipulated that in order to be classified as veto players, there must be “adjustment costs” that the actors perceive that they will incur if the foreign aid policy or some of the policy measures are adopted. In other words, an account for why they want to slow down or block the policy adoption processes (i.e., preferences) must be generated.

Identification and social influence consists of two interrelated components: identification and peer pressure. In the pre-accession period, identification is conceptualised here as consisting of two dimensions: support for the EU membership and pro-EU attitudes among the political elites. The support for the EU membership, as measured by the Eurobarometer opinion poll,⁵⁸ serves as the indicator of whether the wider public in the respective country identifies with the EU and, in a wider context, with Europe. The attitudes of political and administrative elites will be deduced from the secondary literature.

Social influence is understood here as process of the EU trying to “influence” the candidate countries (or new member states) to adopt foreign aid policies (or to increase financing for foreign aid) by distributing “social rewards and punishments” (cf. Johnston 2001:499). I illustrate the operationalisation in Figure 7.

The EU’s influence is social when social recognition (“backpatting”) or opprobrium (“shaming and naming”) is distributed rather than either threatening with material punishment in case of non-compliance or promising material rewards in case of compliance. One might expect the EU to base its argument on that of “European state identity” or the “EU member identity”, that is, peer pressure. To put it colloquially, it might argue: “That is what we (European or EU) states, normally, do and you (your country) also is expected to do so.” Whether this kind of peer pressure was exerted is explored (and established) here through interviews with decision-makers and, most effectively, when analysing specific decisions and their underlying argumentation.

⁵⁸ The question posed to the respondents in the CEECs was: “Generally speaking, do you think that (OUR COUNTRY)’s membership of the European Union will be a good thing, a bad thing or neither good nor bad?”

Figure 7: Identification and social influence and its observable implications

	Identification with the EU	Social influence
Pre-accession period	<ul style="list-style-type: none"> - Positive attitude to the future EU membership (i.e., it is deemed as a “good thing”); - Relatively minor opposition to the future EU membership; - Political and administrative elites are pro-EU. 	<ul style="list-style-type: none"> - Absence of material inducements (reward/ punishment); - Peer pressure based on country’s European identity.
Post-accession period	<ul style="list-style-type: none"> - Political and administrative elites are pro-EU. 	<ul style="list-style-type: none"> - Absence of material inducements (reward/ punishment); - Peer pressure based on country’s EU membership.

Policy resonance is measured here along two dimensions – policy legacies, and beliefs (or opinions) on foreign aid – both of which can facilitate adoption of the foreign aid policy. I illustrate the operationalisation of policy resonance in Figure 8.

Figure 8: Policy resonance and its observable implications

Policy legacies	Beliefs (opinions) on foreign aid
<ul style="list-style-type: none"> - Existence of foreign aid arrangements in the past - Positive references to the past initiatives of foreign aid 	<ul style="list-style-type: none"> - High support (over 55 %) to the country’s foreign aid policy; - High support (over 55 %) to increasing the financing for foreign aid; - Wider public in the respective country is reported to be generally positive to foreign aid policy; - Political and administrative elites are reported to be generally positive to foreign aid policy.

The first dimension implies examining whether the CEECs had any foreign-aid policy legacies that served as a point of departure or a positive reference for the decision-makers when they took decisions on the foreign-aid policy adoption in early 2000s. Here I pay particular attention to the likelihood that civil servants who had worked with the policy previously were present also in foreign-aid policy making during the pre-accession period.

The second dimension involves measuring the widely-held opinions on the foreign aid. I distinguish here three types: 1) the public opinions surveys on support for foreign aid, if any have been conducted, 2) opinions of political and administrative elites on the foreign aid policy and 3) opinions of the decision-makers, civil society activists and experts on how the wider public and political and administrative elites perceive foreign aid. The higher the support for the foreign aid, the higher the policy resonance and the greater likelihood that the foreign aid policy will be adopted fully or the EU targets for financing will be implemented. If the support for foreign aid is low, it is likely that this lack of support might constrain the policy-makers,

but this lack of “prior, ingrained beliefs” does not necessarily have to translate into failure to adopt the policy or the proposed measure (Checkel 2001b:563). If the polls or interviews, on the other hand, indicate that the general public or the elites held views that contradicted the idea that their country should provide foreign aid to other countries, it is unlikely that foreign aid policy would be adopted or that financing for foreign aid would be increased.

In this study I use the concept of “norm entrepreneurs” to describe the non-governmental development organisations (NGDOs) that through mobilising the public opinion and carrying out lobbying (policy advocacy) activities exert pressures on the domestic decision-makers to adopt foreign aid policy (cf. Börzel & Risse 2003). I assess the impact of NGDOs and to what extent they can be considered norm entrepreneurs based on four criteria (which I summarise in Figure 9). My first criterion is concerned with establishing whether there were any NGDOs that made an effort to exert normative pressure on the domestic decision-makers to adopt foreign aid policy either through lobbying (policy advocacy) efforts or social mobilisation efforts. Normative pressure is understood here as persuasion by arguing that adoption of a certain measure – for instance, foreign aid policy, or a higher allocation to foreign aid – is the appropriate thing to do, because the respective initiative is based on or is derived from a certain (international) norm.

My second criterion deals with whether any institutional arrangements existed for contacts between the government and the NGDOs. Existence of such an arrangement, for instance, an advisory council, is a likely facilitating factor for lobbying activities since the NGDOs do not have to struggle for access to the policy-makers. Moreover, it is likely that the NGDOs have attempted to influence the policy processes through such institutional arrangements. However, it is also likely that the NGDOs might try to influence the government actors through informal channels (e.g., specially arranged ad hoc meetings) or through addressing the public opinion (e.g., by organising campaign activities to change the public opinion).

The third criterion is concerned with the existence of close working relations with the decision-makers in situations where NGDOs have tried to exert normative pressure. If the NGDO activists and the decision-makers report that they have close or good working relations, we can assume that the decision-makers might be or have been willing to listen to the NGDOs.

Most importantly, if all the above criteria are fulfilled and furthermore if NGDO activists report specific cases when they succeeded in persuading the decision-makers to adopt certain measures that they had advocated, it can be concluded that the NGDOs have exerted influence as norm entrepreneurs. My primary interest here is whether the NGDOs tried and succeeded in persuading the government to introduce foreign aid policy during the pre-

accession period and whether they tried and succeeded in persuading the government to increase the budget for foreign aid in the post-accession period.

Figure 9: Norm entrepreneurs and its observable implications

Pre-accession period	Post-accession period
<ul style="list-style-type: none"> - Presence of NGOs that lobby adoption of foreign aid policy; - An institutional setting for involvement of NGOs in the policy-making; - Existence of good working relations with the decision-makers - Self-reported “success stories”. 	<ul style="list-style-type: none"> - Presence of NGOs that lobby further adjustments of the respective country’s foreign aid policy; - An institutional setting for involvement of NGOs in the policy-making; - Existence of good working relations with the decision-makers; - Self-reported “success stories”.

Sources

In the previous section concerning operationalisation of variables and mechanisms, I hinted at the kind of sources upon which this study relies, namely, the documentary sources and oral sources (interviews). In this section, I describe the types of sources that were collected and analysed and I also discuss briefly the main problems in employing the particular sources.

The documentary sources were selected both to re-construct the process of foreign-aid policy evolution in Latvia and Slovenia and the interviews were conducted to elucidate the dynamic flow of events and to identify the causal mechanisms that led to the outcomes in these specific cases. It should be stressed that the second task (identifying the causal mechanisms) is particularly important here because this political science study emerging from a political science orientation aims at producing a theoretical explanation of the historical processes that also is the main difference between the process tracing method and the historical method⁵⁹ (George & Bennett 2005:229).

As I treat the documentary and interview data as sources for tracing the historical processes of foreign-aid policy making, it is highly relevant to reflect on them through the lenses of the source criticism,⁶⁰ which can be divided into two categories: external criticism and internal criticism. While the external criticism is pre-occupied with establishing the authenticity of sources, the internal criticism revolves around interpretation of sources and

⁵⁹ As George and Bennett (2005:229) argues that the main characteristic of the historical method is its reliance on “implicit covering laws”, which is not desirable in the case of process tracing method employed in the political science which relies on explicit theoretical assumptions, hypotheses, variables and concepts. Another difference between the historical method and process tracing method is the former’s reliance on counterfactual reasoning, which, according to the qualitative researchers, can be very difficult to conduct, in particular, if complex causality is hypothesised (George & Bennett 2005:230-1).

⁶⁰ Beach and Pedersen (2013:120) have designed similar procedures which they call assessment of the content and accuracy of observations.

establishing the degree of their reliability and credibility⁶¹ (Tosh 2002:90-1; Howell & Prevenier 2002:60; Gottschalk 2006:67; Langlois & Seignobos 2009:47-8; cf. Esaiasson et al. 2002). There is little doubt that the sources that I used in the study were authentic. The documents or the opinion polls that I retrieved from the Internet were published on the official websites of Slovenia's and Latvia's governments and of the Commission. Similarly, there should be little doubt that the persons I interviewed were what they pretended to be. Thus, being reassured of source authenticity I now address the important aspect of assessing the sources in light of their credibility and reliability.

First of all, it should be noted that, when re-constructing the historical events, the main aim is not to establish the one single truth, but rather to establish "close to what actually happened as we can learn from a critical examination of the best available sources" (Gottschalk 2006:67). In other words, we might probably never learn exactly what happened, but we can re-construct a highly probable version of what happened, if the used sources are examined critically. The credibility of sources should be evaluated according to four principles: 1) competence of the source, 2) trustworthiness, 3) accuracy of the secondary sources and 4) ability to corroborate the sources (Gottschalk 2006:71; Howell & Prevenier 2001:66-8; Platt 2006:92-7; Langlois & Seignobos 2009:96).

Competence of the source boils down to whether the source is able to tell the truth when the most important aspect is "nearness to the event", both chronologically and geographically⁶² (Gottschalk 2006:71-3; Langlois & Seignobos 2009:104-7). Trustworthiness of the source depends on whether the source is an uninterested witness, unbiased, unwilling to please the target audience's expectations, undistorted by a literary style, accurate, uninfluenced by the laws and conventions of its time or its own expectations⁶³ (Gottschalk 2006:73-5; Langlois & Seignobos 2009:101-4; on trustworthiness of the elite interview data, see Berry 2002).

If no primary sources are available, accuracy of the secondary sources (even hearsay) becomes increasingly important and, in such a case, it is relevant to consider on which primary source the secondary source relies and whether the primary source's testimony is relied on accurately as a whole

⁶¹ I argue that the principles of internal source criticism are adequate also in process tracing – a method of political science – as they, in my opinion, are closely related to the methodological issues of measurement validity – degree to which the non-random error (bias) is excluded from the data – and reliability – degree to which the random error is excluded from the data (definitions from Seawright & Collier 2004).

⁶² For instance, if a document was recorded a long time after the event that it reports on, the accuracy of memories can be doubted. Gottschalk (2006:71-3) and Howell and Prevenier (2001:66-8) caution that there is also a variety of psychological factors that can influence the competence of the source (degree of attention, vanity, traditional ways of interpreting the events, etc.).

⁶³ The source does not have to intentionally lie, but it can feel compelled to express itself cautiously or vaguely (or suppress some parts of one's memories), in particular, if one's memories goes against the conventional truth or seem to be improbable (Howell & Prevenier 2001:68).

(Gottschalk 2006:77). If there are doubts about whether the primary source has been accurately reported, we should consider what details were presented accurately and these should be substituted (Gottschalk 2006:77).

Finally, the corroboration of sources is crucial for establishing credibility of sources, preferably by two other, mutually independent sources. It is not uncommon that such corroboration is not always possible. Therefore the credibility can be established by examining whether no other sources contradict the witness. Another method of establishing the source's credibility is by assessing its general credibility, i.e., no self-contradiction is detected, the author has a reputation for veracity and the testimony fits in the general pattern of known facts about the phenomenon or event in question (Gottschalk 2006:78).

Documents

The documentary research and the source criticism, usually, are associated with the profession of historians, but there are no reasons why it should not be used also in the social science (Scott 2006; Esaiasson et al. 2003:303-4). A classical canon of historical research asserted that "documents are the traces which have been left by the thoughts and actions of men of former times" (Langlois & Seignobos 2009:23). Accordingly, this study that focuses on a relatively recent history of the CEECs can contribute by using such unobtrusively generated data as documents.

Measuring both the EU adaptational pressures and the domestic response, I mostly relied on the publicly accessible documents authored by the Commission, Latvia's government or Slovenia's government. To measure the EU adaptational pressures in the pre-accession period, I focused on collecting the Commission's regular reports about Slovenia's and Latvia's progress in aligning to the *acquis*. Tracing the adaptational pressures in the post-accession phase, the Monterrey reports, authored by the Commission, were collected and analysed. The measurement of dependent variable included collection and analysis of the Statements of Government in Latvia and Coalition Agreements in Slovenia. I also reviewed the foreign-aid policy statements, the published reports on foreign-aid policy implementation and other governmental documentary sources. Additionally, I measured the foreign-aid policy resonance and the identification with the EU using the Eurobarometer poll and national polls on support to foreign aid policy.

During my field trips to Riga (Latvia) and Ljubljana (Slovenia), I tried to access the archives of the foreign ministries, but unfortunately there was limited access to these archives.⁶⁴ To elaborate on the problems incurred, certain conditions were set by the authorities following my request to work

⁶⁴ The Political Archive of Latvia's Ministry of Foreign Affairs and the Special Library of Slovenia's Ministry of Foreign Affairs are not open to the public and the access to these archives had to be specially arranged.

with the documents related to initiation of Latvia's foreign aid policy, the material was pre-selected by the archivists and, furthermore, before working with the material I had to agree on special terms for using the provided archive material.⁶⁵ Due to these conditions, I selected a relatively small number of documents and they were not used here as the main source of information, but rather as complementary sources to support the claims that could be deduced or inferred also from the publicly available sources and the conducted interviews.

In assessing the degree of the documents' credibility, I had a high degree of confidence in the accuracy of these governmental documents. Part of my confidence is due to the fact that, in the case of governmental reports on the policy implementation, the documents were composed relatively soon after the events that the documents reported on had unfolded. I also tried to corroborate the statements within the documents with other documents and the interviews. Although I will return to this issue later, it should be noted that, most of the time, written sources had a greater precision in stating, for instance, details of events or amounts of financial contributions, than the oral sources.

Interviews

Interviewing is "probably the most widely employed method in qualitative research" (Bryman 2008:436; King 2004:11) and in political science (Morris 2009:209). It is also used as one of the data-collecting techniques in process tracing (Tansey 2007).

One of the first methodological choices in using this method was the selection of interview subjects. My decision was to interview the domestic decision-makers. This is not an obvious choice in the Europeanisation research; other scholars in this field have ignored this group and focused on others. For instance, Checkel (2003:213-4) interviewed the country representatives at the Council of Europe working within the Council's committees. Horký (2010b) interviewed the officials at the EU level in his study of Czech foreign aid. For his broader study on the Europeanisation of foreign aid policy in the CEECs, Lightfoot (2010:330) interviewed civil servants working at the Commission and both the member states' representatives in Brussels and the civil servants within the ministries of foreign affairs at the domestic level. In his case study of Europeanisation of Hungarian foreign aid, Szent-Iványi (2012b), on the other hand, chose to interview only civil servants working in the ministries in Hungary. My

⁶⁵ The Political Archive of Latvia's Ministry of Foreign Affairs asked me to sign a specific document stipulating that I will not use the found information in a way that can be damaging to the image of the European Union or the Republic of Latvia. In case of Slovenia, I had to submit the selected documents for an internal review at the Ministry of Foreign Affairs that would decide whether the documents could be released and sent to me afterwards.

decision to focus on interviewing the domestic decision-makers is based on the objective of this research project to study the domestic impact of the EU. To put it simply, the focus here is on how the domestic decision-makers perceived the EU in the domestic arena and what consequences this had on the domestic political processes. Therefore, it is more relevant to interview the civil servants and other decision-makers at the domestic level. Some might argue that the EU's social influence should be measured by interviewing the civil servants working in the EU environment (i.e., the country representatives working in the respective country's Permanent Representation at the EU). But how shall one assess whether the social influence exerted on a country's representative had any impact on the thinking of the decision-makers at the domestic level? I chose to interview those higher-level decision-makers in the domestic arena who also participated in the EU meetings and represented their country's position there. In my estimation, if these decision-makers did perceive that there was social influence, it is probable that it could have had an effect given that they were involved in the policy-making processes at the domestic level.

In the framework of this study, I made two field trips to Riga (Latvia), two field trips to Ljubljana (Slovenia) and one to Warsaw (Poland) and to Oslo (Norway)⁶⁶ with the primary purpose of conducting interviews with the political decision-makers, civil servants, civil society activists and academic experts. In total, I conducted 28 interviews with Latvian informants and 24 interviews with Slovenian informants (see Table 5). In order to identify the relevant informants I first used positional criteria to identify the potential informants (Tansey 2007:770). Then I scrutinised the documentary evidence and tried to establish which politicians, ministries, and organisations were involved in decision-making. An important factor in selecting the informants was their involvement or insight in decision-making in the pre-accession period. During the first pilot field trips to Latvia and Slovenia, I used the reputational snowballing technique (Tansey 2007:770) and asked the informants to recommend other relevant or influential actors or persons in the field that I should interview and that had been involved directly or had an insight about the decision-making in the pre-accession phase. During the next trips, I conducted the interviews with the rest of proposed informants.

⁶⁶ Two field trips to Latvia were conducted in October 2009 and in September-October 2010. Two field trips to Slovenia were conducted in April 2011 and October 2011. Field trip to Norway was conducted in October 2010. Field trip to Poland was conducted in November 2011.

Table 5: Types of informants in Latvia and Slovenia

Category of informant	Latvia	Slovenia
Political decision-makers	5	3
Civil servants	10	11
Civil society activists	9	7
Academic experts	4	3
<i>In total</i>	28	24

The interviews can be divided into two categories: elite and expert. While interviews with politicians and civil servants without doubt can be classified as elite interviews,⁶⁷ interviews with academic experts and civil society actors are more ambiguous. Some of the NGO activists and academic experts were involved in the decision-making processes, if only to be consulted with on broad policy issues, but other NGO activists and academic experts had a deep insight into foreign-aid policy evolution due to their professional interests. All in all, I was specifically interested in interviewing persons who were directly involved in policy processes and who could shed light from their perspectives on how processes unfolded. The expert interviews provided an insight in the context of the policy and wider political situation.

The questions asked in interviews varied, depending on how closely involved the informants were in the policy processes. Hence the first questions usually revolved around establishing the position of the informants in relation to the country's government, their involvement in policy processes and experiences with foreign aid policy. If the informants were close to the policy processes (politicians, high civil servants, civil society activists), further interview questions could be more specifically targeted at concrete stages of policy process or events. If the informants were more distantly involved in the policy processes, these later-stage questions could be more general and/or more targeted at their limited experience with participation in policy processes. This was a particularly useful test of the competence of the sources.

The interviews were semi-structured, with the interview-schedule covering the following themes:

- Foreign aid-policy adoption process in the pre-accession period;
- Foreign aid-policy evolution in post-accession period (with particular emphasis on the financing of development);

⁶⁷ The elite interview literature defines elites as informants “with close proximity to power or policymaking” (Lilleker 2003:207). The elite informants can be separated from the expert informants by the elite’s exercise of the so-called formative power which refers to the “authority to establish socially binding definitions of problems and predetermine the solutions” (Littig 2009:107-8). The expert informants possess the “interpretative power” which enables them to “provide and establish significant terms and concepts for interpreting phenomena, for legitimising decisions, and, thus, ultimately for the social confrontation with certain phenomena” (Littig 2009:107).

- Identification of actors involved in the processes, both in the pre- and post-accession period;
- Identification of “drivers” and “constraints,” both in pre- and post-accession period.

In Appendix-1 is a copy of the interview-schedule that was used in the interviews conducted in Slovenia. While the particular set of questions that is presented in Appendix-1 was targeted at the Slovenian civil servants in the Ministry of Foreign Affairs, I used a somewhat modified set of questions for the officials working in the implementing agencies. Similar questions were asked also when Latvian civil servants were interviewed. As Table 5 indicates, 11 of 24 interviews were conducted with civil servants in Slovenia and 10 of 28 interviews were conducted with civil servants in Latvia. The civil servants group, evidently, were one of the most important groups of informants in Latvia and Slovenia.

As Appendix-1 indicates, more specific questions were asked related to tracing the workings of certain causal mechanisms. For instance, in interviews with civil servants, I asked them to reflect on their own and their colleagues’ attitudes to foreign aid policy and their beliefs about it. Similarly, in interviews with civil society activists, I asked them to identify the “success stories” of their activism, i.e., times when they succeeded in influencing the government’s decisions. However, the format of the interviews was semi-structured and the questions were open-ended. As Aberbach and Rockman (2002:674) claimed, such an approach maximises the response validity, as the elite subjects are free to express their views and memories “within their own framework”.

It should also be noted that, although Appendix-1 might suggest that more than 20 questions were asked of each civil servant, this was never the case. Most often, after establishing the informant’s closeness to the foreign-aid policy-making processes, I could identify the relevant questions to be asked. For instance, informants who left the civil service after 2004 were not asked questions about the post-accession period. Similarly, if the informant had not started working in the civil service before 2004, no questions about the pre-accession period were asked. More importantly, I deemed that it was not necessary to ask those questions that the informants had already answered or touched upon when speaking about other themes.

The interviews or oral sources are particularly beneficial because the informants elucidate the dynamics of policy processes that are crucial in identifying the causal mechanisms. But it is notoriously difficult to establish the credibility of oral sources or, as Berry (2002:680) put it, “Interviewers must always keep in mind that it is not the obligation of a subject to be objective and to tell us the truth”. Earlier I mentioned how I tried to establish the competence of the sources (geographical closeness to the events), but the chronological distance between the events reported in the

interviews and the interview situation, in my assessment, was a more distinct problem. Sometimes even the self-reported eye-witnesses of certain events were rather vague about the factual details. In some interviews it was apparent that the longer the time between the event and the interview situation was, the more often sources replied that they did not have a clear re-collection or the reported details were relatively vaguer. This posed a particular problem of credibility to the oral sources in the case of Slovenia because they were not always possible to corroborate with other oral or documentary sources.⁶⁸

Another problem related to the corroboration of oral sources was that of access to politicians in Slovenia. In particular, the politicians that were willing to be interviewed were from the political parties in opposition to the then-government. This is not necessarily a threat to the credibility of their statements; as opposition politicians they might not have the same incentive to exaggerate the positive aspects of the policy processes. On the other hand, their critical statements on the government's policies were particularly difficult to corroborate and might have been severely biased. One of the attempts to overcome this problem was to cross-check the reported facts with other sources, for instance, NGO activists, experts, and civil servants. This does not mean that the NGO activists, civil servants or experts were more objective than political actors in their reports. For example, when discussing the motives of the country's foreign aid policy, NGO activists tended to focus on its humanitarian aspects, while politicians tended to stress the foreign policy goals and the national interests as the driving motive of the policy. This illustrates well that informants with different backgrounds tend to see the same phenomena or even events differently and it emphasises the need to corroborate their statements to obtain the fullest picture.

All in all, the oral sources were carefully recorded and analysed. I have tried to indicate in the text when a statement was not corroborated by other sources, particularly, in references to the interviews.

Reflexivity: some reflections on working with the sources

Before embarking on the empirical investigation, a short note on reflexivity must be made. Reflexivity can be described as a process in which the "researcher tries to assess the extent of his or her role in the process of data production and how the data were affected by the social context in which they were collected" (Foster 1996:91). The underlying argument here is that "social researchers are part of the social world they study" (Hammersley & Atkinson 2007:14; cf. Snape & Spencer 2003:20). While reflexivity (both as a

⁶⁸ In contrast, the reports by Latvian informants were more often possible to be corroborated with the documentary evidence and with other sources.

concept and as a practice to continuously assess validity) is more common in ethnographic research (Foster 1996:91), this political-science research project involves field work in two relatively different social contexts, that is, Slovenia and Latvia. Therefore, I find it useful to reflect here on two aspects that might have had an impact on the research process: specifically, command of the main language spoken in the respective country and the personal background of the researcher.

First, my being a native speaker of Latvian was obviously a facilitating factor in Latvia, both when working with documents and when interviewing the selected interviewees. Similarly, it was to a certain extent a constraining factor that I did not speak Slovene. In working with the Slovenian documents, the language barrier was a particular obstacle both in selection of the documents and assessing their value and factual statements. This problem was partially mitigated by relying primarily on documents that were already translated in English, which resulted in a diminished sample of documents, compared to the sample of Latvian documents where no language barrier problems existed. The field of documents was also enriched by my having translations made of certain coalition agreements of the Slovenian governments. In the case of Slovenia, I also relied to a greater extent on the aforementioned Slovenian interview sources.

Second, this language factor in combination with my own background had also an impact on familiarity with the local context and in gaining the trust and access to the interviewees. As I was born and raised in Latvia and as I studied and worked in a NGO there, one could argue that presumably I had a more profound knowledge and also more implicit assumptions about the political processes in Latvia than about the political processes of Slovenia. While to a certain extent this might be true, I argue that the relative familiarity with the Latvian local context played a minor role because, while I was familiar with the broader political process, I was not equally familiar with the foreign-aid policy-making context in Latvia.

In my assessment, the researcher's personal background can have a more distinct impact on gaining access to interviewees. Although the impact of one's personal background should not be over-estimated, it seemed to me that the Latvian politicians were more willing to find time in their busy schedules to meet the PhD student with the Latvian-sounding name and surname than their Slovenian counterparts. As I discussed above, I had to rely more often on sources other than politicians in Slovenia than in Latvia.

There were other factors about the researcher's background that can as researcher can have an impact is related to gaining trust of the interviewees (Foster 1996:73-6), which is not always an easy task for a researcher (Hammersley & Atkinson 2007:72-3). During my field work in Latvia and Slovenia, I noted that some of the informants were rather cautious about speaking with me and expressed their expectations that their names were not

mentioned. Although we did not discuss issues that were of confidential or secret nature, it is my understanding that the foreign policy communities both in Latvia and Slovenia are very small and the relations between various organisational actors are delicate and, probably, fragile. Although I did not mention their names in the reference list, I have indicated the position and organisation from which the informants come. This, I deemed, is crucial information for readers in order to assess the competence of the sources and their probable trustworthiness.

Chapter Four: The EU adaptational pressure

Introduction

This chapter examines if and to what extent the EU exerted adaptational pressure on the CEECs, particularly Slovenia and Latvia, to adopt a foreign aid policy. This is done by examining the EU adaptational pressures over two periods of time, namely, the pre-accession period (approximately 1997-2004) and the post-accession period (2004-2010). In the following section of this chapter I first look at the EU attempts to exert adaptational pressures in the pre-accession period. Then I examine the adaptational pressures during the post-accession period. Both sections begin with a short overview that sets the adaptational pressures in a historical context and are followed by two sub-sections dealing with the adaptational pressures that were targeted at Slovenia and Latvia. In the end of this chapter, a short summary of the main findings is provided.

The EU adaptational pressures before the accession

Before examining the EU adaptational pressures targeted at Slovenia and Latvia before their accessions to the EU, it is important to note that the EU foreign-aid (or development co-operation) policy is a hybrid policy constituting of two main elements: 1) European Community aid, managed by the Commission and 2) individual foreign aid policies, under the domain of the EU member states. An important part of the Community aid is instructed by a special treaty regime in which a central role was played by the Yaoundé Agreement and later by the Lomé Conventions, which now are replaced by the Cotonou Agreement between the EU and the African, Caribbean and Pacific (ACP) countries. Since 1957 when the European Economic Community was established, the focus of EU aid has been on area. To put it otherwise, the EU is both the forum for strategically planning and managing the Community aid and also a case of, as British political scientist Helen Wallace (2010:101) termed it, “intensive transgovernmentalism”, which implies tight intergovernmental co-operation and co-ordination of the member states’ aid policies. Thus the main features of the EU foreign aid policy are outlined in the primary legislation (treaties), the secondary legislation (regulations) as well as the soft law. In the following section, I briefly review the main features of each of these legislative sources of the EU adaptational pressures, given that this body of legislation and soft law constituted the *acquis* in the area of development co-operation policy.

Acquis and pre-accession monitoring

The *acquis* was by no means a stable set of conditions that the candidate countries had to implement, but rather an evolving body of law that consisted of various parts and that could be interpreted in various ways (Grabbe 2006:32, 33-4). The EU's primary legislation could serve as an example; it consisted of the Treaty establishing the European Community⁶⁹ (known also as the Treaty of Rome, signed in 1957) and the Treaty on the European Union (known also as the Maastricht Treaty, signed 1992). These treaties were reformed over time, while the traces of an emerging development co-operation policy can be found already in the founding treaty.⁷⁰ The Treaty on the EU, in force since 1993, is considered to be the treaty that established a clear legal basis for this policy area (Schrijver 2009:176) by introducing the title XVII "Development Cooperation" (Articles 130u-130y). As the Treaty on the EU was reformed in 1997 (known also as the Treaty of Amsterdam; it entered into force in 1999) in anticipation of the accession of new member states, it is most appropriate to pay attention to its provisions. The title XX (ex Title XVII) "Development Cooperation" in the Amsterdam Treaty was the source of the primary legislation of the EU stipulating the principles of the EU development co-operation and as such the treaty provisions were part of the *acquis communautaire* that, according to the Copenhagen Criteria, were supposed to be transposed to the national legislation of the CEECs.

There is no explicit provision in the Treaty of Amsterdam requiring member states to introduce or conduct their own development co-operation policies. Nevertheless, article 177 sets out the main principles of the European Community aid, among which the campaign against poverty has a prominent role. It also provides that the Community development policy, implemented by the Commission, shall be complementary to the member states' policies in this field. Furthermore, it obliges member states and the Community to abide by the "commitments and take account of the objectives they have approved in the context of the United Nations and other competent international organisations". Article 180 provides that the member states will co-ordinate their policies with the Community and that the member states will contribute to the implementation of the Community aid. In sum, the Treaty of Amsterdam defines not only the obligation of the member states to contribute to the Community aid programs, but also implicitly presupposes the existence of foreign aid policies in the member

⁶⁹ Since 2009, when the Treaty of Lisbon entered into force, the name of this treaty was changed to Treaty on the Functioning of the European Union.

⁷⁰ The part IV of the Treaty of Rome entitled "Association of the Overseas Countries and Territories" provides for establishment of a special association between the member states and the countries that have "special relations" with Belgium, France, Italy, the Netherlands and the United Kingdom (Article 131). This association is aimed at promoting the "economic and social development of the countries and territories and to establish close economic relations between them and the Community as a whole".

states. Moreover, it commits the member states to a co-ordinated effort to eradicate the poverty in the developing countries. My interpretation of these legal provisions is that the initiation of a foreign aid policy was implicitly a part of the *acquis*, which is supported by the documentary evidence demonstrating how the candidate states Latvia and Slovenia interpreted the EU primary legislation on the foreign aid policy.

Another part of the *acquis* in foreign aid policy was the Lomé or Cotonou *acquis* that consisted of joining and ratifying the Cotonou Agreement⁷¹ regulating the EU's relations (i.e., *inter alia*, development co-operation) with the ACP countries. Joining the Cotonou Agreement is mainly a technical matter that is solved by providing an automatic clause in the Accession Treaty, but also the Cotonou Agreement implied contributing to a complex assistance financing and management structure, namely, the European Development Fund (EDF), to which all the EU member states contribute. According to Migliorisi (2003:46), it was agreed that the new member states would not contribute to the ninth EDF that was in force from 2000 until 2007.

Until the accession, the EU had issued approximately 30 Council regulations in area of development co-operation, which were binding to all of the member states in their entirety (Carbone 2004:246). While being part of the secondary legislation, the regulations did not exert direct pressure to adjust the candidate states' legislation.⁷² The EU had also adopted pieces of soft law, usually in form of Council Conclusions, Statements, *et cetera*, that committed the member states to fulfil various goals (Carbone 2004:246) that the candidate countries were expected to abide by when they entered the EU. However, the soft law, by its definition, implies that there are no binding enforcement procedures (Warleigh-Lack & Drachenberg 2010:217). An example of the soft law is the Barcelona Conclusions, agreed on 14 March 2002, committing the member states, *inter alia*, to reach the level of official development assistance (ODA) to 0.33% of GNI by 2006, and to 0.7% by 2015.

Additional sources of adaptational pressure might have come from the old EU member states and, in particular, their praxis of foreign aid policy (i.e.,

⁷¹ Before the Cotonou Agreement (signed in 2003), the relations between the EU and the ACP countries were regulated according to four different Lomé Conventions (1975-2000); the first Lomé Convention was signed in 1975 and the last – the revised Lomé Convention IV (also called Lomé IV bis) – was signed in 1995 (for an overview, see, e.g. Schrijver 2009:183-4). Before the Lomé regime, the relations were regulated according to two different Yaoundé Conventions (1963-1974); the first was signed in 1963 and the second was signed in 1969 (for an overview, see, e.g. Schrijver 2009:182-3).

⁷² According to Migliorisi (2003:39), the regulations concerned mostly two main areas – first, organisation of ODA implementation in the EU, and, second, the so-called food aid. Some regulations also established regulatory and management committees within the comitology framework (Migliorisi 2003:40-2). An important feature of the regulations is that they are directly applicable and binding to all the member states, but they do not require transposition to national legislation, therefore they are not treated here as constituting adaptational pressure.

how they have formed and conducted their foreign aid policies). It is conceivable that the mere fact that all the old member states had such a policy constituted an incentive or peer pressure to adopt such a policy to become more alike as the then EU member states. It could be hypothesised that such a pressure was particularly strong if all the EU member states shared the same model of foreign aid policy (i.e., presence of a common European policy template). However, the existing literature indicates that no such common European model or policy template existed during the pre-accession period; on the contrary, the European countries differed widely in respect to their foreign aid policy praxis (Hoebink & Stokke 2005:29). In fact, Carbone (2007:42) divided the EU member states in several clusters in respect to their “performance in foreign aid”: 1) the big three (France, Germany, and the UK), 2) the northern member states (Denmark, the Netherlands, Sweden, and Finland) and 3) the southern member states (Greece, Italy, Portugal, and Spain).⁷³ These three, rather rough clusters of member states differ in regard to the goals and motives of their foreign aid policies, the aid provision praxis and the volume of the aid that they provide. The northern member states are seen as prioritising the needs of recipients and allocate relatively high volumes of foreign aid, while the southern members, in contrast, are “driven by colonial heritage [...] or geographical proximity” and allocate relatively low volumes, but the “big three” can be placed “between the two extremes” (Carbone 2007:43-7). Given this division based on how the EU member states practiced their foreign aid policy, I conclude that the old EU member states shared at least one commonality, specifically, that they had introduced and conducted foreign aid policy. As such, this fact, most likely, constituted a very mild adaptational pressure (peer pressure), as many CEECs, during the pre-accession period, did not have any or had only the very basic structures of foreign aid policy in place.

Even if the EU legislation (and the fact that all the EU old member states had their own foreign aid policy) constituted an objective (although implicit) adaptational pressure on the member states that had no foreign aid policy at that time to adopt foreign aid policy, it is important to ascertain whether the EU articulated any adaptational pressure during the pre-accession period. This could have happened either during the accession negotiations, or as a part of the EU pre-accession monitoring of the candidate states, or both.

When considering the accession negotiations, it should be stressed that the foreign aid policy was not included as a separate chapter of the *acquis*, but it was included as an integral part of Chapter 26 on “External policies” (van Reisen 2009:264-5). The consensus seems to be that foreign aid policy

⁷³ In his cluster-based classification, Carbone (2007:42) classified the new member states as belonging to their own particular group – the “eastern” member states. He also included Luxembourg, Ireland, and Belgium into the group of northern member states and Austria into the group of southern member states (Carbone 2007:42).

was a marginal issue in the negotiations (Grimm & Harmer 2005:11; Lightfoot 2008:130; Lightfoot 2010:333-4; Lightfoot & Lindenhovous Zubisaretta 2010:177), which was an object of regret expressed by the European Parliament (Carbone 2004:247). While Grimm and Harmer (2005:11) reported that foreign aid policy “was not apparently even discussed”⁷⁴, Lightfoot and Lindenhovous Zubisaretta (2010:177) and Lightfoot (2010:334) provide a different account of events based on interviews with the diplomats that were posted in the Permanent Representations of the new member states in Brussels in 2007. According to their account, the development co-operation policy was on the agenda during the accession negotiations. However, it was not seen as an important issue and it, most likely, was not discussed sufficiently, because the new member states, after their accession to the EU, were genuinely unprepared for their new obligations in the foreign-aid policy area (Lightfoot 2010:334; cf. Lindenhovous Zubisaretta 2010:177).

Additional venues where adaptational pressures could have been exerted were various seminars and meetings organised by the Commission and the old EU member states. Lightfoot (2010:335-6) wrote that in 2002 the Spanish Presidency organised special events in which both the candidate countries and the ACP countries were invited. The reason for such meetings was the concerns from the side of the ACP countries that the acceding countries would undermine the special partnership between the EU and the ACP countries (Lightfoot 2010:335). Similarly, Lightfoot (2010:336) noted that several training seminars and activities were organised by some of the old member states. Moreover, in 2003, the Commission together with some member states (Germany, Austria, Ireland, Belgium and others) decided to set up a special task force aimed at assisting the acceding countries in building their “capacity and expertise in the domain of development co-operation” (Biesemans 2007). Sam Biesamans (2007), who was the Belgium’s representative to the Task Force for EU Enlargement and Development, noted that this forum was set up and the old member states were involved because the “task [to conduct such capacity-building exercises] exceeded the human capacities” of the Commission’s departments charged with development co-operation. According to Lightfoot (2010:336), the Task Force organised three meetings in which particular themes were discussed including “implementation plans, efforts to raise public awareness, and coordination with non-EU partners”. Even if the EU acquainted the member state candidates with various topics of foreign aid policy and thus

⁷⁴ Also van Reisen (2009:269) reports that the “process of negotiation, preparation and co-operation between the officials and executives in the pre-accession negotiations did not include the area of development co-operation”. This factual statement is based on “conversations with Member States’ representatives in the Council” of the EU (see footnote 105 in van Reisen 2009:283). Unfortunately, this reference does not allow the readers to assess the competence of the source (for instance, whether the sources were present in the accession negotiations).

providing the “know-how” of foreign aid, it is likely that even these “educational” measures and discussions constituted a mild type of adaptational pressures.

Still, the Commission’s regular reports on the progress of the candidate states in meeting the *acquis* requirements can be distinguished as a particular source of adaptational pressures. In 1997, the Commission delivered its opinion on the CEECs’ applications for the EU membership and the Commission’s opinions served as an authoritative interpretation of the main requirements that had to be fulfilled in order to become an EU member state (Grabbe 2006:14). Both the opinions and regular reports on the candidate countries’ progress in aligning to the *acquis* (that were delivered from 1998 to 2003) included if and how candidate countries complied with the EU *acquis* on development co-operation. In the following two sub-sections, I analyse at greater depth the documents concerning if and how the Commission exerted adaptational pressures upon Slovenia and Latvia.

Slovenia

In 1997, the Commission delivered its opinion on Slovenia’s application for the EU membership and, reviewing the state of affairs in the development co-operation, the Commission noted that Slovenia would have to agree to the Lomé Convention, which according to the report was the main basis of the *acquis* at the time. It continued by briefly reviewing Slovenia’s trade agreements with the developing countries and noted that “Slovenia has no budget for development aid, although it has contributed financially to the reconstruction of Bosnia and Herzegovina”. Assessing the current situation and future prospects, the Commission noted that “on accession, Slovenia should apply its preferential trade regime to the ACP States and participate, together with the other member states, in financing the European Development Fund (EDF), which provides financial aid under the Lomé Convention”. The Commission issued a warning to Slovenia:

Slovenia could confront some difficulties in applying the present Lomé trade regime integrally from the date of accession.

Normally, new member states accede to the Lomé Convention by means of a protocol on the date of their accession to the EU. (EC 1997b:100)

However, it is not clear why the difficulties in applying the Lomé trade regime were of concern. It does seem that the Commission regarded Slovenia as having substantial problems in this policy area. As it diplomatically concluded, “Slovenia will need to make significant progress if it is to meet EU requirements in this field within the next few years” (EC 1997b:100). Interestingly, this was the only time when the Commission criticised Slovenia’s legal situation in regard to the trade relations with the developing

countries and we find that this subject was never brought up again in the reports.

When the EU launched the accession negotiations with Slovenia in March 1998, the Commission started on regular basis to report on Slovenia's progress in adjusting to *acquis*. However, the same year, the Commission briefly noted in its Regular Report that "no developments have been reported since the publication of the Opinion" (EC 1998b:37). A year later, in 1999, the Commission turned its attention to Slovenia's institutional preparedness to become an EU member state: "Slovenia has not yet defined which institution will take over the co-ordination of European Development Fund activities. At present no new institutions have been envisaged, although the chosen institution will have to be adequately reinforced". (EC 1999b:53) This passage mixes the Commission's concerns about the institutional aspects of Slovenia's emerging foreign aid establishment with its prospective duties to contribute to the EDF once it became a member state.

In 2000, the Commission's report did not mention the progress in the area of development co-operation policy, but it did provide short overview of Slovenia's aid activities: "Regarding humanitarian aid, Slovenia is involved in projects under the Stability Pact for Southeast Europe, for instance by providing health care in the context of SFOR and through the International Trust Fund of Demining and Mine Victims Assistance in Bosnia Herzegovina" (EC 2000b:73) It seems that the Commission deemed Slovenia's progress in adjusting to the *acquis* as unsatisfactory in that year because the Commission concluded the report by issuing a warning that "regarding development policy and humanitarian aid, Slovenia should closely co-operate with the EU." (EC 2000b:74)

In 2001, the Commission provided even more detailed overview of Slovenia's foreign aid: "Slovenia's development policy and humanitarian aid are mainly focussed on South Eastern Europe. The assistance funds made available by Slovenia in 2000 and 2001 were distributed as follows: Bosnia and Herzegovina 40%, Montenegro 25%, Macedonia 20%, Kosovo 10% and Albania 5%." (EC 2001b:82) The Commission also addressed the institutional set-up of the development policy in Slovenia: "The Ministry of Economy is currently in charge of assistance matters but a central authority responsible for development policy remains to be appointed" (EC 2001b:83). The Commission also hinted that Slovenia will have to contribute to the European Development Fund in the future after the accession.

In 2002, the Commission gave a rather long and detailed overview of behavioural aspect of Slovenia's evolving foreign aid policy:

Slovenia's development policy and humanitarian aid initiatives are mainly focussed on South Eastern Europe. However, Slovenia is also co-operating in programmes of international financial institutions and UN multilateral programmes. In accordance with its Strategy on Engagement in the Economic Reconstruction of South Eastern Europe Slovenia is participating in the Stability Pact for South Eastern Europe as an active provider of humanitarian aid, technical assistance and co-financing of bilateral projects.

In October 2001 the government adopted memorandums on non-refundable aid to Bosnia and Herzegovina, FYROM and Montenegro, which are part of the development and economic aid allocated under the Stability Pact for South Eastern Europe. Total bilateral and multilateral external assistance given by Slovenia to developing countries in 2001 amounted to EUR 2.95 million. (EC 2002d:106)

The Commission also paid attention to the institutionalisation of the policy, particularly to setting up the policy co-ordinating structures:

In March 2002 the government decided to set up a special co-ordinating unit within the Foreign Ministry in charge of allocating development funds as well as humanitarian aid. The Ministry stressed the need to institutionalise the allocation of humanitarian aid and development funds prior to Slovenia's accession to the EU. (EC 2002d:106)

In the conclusions on the chapter entitled "External Relations", the Commission lauded Slovenia for making "substantial progress" and achieving a "high level of alignment with the acquis" since 1997 (EC 2002d:107). The Commission also noted that the negotiations in this area have been closed and that Slovenia has not asked for any transitional periods (EC 2002d:107). This positive assessment is somewhat unclear, because this conclusion could also refer to other parts of the "External Relations" chapter, e.g., the external commercial policy, or it could be interpreted as an assessment of the progress made in all the areas of this negotiation chapter.

In 2003, the Commission delivered its comprehensive review of Slovenia's progress in adjusting to the acquis, just in the final stage of pre-accession period:

In the area of **humanitarian aid and development policy**, Slovenia has established a system for the national co-ordination of development and humanitarian aid. Slovenia is completing preparations for the EU's policy in international development co-operation. Humanitarian aid has been provided on a reasonable scale through the UN and Red Cross families. (EC 2003c:46; emphasis in the original text)

Nevertheless, the Commission also urged further progress in the institutional aspects of Slovenia's foreign aid policy:

Slovenia needs to ensure that there is a development policy in line with EC principles, in particular with the guidelines laid down by the OECD Development Assistance Committee, as well as the commitments and objectives that Slovenia has approved in the context of UN and other international organisations. (EC 2003c:46)

The main conclusion of the comprehensive report is a mixture of positive assessment and warning:

Slovenia is essentially meeting the commitments and requirements arising from the accession negotiations and is expected to be able to implement the *acquis* on the **common commercial policy** and **humanitarian aid and development policy**. Slovenia needs to ensure that there is a development policy in line with EU principles. (EC 2003c:45; emphasis in original)

It is significant that the Commission in its conclusion stressed once more the notion that Slovenia “needs to ensure” that its foreign aid policy is aligned with the EU norms.

Latvia

The Commission reviewed Latvia’s engagement in development co-operation in its document “Agenda 2000 – Commission Opinion on Latvia’s Application for Membership of the European Union”, which was released on 15 July 1997. The document explained that the “*acquis* in the development sector is made up principally of the Lomé Convention, which runs until early 2000” and that “neither the Europe Agreement [n]or the White Paper include provisions in this field” (EC 1997a:97). The Commission continued by briefly noting Latvia’s trade agreements with the developing countries. It also noted that “Latvia has no budget for development aid”. Giving the current and prospective assessment, the Commission notes that “on accession, Latvia should apply its preferential trade regime to the ACP States and participate, together with the other member states, in financing the European Development Fund (EDF), which provides financial aid under the Lomé Convention” (EC 1997a:97). Interestingly, the Commission downplays the role of adapting to the Lomé Convention in the next two sentences: “Applying the Lomé trade regime should not generally be a source of difficulties for Latvia. Normally, new member states accede to the Lomé Convention by means of a protocol on the date of their accession to the EU [...] Latvia should be able to meet EU requirements in this field in the next few years” (EC 1997a:97). These statements left an impression that the EU development co-operation was just about the trade relations with the ACP countries and that adapting to this policy area was not a particular burden on the candidate states. In comparison with Slovenia, Latvia was assessed as being in a better position to adopt the *acquis* in this area, most probably because Latvia had already concluded earlier trade agreements with some of the least developed countries.

In the Regular Report of November 1998, the Commission was very laconic in its assessment of behavioural aspects of Latvia’s emerging foreign policy noting that “Latvia has no specific budget allocation for development aid, but has granted development aid on a case-by-case basis” (EC

1998a:40). Exactly the same phrase can be found in the Report in 1999. However, in its report from 1999, the EC also issues a warning that “in order to be able to participate in EC Development policy upon accession, Latvia will have to upgrade its institutional structures” (EC 1999a:53). This indicated a change in the Commission’s monitoring policy and added the institutional aspects of the evolving policy. Still, it did not specify exactly what the Commission meant by “institutional structures” (e.g., policy statements, organisational structures, administrative capacity) that should be “upgraded” and the appropriate scope of such an “upgrade”.

Also later, in the accession process, the Commission continued assessing the institutional aspects and urged Latvia to work to set up the country’s foreign-aid policy structures. In 2000 the Commission noted that “some upgrading might be needed in order to dispose of the necessary administrative capacity upon accession, also with a view to participating in the EU’s development and humanitarian aid policies” (EC 2000a:90). This can be interpreted as a very veiled encouragement to develop the administrative base for running an independent foreign aid policy which was repeated with the exactly the same phrase in the report in 2001 (EC 2001a:103). In the 2001 Regular Report, the Commission also reminded that Latvia will have to contribute to the European Development Fund in the future (EC 2001a:103-4).

The assessment was somewhat longer and more detailed in the 2002 Regular Report. The Commission noted that “steps have been taken to prepare for Latvia’s participation in the EU development policy” (EC 2002c:122) and continued later by offering a more detailed insight in institutionalisation of Latvia’s foreign aid policy:

Latvia is adapting its development practices to the guidelines laid down by the OECD Development Assistance Committee and the EU Development Policy (Policy document of Latvia’s participation in the EU Development policy). For the implementation of humanitarian aid initiatives, the authorities co-operate with Non-Governmental Organisations established in Latvia. Latvia has no specific budget allocation for development or humanitarian aid, but has granted aid on a case-by-case basis. (EC 2002c:123)

The Commission also repeated the usual encouragement to adapt the administrative structures and increase the administrative capacity in the field of foreign aid policy:

Some upgrading might be needed in order to have the necessary administrative capacity upon accession, also with regard to participating in the EU’s development and humanitarian aid policies. (EC 2002c:124)

Still, the Commission concluded its assessment on a positive note:

Since the Opinion, Latvia has made gradual progress and has achieved a generally high level of alignment with the *acquis*.

Negotiations on this chapter have been provisionally closed. Latvia has not requested any transitional arrangements. Latvia is generally meeting the commitments it has made in the accession negotiations in this field. (EC 2002c:124)

These two paragraphs should be understood in a broader context of the document. The Commission here offers its general assessment of Latvia's performance in aligning with the *acquis* in the area of External Relations (Chapter 26), not the development co-operation. Nevertheless, it can be concluded that development co-operation was not seen by the Commission as a very important area in this chapter of negotiations. If it was considered to be important, it would be hard to explain the mixed messages: on the one hand, encouraging Latvia to adapt its administrative capacities, but, on the other hand, praising Latvia for the quick and smooth adjustment.

In the last report on Latvia's progress on 5 November 2003, the Commission (2003b:52) was more detailed than usual in its opinion about the state of matters and uses a relatively strong language:

In the area of humanitarian aid and development policy, Latvia has to pursue the shaping of a development policy in line with EU principles, in particular with regard to the guidelines laid down by the OECD Development Assistance Committee as well as the commitments and objectives that Latvia has approved in the context of the UN and other international organisations. Administrative structures are in place and satisfactory, although they have not yet been involved in humanitarian aid measures. (EC 2003b:52)

It should be emphasised here that, in this passage, the Commission was not merely observing that "some upgrading might be needed" in regard to Latvia's administrative structures. The Commission stipulated that Latvia "has to pursue" alignment of its development policy according to the EU norms. This could be interpreted as a change in the Commission's attitude. Nevertheless, the Commission's conclusion was much softer in tone:

Latvia is essentially meeting the commitments and requirements arising from the accession negotiations and is expected to be able to implement the *acquis* on the common commercial policy and humanitarian aid and development policy. (EC 2003b:52)

The last report was generally bolder in its tone than any previous reports. Even though it was not very specific in describing exactly to what EU norms Latvia should adjust, it urged further institutional alignment. At the same time, it offers a rather confusing conclusion. Although further adjustment

was needed, Latvia was deemed as “meeting the commitments and requirements” stemming from the *acquis*.

Summary

The pre-accession monitoring evaluated how well prepared Latvia and Slovenia were to meet the EU requirements in field of development co-operation policy. At the beginning, the emphasis was on how well the candidate countries’ trade arrangements were aligned with the EU trade regime with the ACP countries. However, later the focus changed to examining the institutional preparedness of candidate states to participate in the EU development co-operation policy.

Chronologically, the Commission’s scrutiny was not equally detailed. The most detailed reviews of alignment with the *acquis* were the Commission’s opinion from 1997, the regular reports from 2002 and 2003. In other words, after the first comprehensive assessment was delivered, the Commission’s further monitoring was rather concise and brief, but it became relatively more detailed in the later period of the accession negotiations and, surprisingly, even after the negotiations were concluded (2002-2003). Moreover, the pre-accession monitoring reports, which were evaluating the progress by individual, sovereign countries in aligning with the EU *acquis*, were very carefully and diplomatically worded. I find that the wording of the reports was not always explicit and often vague in its normative assessment.

Thematically, three main themes in reporting can be distinguished (see Table 6). One theme is if and how countries adapt to various EU requirements that are respected in trade relations between the EU countries and the developing countries, in particular, the ACP countries (category “Lomé/Cotonou *acquis*”). Initial assessment of Slovenia’s prospective readiness to align with the *acquis* was slightly less favourable (e.g., “Slovenia could confront some difficulties in applying the present Lomé trade regime integrally from the date of accession”) than in the case of Latvia (e.g., “applying the Lomé trade regime should not generally be a source of difficulties for Latvia”), but the relative importance of this theme somewhat receded by time, giving place to the other theme which concerns with the emerging foreign-aid policy structures (category “institutional aspects”). Moreover, the transition in focus from trade arrangements with the developing countries to emerging policy structures was quicker in reports on Slovenia than in the assessments of Latvia because the Commission continued mentioning the trade issues as late as in 2002. The focus on institutional aspects appeared for the first time in the 1999 reports that indicate a change in the Commission’s approach.

While the Commission’s reports were descriptive in nature, there was also an underlying tone of encouraging, or even urging, the candidate countries to set up institutions that would allow for their participation in the EU

development co-operation. Moreover, in the Commission's reports there is a review of the behavioural aspects of the evolving policy. Since 1999 the institutional aspect is particularly prominent in the reports on Slovenia; at least three reports review Slovenia's establishment of a policy coordinating institution. On the other hand, three reports on Latvia urged the country to "upgrade" the institutions and develop an appropriate administrative capacity.

The main emphasis, other than the institutional aspects of policy evolution, is the non-existent budgetary allocation for development co-operation in Latvia (the category "financial/behavioural aspects") and the ad hoc nature of Latvia's development and humanitarian assistance that has been since the first reports were drafted. This seems to be particularly salient issue when reports on Latvia are compared to those on Slovenia. While the Commission cites Slovenia's increasingly active engagement in development co-operation and observes its financial contributions to Slovenia's development partners, it is striking that the reports on Latvia repeat the same theme throughout the pre-accession monitoring. It appears that the Commission deemed Latvia's financial allocations for development co-operation either to be insufficient or to raise concerns that financial contributions were not increasing fast enough.

I conceptualise the pre-accession monitoring as part of the EU adaptational pressures, and accordingly I class the degree of adaptational pressures as low. This is so even if there was an "objective" incompatibility between how the EU and its member states conducted foreign aid policy, on the one hand, and how foreign aid policy was conducted by the candidate countries, on the other hand. In other words, there was a misfit between the EU norms and practices of foreign aid policies and the situation in candidate states, but the Commission articulated only implicit, or very brief explicit, assessments of incompatibility. It rarely explicitly mentioned what has to be done to remedy the situation and, when the Commission did that, the recommendations were not detailed and specific.

Table 6: Thematic overview of the pre-accession monitoring by the Commission

Years	Slovenia	Latvia
1997	<p><u>Lomé/ Cotonou acquis</u></p> <ul style="list-style-type: none"> • Accession to the Lomé Convention upon Slovenia's accession to the EU • Need to participate in European Development Fund (EDF) • Non-existence of preferential trade agreements with ACP countries • Non-application of Generalised System of Preferences (GSP) schemes • Non-existence of duty free access • Need to apply preferential trade regime with ACP countries • Need to make significant progress to meet the EU requirements <p><u>Financial/ behavioural aspects</u></p> <ul style="list-style-type: none"> • Non-existence of budget for development aid and Slovenia's assistance to Bosnia and Herzegovina 	<p><u>Lomé/ Cotonou acquis</u></p> <ul style="list-style-type: none"> • Accession to the Lomé Convention upon Latvia's accession to the EU • Need to participate in European Development Fund (EDF) • Existence of a number of trade agreements with Least Developed Countries • Non-application of GSP schemes • Non-existence of duty free access • Need to apply preferential trade regime with ACP countries <p><u>Financial/ behavioural aspects</u></p> <ul style="list-style-type: none"> • Non-existence of budget for development aid
1998	<ul style="list-style-type: none"> • No progress since the Opinion 	<p><u>Financial/ behavioural aspects</u></p> <ul style="list-style-type: none"> • Non-existence of a budget allocation for development aid • Provision of assistance on case-by-case basis <p><u>Lomé/ Cotonou acquis</u></p> <ul style="list-style-type: none"> • Non-application of GSP schemes
1999	<p><u>Lomé/ Cotonou acquis/ Institutional aspects</u></p> <ul style="list-style-type: none"> • Need to define the institutional framework for coordinating EDF activities and to reinforce the institution 	<p><u>Financial/ behavioural aspects</u></p> <ul style="list-style-type: none"> • Non-existence of a budget allocation for development aid • Provision of assistance on case-by-case basis <p><u>Institutional aspects</u></p> <ul style="list-style-type: none"> • Need to upgrade its institutional structures <p><u>Lomé/ Cotonou acquis</u></p> <ul style="list-style-type: none"> • Non-application of GSP schemes
2000	<p><u>Financial/ behavioural aspects</u></p> <ul style="list-style-type: none"> • Review of Slovenia's humanitarian aid activities • Need to closely co-operate with the EU on development co-operation policy 	<p><u>Financial/ behavioural aspects</u></p> <ul style="list-style-type: none"> • Non-existence of a budget allocation for development aid • Provision of assistance on case-by-case basis <p><u>Lomé/ Cotonou acquis</u></p> <ul style="list-style-type: none"> • Non-application of GSP schemes <p><u>Institutional aspects</u></p> <ul style="list-style-type: none"> • Need to upgrade its institutional structures

2001	<p><u>Financial/ behavioural aspects</u></p> <ul style="list-style-type: none"> • Review of Slovenia's aid activities <p><u>Institutional aspects</u></p> <ul style="list-style-type: none"> • Provisional coordinating role of the Ministry of Economy <p><u>Lomé/ Cotonou acquis</u></p> <ul style="list-style-type: none"> • Future allocations to EDF 	<p><u>Financial (behavioural) aspects</u></p> <ul style="list-style-type: none"> • Non-existence of a budget allocation for development aid • Provision of assistance on case-by-case basis <p><u>Lomé/ Cotonou acquis</u></p> <ul style="list-style-type: none"> • Non-application of GSP schemes • Future allocations to EDF <p><u>Institutional aspects</u></p> <ul style="list-style-type: none"> • Need to upgrade its institutional structures
2002	<p><u>Financial/ behavioural aspects</u></p> <ul style="list-style-type: none"> • Review of Slovenia's aid activities <p><u>Institutional aspects</u></p> <ul style="list-style-type: none"> • Need to institutionalise an aid budget • Coordinating role of the Ministry of Foreign Affairs 	<p><u>Lomé/ Cotonou acquis</u></p> <ul style="list-style-type: none"> • Introduction of GSP regime <p><u>Institutional aspects</u></p> <ul style="list-style-type: none"> • Ongoing adaptation of the policy to OECD DAC and EU principles • Co-operation with NGOs in provision of humanitarian aid <p><u>Financial/ behavioural aspects</u></p> <ul style="list-style-type: none"> • Non-existence of a budget allocation for development aid • Provision of assistance on case-by-case basis
2003	<p><u>Financial/ behavioural aspects</u></p> <ul style="list-style-type: none"> • Review of Slovenia's humanitarian aid <p><u>Institutional aspects</u></p> <ul style="list-style-type: none"> • Review of policy coordinating structures • Need to adapt the policy to the principles of OECD DAC and other international organisations • Need to adapt the policy to the EU principles 	<p><u>Institutional aspects</u></p> <ul style="list-style-type: none"> • Need to adapt the policy to the principles of EU, OECD DAC and other international organisations • Need to adapt the policy to the EU principles • Need to involve the policy administrative structures in humanitarian aid provision

Sources: European Commission, the (1997a) "Agenda 2000: Commission Opinion on Latvia's Application for Membership of the European Union", DOC/97/14, *Website of the European Commission's Enlargement Archives*, http://ec.europa.eu/enlargement/archives/pdf/dwn/opinions/latvia/la-op_en.pdf, last viewed 19 December 2012 – 97; European Commission, the (1997b) "Agenda 2000: Commission Opinion on Slovenia's Application for Membership of the European Union", DOC/97/19, *Website of the European Commission's Enlargement Archives*, http://ec.europa.eu/enlargement/archives/pdf/dwn/opinions/slovenia/sn-op_en.pdf, last viewed on 14 September 2011 – 100; European Commission, the (1998a) "Regular Report from the Commission on Latvia's Progress towards Accession", *Website of the Commission's Enlargement Archives*, http://ec.europa.eu/enlargement/archives/pdf/key_documents/1998/latvia_en.pdf, last viewed on 9 February 2011 – 40-1; European Commission, the (1998b) "Regular Report from the Commission on Slovenia's Progress towards Accession", *Website of the European Commission's Enlargement Archives*, http://ec.europa.eu/enlargement/archives/pdf/key_documents/1998/slovenia_en.pdf, last viewed on 14 September 2011 – 37; European Commission, the (1999a) "1999 Regular Report from the Commission on Latvia's Progress towards Accession", *Website of the Commission's Enlargement Archives*, http://ec.europa.eu/enlargement/archives/pdf/key_documents/1999/latvia_en.pdf, last viewed on 9 February 2011 – 53; European Commission, the (1999b) "1999 Regular Report from the Commission on Slovenia's Progress towards Accession", *Website of the European Commission's Enlargement Archives*, http://ec.europa.eu/enlargement/archives/pdf/key_documents/1999/slovenia_en.pdf, last viewed on 14 September 2011 – 53; European Commission, the (2000a) "2000 Regular Report from the Commission on Latvia's Progress towards Accession", *Website of the Commission's Enlargement Archives*, http://ec.europa.eu/enlargement/archives/pdf/key_documents/2000/lv_en.pdf, last viewed on 9 February 2011 – 89-90; European Commission, the (2000b) "Regular Report from the Commission on Slovenia's Progress towards Accession", *Website of the European Commission's Enlargement Archives*, <http://ec.europa.eu/>

enlargement/archives/pdf/key_documents/2000/sl_en.pdf, last viewed on 14 September 2011 – 73-4; European Commission, the (2001a) “2001 Regular Report from the Commission on Latvia’s Progress towards Accession”, *Website of the Commission’s Enlargement Archives*, http://ec.europa.eu/enlargement/archives/pdf/key_documents/2001/lv_en.pdf, last viewed on 9 February 2011 – 103-4; European Commission, the (2001b) “2001 Regular Report from the Commission on Slovenia’s Progress towards Accession”, SEC (2001) 1755, *Website of the European Commission’s Enlargement Archives*, http://ec.europa.eu/enlargement/archives/pdf/key_documents/2001/sl_en.pdf, last viewed on 14 September 2011 – 83; European Commission, the (2002c) “2002 Regular Report from the Commission on Latvia’s Progress towards Accession”, *Website of the Commission’s Enlargement Archives*, http://ec.europa.eu/enlargement/archives/pdf/key_documents/2002/lv_en.pdf, last viewed on 9 February 2011 – 122-4; European Commission, the (2002d) “2002 Regular Report from the Commission on Slovenia’s Progress towards Accession”, SEC (2002) 1411, *Website of the European Commission’s Enlargement Archives*, http://ec.europa.eu/enlargement/archives/pdf/key_documents/2002/sl_en.pdf, last viewed on 14 September 2011 – 106-7; European Commission (2003b) “Comprehensive monitoring report on Latvia’s preparations for membership”, *Website of the Commission’s Enlargement Archives*, http://ec.europa.eu/enlargement/archives/pdf/key_documents/2003/cmr_lv_final_en.pdf, last viewed on 9 February 2011 – 52; European Commission, the (2003c) “Comprehensive monitoring report on Slovenia’s preparations for membership”, *Website of the European Commission’s Enlargement Archives*, http://ec.europa.eu/enlargement/archives/pdf/key_documents/2003/cmr_si_final_en.pdf, last viewed on 14 September 2011 – 46.

The EU adaptational pressures after the accession

After the eight Central and Eastern European candidate states entered the EU in May 2004, the Commission discontinued its monitoring of how the CEECs aligned with the EU acquis. Although the Commission’s last report urged further institutional and normative adjustments of foreign aid policy in both Slovenia and Latvia, the Commission’s conclusions were optimistic; the countries were assessed as generally meeting the acquis requirements. Parallel to the enlargement, the EU development co-operation entered a “new season” with many reforms and changes (Carbone 2008a:113).

One of such changes was observed by Orbie (2003:395) who took note of a “remarkable shift towards more integration in European development policy” that was initiated by the EU’s preparation in the Monterrey Conference on Financing for Development in 2002. In the run-up to the Monterrey Conference in March 2002, the EU committed itself, among other things, to an ambitious increase in the official development assistance (ODA). This specific piece of the EU’s soft law (Council Conclusions from 14 March 2002, no. 7274/02) were since then referred to as the Barcelona commitments and the EU charged the Commission with monitoring how all the member states implement the Barcelona commitments. As increasing aid budgets can be seen as one dimension of foreign-aid policy adoption in the CEECs, it is crucial to examine whether, and to what extent, the EU exerted any adaptational pressures on the new member states in the post-accession phase. To that end I scrutinise the way the EU addressed implementation of the EU commitments in Slovenia and Latvia. Before so do, I provide an overview of how the EU commitments were adopted and how the EU could exert any adaptational pressure on the new member states in the post-accession phase.

The Monterrey process and the EU commitments in financing for development

This sub-section begins with a brief description of the EU commitments to increase the financing for development and whether they can be conceptualised as constituting EU adaptational pressures that had a bearing on adoption of foreign aid policies in the new member states, particularly, Slovenia and Latvia.

At this point I address the question of how the EU commitments evolved. In 2002, the United Nations organised the Monterrey Conference on Financing for Development, which aimed at establishing concrete commitments *vis-à-vis* financing the achievement of the eight Millennium Development Goals (MDGs) agreed upon at the Millennium Summit in New York in 2000 (Millennium Project 2006). In the run-up to the Monterrey Conference, the Council of the EU (Council) asked the Commission to engage in a dialogue with the member states and to explore the initiatives that could be taken having in mind the agenda of the conference, i.e., the volume of aid, global public goods and innovative sources of financing (Council 2001). The Commission responded to this task, enthusiastically producing two Communications (as these Commission's documents are called in the EU) and a report on the Monterrey agenda. The Monterrey agenda tackled not only financial issues, but also trade relations, identification of global public goods, etc. and particular attention was paid to the volume of ODA. The Commission stressed that "it is quite clear that additional resources are needed and they are needed as of now, since we have only about 13 years [left for achieving the MDGs]" (EC 2002b). The Commission's Director General for Development Koos Richelle, who led the consultations with the member states, issued a special report that noted the urgency of raising the volume of ODA: "It is already clear now that, if this money will not be available in the short term, the millennium targets [i.e., Millennium Development Goals] will not be realised in time" (EC 2002a).

The Commission's activism, during the negotiations in the Council, led to the adoption of Council Conclusions containing a time-frame for achieving the ODA target of 0.7% ODA/GNI by committing the member states to two financial targets (Carbone 2007:79). The first financial target implied that the EU member states were committed to achieve collectively 0.39% ODA/GNI by 2006, while the second target implied that the EU member states were committed individually to achieve at least 0.33% ODA/GNI by 2006 (Council 2002a:2). According to Orbie (2003:401), the Barcelona commitments created a "soft kind of policy-making integration in European development policy". Moreover, on 19 November 2002, the Council charged the Commission with monitoring the implementation of the commitments by delivering a special report on implementation of the financial commitments (Council 2002b:27). After the first follow-up report was

presented in 2003, the Council agreed to invite “the Commission to continue to monitor on a regular basis, and report annually on, the follow up of the Monterrey commitments” (Council 2003). In that way, the EU institutionalised a particular monitoring process carried out by the Commission to review how the member states implement the EU commitments of the Monterrey agenda.

In the context of the Commission’s monitoring, it is essential to point out that the Commission scrutinised also the performance of the then acceding CEECs. For instance, the first monitoring report from 2003 stated that “the commitments made in Barcelona represent an important part of the political EU ‘acquis’ that the new acceding countries are expected to implement as soon as possible” (EC 2003a:8). The Commission concluded that “new Member States face significant challenge in order to reach the individual target of 0.33. Work will have to be done to improve available data on ODA performances” (EC 2003a:10). Strictly interpreted, this meant that the new member states would be expected to reach the same targets as the fifteen old-member states and the becoming new-member states were treated as equals to the old member states in regard to the financial commitments.

This approach had already changed with the next report in 2004, when the Commission admitted that many of the acceding countries “face special constraints” in the foreign aid policy area (EC 2004a:6). The Commission Staff Working Paper annexed to the Commission’s Communication proposed also more realistic estimates which can be contrasted to the overly too optimistic and ambitious report from 2003. Any doubts about the capabilities of the new member states were dispelled by the report in 2005. This document not only endeavoured to report the performance of the countries, but also proposed new intermediary targets for the member states and the EU collectively. It was also here where the division in the old and new member states explicitly appeared for the first time (EC 2005a:7). This differentiation between old and new member states seem to be connected with the European Council Conclusions from December 2004: “The European Council welcomed the consultation by the Commission of individual Member States with a view to presenting to the Council (GAERC) in April 2005 concrete proposals on setting new and adequate ODA targets for the period 2009-2010, *while taking into account the position of new Member States*” (Council 2005a:21; italics added by author). While there is no direct evidence, it can be inferred that the new member states had voiced their concerns about their capabilities to reach the Barcelona commitments

and asked for special concessions regarding the financing for development.⁷⁵ The emerging differentiation between member states (confirmed by the Council Conclusions 23-24 May 2005) and their reduced financial obligations were explained as a “transition period” and a “**fair** proposal in terms of **burden sharing between the EU Member States**” (EC 2005c:6; emphasis in the original text). The Commission also noted that “in the coming years the ODA volume of the EU-10 will automatically rise substantially due to their contributions to the Community budget and to the European Development Fund” (EC 2005c:6-7). To summarise, the Commission significantly lowered its expectations towards the new member states and their financial contributions in 2005.

This differentiation between the old and new member states was institutionalised in the External Relations Council Conclusions dated 24 May 2005. In this document, the EU member states committed collectively to achieve the target of 0.56% ODA/GNI by 2010. Individual targets were, however, different for the old and new member states. The old member states committed that they “undertake to reach, within their respective budget allocation processes”, the volume of 0.51% ODA/GNI by 2010 and that they “undertake to achieve the 0.7% ODA/GNI target by 2015 whilst those which have achieved that target commit themselves to remain above that target” (Council 2005b:5). The new member states made the commitment that they “will strive to increase their ODA to reach, within their respective budget allocation processes”, the level of 0.17% by 2010 and the level of 0.33% by 2015 (Council 2005b:5). Not only the targets are different for the old and new member states but also the wording that is used in the Council Conclusions to describe the commitments. While the old member states “undertake to reach” or “undertake to achieve”, the new member states only “will strive to increase”. This language appears also in the European Consensus on Development (the EU development co-operation policy statement, adopted in 2006) that cemented financial commitments in Section 5.1, part one of the document (Council of the European Union et al. 2005).

⁷⁵ The report annexed to the Communication from the Commission from 2005 gives an insight in how the consultations with the Commission about the new intermediary targets for year 2010 had proceeded. It shows particularly that Latvia and Lithuania were the only countries that explicitly took a negative position to defining a new EU target for 2010. Latvia and Slovakia, however, were the only new member states that explicitly advocated a special intermediary target for new member states for 2010, while Czech Republic, Estonia, Hungary and Lithuania were explicitly against it. (EC 2005b:12) As Carbone (2007:77) asserts, a few new member states “doubted their ability to achieve the 0.17 target by 2010 and wanted to eliminate the reference to the 0.33 target”.

Table 7: The EU commitments in regard increasing the financing for foreign aid

Documents	Collective commitments in regard to the ODA (both “old” and “new” member states)	Individual commitments in regard to the ODA (“Old” member states)	Individual commitments in regard to the ODA (“New” member states)
<i>Council Conclusions from 14 March 2002 (the Barcelona commitments)</i>	To reach the 0.39% ODA/GNI target by 2006	To reach the 0.33% ODA/GNI target by 2006	
<i>Council Conclusions from 24 May 2005 & the European Consensus on Development (2006)</i>	To reach the 0.56% ODA/GNI target by 2010	<ul style="list-style-type: none"> • To reach the 0.51% ODA/GNI target by 2010 • To reach the 0.7% ODA/GNI target by 2015 	<ul style="list-style-type: none"> • To reach the 0.17% ODA/GNI target by 2010 • To reach the 0.33% ODA/GNI target by 2015

Sources: Council of the European Union, the (2002a) “Agreement reached by Foreign Ministers with a view to the International Conference on Financing for Development (Monterrey, Mexico, 18-22 March 2002), 7274/02 Presse 76, Brussels, 14 March 2002”, *Website of the Council of the EU*, <http://register.consilium.europa.eu/pdf/en/02/st07/st07274.en02.pdf>, last viewed on 29 April 2013 – 2; Council of the European Union, the (2005b) “Conclusions of the Council and Representatives of the Governments of the Member States Meeting within the Council, Brussels, 24 May 2005, 9266/05”, *Website of the Council of the EU*, <http://register.consilium.europa.eu/pdf/en/05/st09/st09266.en05.pdf>, last viewed on 29 April 2013 – 5; Council of the European Union, the, European Parliament and the European Commission (2005) “Joint statement by the Council and Representatives of the Governments of the Member States Meeting within the Council, the European Parliament and the Commission on European Union Development Policy: ‘European Consensus on Development’ (2006/C 46/01)”, *Website of the European Commission*, http://ec.europa.eu/development/icenter/repository/european_consensus_2005_en.pdf, last viewed on 4 May 2013 – C46/5.

On considering the evolution of the Commission’s monitoring exercise, I argue that the Monterrey process and, in particular, the Commission’s monitoring should be conceptualised as EU adaptational pressure. There is no doubt that the soft law on increasing the ODA volumes (see Table 7) implied that implementation of the commitments depended on the political will of the member states (cf. Carbone 2007:74-5; cf. Lightfoot 2010:337). Although the EU had agreed on monitoring and follow-up procedures, there was no “harder” enforcement method than “naming and shaming”, which at the very least can incur reputational costs to non-compliers. The commitments were also perceived by the new member states as soft *acquis*. A senior official at the Latvian MFA⁷⁶ described the EU commitments for increasing the ODA as the “political” or “soft *acquis*”, i.e., common norms agreed as political commitments before the accession, as in contrast to the “hard *acquis*”, i.e., common norms institutionalised in the EU legislation before the accession (Interview 27).

⁷⁶ The official name of the ministry is Ministry of Foreign Affairs of the Republic of Latvia (in Latvian – Latvijas Republikas Ārlietu ministrija).

However, there are at least three reasons to believe that the monitoring exercise was not as toothless as it might appear at first sight. First, it is my assessment that the follow-up process incurred certain costs to the member states and the Commission. In short the monitoring processes consisted of the Commission sending out an annual questionnaire (the Monterrey questionnaire) that the member states were supposed to complete and return to the Commission. The Commission then prepared a yearly report on the basis of the Monterrey questionnaire that surveyed, among other things, the financial targets agreed in the Barcelona Council, Monterrey Conference, and later also in Council Conclusions from 24 May 2005, which were re-confirmed in the European Consensus on Development. If the member states were not really committed and/or were only paying a lip service to their commitments, one could argue counterfactually that there were rather high incentives for the member states to abolish the follow-up procedure altogether as to complete the Commission's questionnaire was quite labour-intensive as it demanded increased administrative resources (staff, costs from exchanging the relevant information among the national aid agencies, time, etc.). This was confirmed by a Latvian civil servant dealing with the Monterrey reports (Interview 3).

Second, it should be kept in mind that the EU, at that time, was concerned with the role of the EU in international politics. For instance, the External Relations Council Conclusions from January 2004 reveals how the foreign ministers of the EU member states discussed the EU leadership in the international arena and that they considered achieving the Millennium Development Goals as a “key objective for the European Union and the wider international community. The commitments made by EU Member States at the Monterrey Conference reflect the Union's leadership role in international efforts to achieve the MDGs” (Council 2004:6). Achieving the targets agreed to in the Barcelona Conclusions thus was about the credibility and prestige of the EU as an international actor or, as the Council Conclusions from 15 May 2007 put it, “meeting these targets is crucial for the credibility of EU” (Council 2007:3). The EU, in other words, had an interest in monitoring and achieving the progress towards the Monterrey financial targets. While there are many reasons to focus precisely on the Monterrey process and the quantitative aspect of ODA, the volume of ODA was seen as essential in order to achieve the MDGs on time.

Third, even though the Commission's reports seem to be very diplomatically and carefully worded, they prompted discussions in the Council structures, especially, the Working Party on Development Cooperation (CoDev). The Commission also engaged in informal consultations with the member states before and after the Commission's reports were submitted to the Council. At the CoDev, the member states engage also in discussions with the member states' representatives on how the member

states have been assessed and the implications of the assessment. It is likely that it is exactly in this forum that the peer pressure is exerted on the countries to comply with the EU commitments.

In sum, the EU commitments (see Table 7) were adopted in form of the soft law. Still, the member states seemed to be interested in following up the commitments, as they voluntarily institutionalised a special review process – the Monterrey process – and were, at the time, concerned about the EU’s role in global politics. In this process, the Commission played the role of coordinator and all the member states seemed to accept this role (Carbone 2007:76). While the commitments were not binding and there were no sanctions for non-compliance with the EU commitments, it seems that the Monterrey process can be conceptualised as an instrument to exert peer pressure that implies that the member states and the Commission together were enforcing the voluntary commitments through social influence. This reading is supported by Carbone (2007:78) who refers to “name and shame” as the Commission’s strategy in enforcing the commitments. In the following two sub-sections, the cases of Slovenia and Latvia will be closely examined to investigate whether, to what extent and how the EU exerted adaptational pressures on these individual member states.

Slovenia

The first Monterrey report from spring 2003 surveyed only performance of the old member states and briefly discussed also “the context of enlargement”. According to the Commission’s estimates presented in the report, Slovenia would have to allocate EUR 105.3 million to reach the 0.33% ODA/GNI target (EC 2003a:8). According to the “least positive scenario” presented by the Commission, Slovenia would allocate only EUR 9.7 million or 0.03% ODA/GNI (EC 2003a:8).

The first time when the performance of new member states was evaluated was in 2004 when the Commission lauded the progress of the countries in establishing their foreign aid structures as “promising” (EC 2004a:6). The Commission noted that the new member states allocated only 0.03% of their collective GNI to ODA in 2002, but it also remarked that the CEECs “face special constraints” in the foreign-aid policy area (EC 2004a:6). Although the tone of the report was encouraging and spoke of the “promising readiness” of the CEECs to engage in development co-operation, it seems that the Commission had few illusions about their readiness to achieve the Barcelona commitments by 2006. The report cited Slovenia (together with Cyprus and Malta) as positive examples noting that they “could have the possibility of progressing rather faster and could reach 0.15% ODA/GNI rates by 2006” (EC 2004a:7).

The 2005 report was predominantly concerned with the review of the Barcelona commitments. New targets were proposed for the new member

states which were expected to achieve the volumes of 0.17% ODA/GNI and 0.33% ODA/GNI by 2010 and 2015, respectively. The tables reporting the country performance reflected that Slovenia had reached 0.1% ODA/GNI in 2003 (EC 2005a:6) and projected that Slovenia would have to allocate EUR 53.9 million to ODA by 2010 if it were to achieve the proposed new target of 0.17% ODA/GNI (EC 2005a:7).

In 2006, a short section in the Commission's Communication was devoted to the contribution of the new member states and it was introduced by a reference to their "specific situation" (EC 2006a:7). The report was a careful mixture of signals. On the one hand, the Commission encouraged the new member states by lauding their efforts to reach the target of 0.17% by 2010 that "would equate to the projected ODA/GNI ratio of the US" (EC 2006a:8). On the other hand, it also issued a warning: "Whereas some countries have planned for progressive aid increases, others need to step up their effort and adapt their ODA budgets, especially through allocations other than their contributions to the EC budget and the 10th EDF" (EC 2006a:8). This was reflected also in the Commission's appeal to the Council to "encourage" the new member states "to sustain and step up their efforts to achieve 0.17% ODA/GNI individually by 2010" (EC 2006a:9). In the annexed report, the Commission discussed the situation of the new member states and, once again, it praised their efforts in increasing their ODA, calling their efforts "impressive" and comparing them to the USA and Japan (EC 2006b). The Commission particularly singled out Slovenia and Malta and noted that "Slovenia's efforts are geared towards achieving 0.18% by 2010" (EC 2006b), which implies that Slovenia would over-perform in regard to its financial commitments.

In 2007, when the Commission reviewed the old member states' performance in achieving their first intermediary target, the Commission issued three Communications at the same time. The Commission praised the new member states which had doubled their aid budgets since 2004 which the Commission interpreted as a demonstration of their "commitment to the Community acquis" and "will to achieve their individual targets" (EC 2007a:4; see also EC 2007b:5-6). While the Commission "named and shamed" the old member states,⁷⁷ none of the new member states were singled out. The new member states, as a group, were praised for doubling since the accession their ODA volumes, but the Commission noted that "also, some of the EU-12 (the member states that have joined since 2004) have yet to demonstrate how they intend to further increase their aid volumes in the run-up to 2010", which implies that the Commission was careful about the

⁷⁷ The Commission was critical that there were "marked disparities between the member states" regarding their efforts in increasing their aid budgets (EC 2007a:4) and it singled out Greece, Italy, and Portugal which thus indicates that the critique was directed at them (EC 2007b:6). At the same time, Sweden's performance is lauded as "outstanding" (EC 2007b:5).

long-term trends of their ODA increases (EC 2007b:6). In the voluminous Staff Working Paper annexed to the report, the Commission reviewed the achievement of individual member states in the compiled country profiles. The Commission assessed Slovenia in fairly positive words: “According to forecast figures in the ‘Monterrey survey’, SI [i.e., Slovenia] is on track to reach the 2010 intermediate target” (EC 2007c:132).

In 2008, the Commission sent an alarming message. While Commission noted that the EU still was the biggest donor, the levels of the EU aid had for the first time decreased since the Barcelona Commitments were adopted in 2002⁷⁸ (EC 2008a:3). It can be inferred that the Commission was concerned whether the EU would be able to reach its intermediary financing targets in 2010 and it urged the member states to re-confirm their financial commitments for 2010 and 2015 (EC 2008a:6). In the accompanying document, the Commission singled out the old and as well as new member states whose performances had deteriorated since the last report.⁷⁹ Slovenia was mentioned in a positive context as one of the eight EU member states that have “government-wide agreed policy documents containing a timetable that leads to achieving agreed EU – or more ambitious national – ODA targets” (EC 2008b:18) and thereby had demonstrated its political will to achieve the individual targets.

In 2009, as the global financial crisis hit the EU, the Commission’s Communication was framed within the context of the economic crisis and, even so, the Commission was positive that the EU had reversed the downward-trend of 2007 in aid contributions. However, the document is critical of those member states that were “far removed from the 2010 individual milestones”, although they are not named in the Communication; the Commission went even further urging the member states that they “must honour their individual and collective commitments to reach their ODA targets by 2010 and 2015” (EC 2009a:5). The Staff Working Paper, which was attached to the Communication, explicitly named the member states that performed well and those that performed poorly. Cyprus and Slovenia, from the new member states, were lauded for scaling-up their ODA volumes. Against the background of the big, old member states that had either shown volatility in their aid performance or downright decline, the new member

⁷⁸ The Communication was very general in its review of the EU aid levels and it concentrated more on the predictability of the aid flows (e.g. “We must be serious about the predictability of aid” EC 2008a:6), fair burden-sharing of providing the aid, and the climate change. However, the Commission warned that “this year will also be crucial for Europe’s credibility” (EC 2008a:4). It seems that the Commission was particularly concerned about the declining aid flows from the big EU countries which had the negative potential of failing to achieve the aid targets of 2010 and 2015 and urged the member states to “demonstrate better political will to bridge the **increasing gap** in the spirit of securing **fair burden-sharing between Member States**” (EC 2008b:21; emphasis in original).

⁷⁹ The Commission singled out Portugal, Italy, Greece, France, the UK, and Belgium, but also explicitly criticised Bulgaria and Romania, which, due to their “relatively big economies” and low ODA volumes “impeded an improvement of Europe’s collective aid levels as a share of GNI” (EC 2008b:12).

states were generally regarded in a positive light, while it was noted that only five countries plan to achieve their target of 0.17% by 2010, among them, Slovenia (EC 2009b:27). Slovenia was also named among those countries that had lately increased their ODA (EC 2009b:21).

In 2010, the Commission's Communication regarding the financing for development noted that the EU was behind the schedule of achieving the collective target of 0.56% of GNI/ODA and that the levels of aid in 2009 were a decrease from the levels of 2008. Innovatively and unprecedentedly, the Communication called upon the member states to enact "national legislation for setting ODA targets, based on experience in Belgium or the United Kingdom" (EC 2010a:5), which is by far the strongest initiative suggested by the Commission to achieve sufficient financing for development targets.⁸⁰ In general, the situation of the development budgets was characterised pessimistically: "The EU is thus set to miss its collective intermediate target of 0.56% of GNI by 2010 by a wide margin because many Member States will not reach the individual minimum intermediate EU ODA targets fixed for 2010" (EC 2010b:15). The Commission discussed at length the situation in the old member states, but also mentioned positively some of the new member states were,⁸¹ while noting that other "EU-12 donors are off track". Slovenia was mentioned as an exception as it "is relatively close to the target in 2009" (EC 2010b:17). While the document detailed the ODA trajectories from 1995-2015 for every member state, most of the attention was paid to discussing the situation in the old member states and ways how to move forward (EC 2010b).

In 2011, the Commission reviewed how the member states have performed in achieving the collective EU intermediate target of providing 0.56% ODA/GNI in 2010 and concluded that "while reaching a historical high of EUR 53.8 billion, representing 0.43% ODA/GNI and mobilising additional more than EUR 4.5 billion despite the economic downturn, Member States missed the intermediate target, falling short of the promise by EUR 15 billion" (EC 2011a:5). It also warned that large disparities in the aid contributions exist among the member states and that "unless all EU Member States do their agreed part, the EU will not reach the collective 2015 target" (EC 2011a:5). The Commission also urged the member states to re-

⁸⁰ Besides, the Commission suggested increasing the monitoring and "accountability mechanisms", annual action plans and other instruments to ensure that the member states reach the individual and collective targets, even involving the European Council. (EC 2010a:5) This proposal was developed to a greater detail in the annexed Staff Working Paper where different options of how to demonstrate the "EU's resolve to reach the 0.7% ODA/GNI target by 2015" were discussed (EC 2010b:18), *inter alia*, committing to a new intermediary targets (0.57% for the old member states and 0.22% for the new member states) for the year 2012 (EC 2010b:20).

⁸¹ The Commission noted that Malta and Cyprus "achieved or exceed their commitments of 0.17 one year ahead of the 2010 deadline" (EC 2010b:16).

confirm their commitments to achieve the ODA targets and to enshrine their commitments in the national legislations (EC 2011a:10).

Four reports were annexed to this Communication, but only two are of particular interest here. In one of them, the Commission analysed the success and shortcomings in reaching the financial targets of the EU member states.⁸² Special note was taken of the success of the UK, Germany, France and Belgium; all had increased their ODA contributions in 2010. As well it noted the continued success of Cyprus in surpassing its individual target by reaching 0.2% in 2010. In a more negative light, the Commission noted that nine member states had decreased their ODA, among them also four new member states: Latvia, Lithuania, Malta, Romania and Slovenia (EC 2011b:28). It is significant that Slovenia was grouped among those member states that “have missed the 2010 targets but could step up their efforts. They account for 40% of the funding gap and the risk of not meeting their targets on time is relatively high.” (EC 2011b:35) In the second report, Commission had compiled extensive country profiles. It outlined, among other things, the policy framework and analysed the performance of all the individual member states in reaching the ODA targets and whether any “realistic, verifiable” measures have been taken to conform to the EU goals in this area. It concludes that Slovenia’s contributions have decreased in comparison to 2009. In ascertaining whether Slovenia had made any “realistic, verifiable actions for meeting individual commitments until 2015”, the Commission analyzed the domestic legislation regulating the ODA flows and noted that Slovenia’s foreign-aid policy statement contains a “vague commitment” to reach the EU targets. However, it is puzzling that, instead of criticising the vagueness of the policy statement or the failure to achieve the individual target, the Commission noted:

So far, those commitments have been maintained. As a reaction to recent budgetary constraints, the MFA has (this year, for the first time) requested the Government to give more exact (budget) indications on ODA expenditure until 2015 in order to secure the predictability of ODA funds and increase overall ODA volumes, as opposed to rather pessimistic projections until 2015. (EC 2011c:137)

It seems that the Commission was wary of openly criticising Slovenia, which, at that time, had one of the highest ODA/GNI volumes among the Central and Eastern European donors.

⁸² Significantly, when the Commission analyzed the future trends it mostly focused on the old member states and noted that “the majority of 12 newest Member States do not see the 0.17% or 0.33% targets as firm commitments, and have adopted lower national targets (e.g. Estonia forecast to reach 0.17% by 2015, Cyprus 0.18% by the same year) or seem to have no plan for ODA increases” (EC 2011b:34).

Latvia

In the first Monterrey report, the Commission forecasted two scenarios describing how the new member states might achieve their individual targets by 2006. In the Commission's more positive scenario, Latvia would have to allocate EUR 59.7 million to reach the 0.33% ODA/GNI target (EC 2003a:8). According to the "least positive scenario" presented by the Commission, Latvia would allocate only EUR 3.6 million or 0.02% ODA/GNI (EC 2003a:8).

The first time when the performance of new member states was evaluated was in 2004 when the Commission took a generally positive view of the evolving policies (EC 2004a:6). The report did not explicitly name Latvia, but it noted that, according to a special study, the Baltic countries "could reach 0.1% ODA/GNI" by 2006 "with some increase in their non-EC budgets". This can be interpreted as an implicit encouragement to Latvia to increase its bilateral and multilateral foreign aid policy, channelling the ODA outside the EU framework. In the same sentence the Commission deemed Slovenia, Cyprus and Malta more capable of allocating even higher ODA volumes than the Baltic countries, which implies that Latvia was not seen as a strong emerging donor (EC 2004a:7).

As noted above, the 2005 report proposed establishment of new targets for the EU member states and in so doing differentiated between the old and new member states. The report did not name any new-member state, nor did the report evaluate their performance, but the tables reporting the ODA/GNI volumes indicated that Latvia had allocated approximately EUR 1 million or 0.008% of its GNI to ODA in 2003 (EC 2005a:6) and projected that Latvia would have to allocate EUR 25.8 million to ODA by 2010 if it were to strive to achieve the target of 0.17% ODA/GNI, proposed by the Commission (EC 2005a:7). In other words, the Commission expected Latvia to achieve an ODA increase of more than 2400% by 2010.⁸³

In 2006, the Commission briefly discussed the contribution of the new member states, but it did not single out any country or evaluate their individual performance (EC 2006a:7). As I noted above, the Commission evaluated their performance as a group and the evaluation was cautiously positive (see, e.g., EC 2006a:8-9).

⁸³ Having in mind that the proposed targets would imply huge increases of Latvia's foreign aid, the Commission indicated that "Latvia is not ready to define a new interim target for additional ODA increases and higher ODA targets in early 2005 for 2009/2010 neither is ready to define a new interim target for the new Member States by 2010" (EC 2005b:69). Latvia's unwillingness to set out new, more ambitious ODA/GNI targets should be seen exactly in the context of the estimates provided above that indicated that even targets proposing modest increase of ODA/GNI implied a need to mobilise relatively large resources.

The annexed report noted:

The Baltic countries and the Czech Republic, who were not yet in a position to explain medium-term budget planning for development assistance, and Cyprus, need to strengthen their efforts and adapt their ODA budgets as from 2006, especially through aid allocations in addition to their contributions to the EC budget and the 10th EDF. (EC 2006b)

Given that the Commission in the same paragraph had cited that Slovenia was planning to attain a higher ODA allocation by 2010 than the individual target prescribed it, we see that Latvia once again was implicitly mentioned in a context that was not favourable to the country's reputation as an emerging donor. We see in the quotation above that the Commission was sending another reminder to Latvia to develop a more active bilateral and multilateral aid policy by channelling its aid not only through the Commission.

In 2007, in its review of the performances of new member states, the Commission noted that the new members had doubled their aid budgets since 2004 (EC 2007a:4; see also EC 2007b:5-6), but it did not single out any of the new member states for praise or criticism. The Commission remained wary about the long-term trends of ODA from the new member states (EC 2007b:6). In the annexed report, the Commission briefly reviewed the achievement of individual member states and its assessment of Latvia was relatively pessimistic: "Latvia's ODA levels [are] still at very low levels and substantial efforts are warranted to better demonstrate how it strives to achieve the individual 0.17% ODA/GNI baseline by 2010" (EC 2007c:106). If compared with, for example, the assessment of Slovenia, this message should be interpreted both as a warning and as a criticism. The Commission not only noted that the volumes were low, but it also implicitly questioned the will of Latvian government to reach the 2010 target.

The 2008 report was generally pessimistic due to the overall dip in the member states' performance in regard to their financial commitments. In the annexed report, the Commission did not shy away from singling out individual states that had under-performed in 2007. Latvia was mentioned as belonging to the group of countries that "seems to have decided to restrict the scaling-up implying that by 2010 aid amounts will be insufficient by a wide margin to approach pledged ODA levels" (EC 2008b:18). This was by far the worst assessment of Latvia's performance, and was accentuated by the Commission urging "those that have not prepared for reaching 2010 milestones", which included Latvia in 2008, "to demonstrate better political will to bridge the increasing gap in the spirit of securing **fair burden-sharing between Member States**" (EC 2008b:21; emphasis in the original text).

In 2009, the Commission discussed the global financial crisis in its report. Even though the downward-trend of 2007 was reversed, the document was critical of the member states that were not even close to achieving their individual targets. The attached Staff Working Paper named the member states that over- and under-performed. Latvia was mentioned among those countries that “either maintained or slightly increased their ODA levels” (EC 2009b:21). The Commission also mentioned that Latvia was increasing its aid, but was not planning to achieve the individual target by 2010 (EC 2009b:27). It also mentioned that the “pace for moving to the individual baseline targets [...] of 0.17% ODA/GNI for the EU12 is by and large insufficient” and urged the member states to consider fair burden-sharing (EC 2009b:26). While Latvia had improved its performance since the 2008 report, the country was still considered to be a relative “laggard” among other member states.

In 2010, the Commission warned the member states that the EU would probably not be able to achieve the collective target of 0.56% of GNI/ODA and that the aid volumes had decreased since 2009. The report was generally pessimistic and it criticised both the old and new member states. With exception of Cyprus, Malta, Lithuania and Slovenia, the “other EU-12 donors are off-track, as they forecast they will not reach the 0.17 ODA/GNI target in 2010” (EC 2010b:17). Interestingly, Latvia was not explicitly mentioned among the under-performers, but the Commission’s forecasts attached to the report indicated that Latvia would have to increase its ODA by EUR 7 million every year (which would constitute a “25% average growth rate in ODA volume”) in order to reach the 2015 target (EC 2010b:65).

In 2011, the Commission confirmed that the EU missed the 2010 collective intermediate target of 0.56% ODA/GNI (EC 2011a:5). It took note of the large disparities in the aid contributions among the member states and warned that, unless all the member states mobilise their aid budget, the EU also might miss its 2015 target (EC 2011a:5). The annexed report indicated that “ODA fell in nine Member States” during the period 2009-2010, among which Latvia was named (EC 2011b:28). However, the Commission softened to some degree its comment by saying that “for most of them the decline was minor”, in comparison to Spain that had “the worst aid cuts” (EC 2011b:28).

It was mentioned that “in order to reach the 2015 target Latvia would need to sextuple its current ODA volumes over the next five years” (EC 2011b:28) because Latvia, as shown in a comparative table, had the lowest ODA/GNI rate in the whole EU – 0.06% ODA/GNI in 2010. Moreover, the Commission ranked Latvia among those eight countries that “are far behind and are unlikely to meet their individual targets by 2015” (EC 2011b:35). The “likelihood of major improvements” in the eight countries was deemed to be “low” (EC 2011b:35). The pessimistic prospects were confirmed also by Latvia’s country profile in which the Commission asserted that “no realistic,

verifiable actions for meeting individual ODA commitments until 2015 [were] taken in 2010” (EC 2011c:89). It seems that the Commission considered Latvia achieving its EU targets to be a “lost cause”.

Summary

Since the first Monterrey report in 2003, the EU pressure paid increasingly higher attention to the performance of the new member states. Unlike in the first report, the second report from 2004 started to review how the new member states complied with the Barcelona commitments and in later reports from 2006 how they complied with their commitments that were outlined in the Council Conclusions from 14 March 2005. Until 2008, the Commission’s reports were generally optimistic and encouraged the new member states in their efforts to reach the individual targets. Since 2008, the reports have become increasingly wary of the ODA trends in both the old and new member states. In particular, the 2010 and 2011 reports were pessimistic, because the EU was collectively far from reaching the 2010 collective target of allocating 0.56% of GNI to the ODA. Generally, the Commission paid more attention to the old member states throughout this period. It did not shy away from singling out those old member states that were not increasing their ODA or were cutting it thus acting contrary to their financial commitments, but it should be mentioned that the Commission, generally, criticised the member states’ performance in a very cautious manner, avoiding an explicitly evaluative language. When it comes to the appraisal of the new member states, the Commission often appraised their performance as a group, collectively speaking of the “new member states”. An individual appraisal was rare and it often can be only inferred from carefully examining the context of documents and the tables that outlined the ODA trends of every individual member state that one can discern which countries were being mentioned. The Commission annexed the Staff Working Papers to the 2007, 2010 and 2011 reports and these documents contained country profiles in which the country performance was assessed to a greater detail.

Examining the Commission’s assessment of Slovenia and Latvia during the period 2003-2010, the Commission appraised their performance differently. In 2004, the Commission appraised Slovenia more capable of rapidly increasing its ODA to a higher level than other member states. In 2006, the Commission mentioned Slovenia as a country that would achieve higher levels of ODA by 2010 than its 2010 individual target. Positive assessment continued also in 2007, and also in 2008, when the EU was generally assessed as being “off-track”, Slovenia was ranked among those countries that, most probably, would achieve the targets. In 2009 and 2010, Slovenia was once again mentioned in a positive context. The 2010 report singled out Slovenia as an exception among the new member states because

it was considered to be close to reaching its 2010 target. Interestingly, Slovenia missed the 2010 target, but it still was cautiously assessed as being capable of “stepping up” its efforts and reaching the 2015 target.

In comparison to Slovenia, Latvia was not seen as an equally strong emerging donor when the Commission appraised its ability to increase the ODA in 2004. It was suggested that Latvia could reach 0.1% ODA/GNI by 2006, if it was to increase its non-compulsory part of foreign aid along with the payments to the Commission’s aid programs. In 2006, the Commission directed an implicit critique against Latvia for not being able to demonstrate how it will increase the ODA volumes and Latvia was once again indirectly encouraged to engage more actively in bilateral and multilateral aid policy outside the EU framework. Similar appraisal, if not even stronger, was delivered in 2007 and the Commission seemed to question Latvia’s will to increase the ODA to reach its individual target. In 2008, the criticism became even more pessimistic when the Commission placed Latvia in the group of countries that seemed to have given up on scaling-up of ODA and, once again, the political will and its solidarity with other member states was questioned. In 2009, Latvia was ranked among those countries that recently had increased or maintained their ODA volumes at the previous levels, but it also noted that Latvia was not planning to increase its ODA. While Latvia was not singled out in the 2010 report, it was seen, as were most of the new member states, as being among the member states that in terms of reaching their individual aid targets were “off-track”. The 2011 report considered that Latvia was too far-away from reaching its ODA targets and the pessimistic appraisal of the country gave no cause for optimism in the future.

Intermediate conclusions

In this chapter, I reviewed two monitoring processes carried out by the EU, and the Commission: 1) pre-accession exercise and 2) Monterrey process. The first, the pre-accession monitoring exercise, was initiated in 1997 and continued until 2003. Here the main object of the monitoring was to ascertain how the candidate countries Slovenia and Latvia (among other CEECs that had applied for the EU membership) were adjusting to the EU acquis and whether they were prepared to take up the obligations that the EU membership implied. Among the many items that the Commission reviewed were the readiness of the candidate states to participate in the EU development co-operation policy, especially, how well the candidate countries’ trade arrangements were aligned with the EU trade regime with the ACP countries and whether the candidate countries were institutionally prepared to participate in the EU development co-operation policy.

The second monitoring process was part of the Monterrey process and it was launched in late 2002. This monitoring process aimed at assessing how the EU member states and the then-acceding countries (later, the new

member states) implemented the Barcelona commitments agreed to in 2002 in the run-up to the Monterrey Conference, with special attention to two commitments: (1) that the member states individually increase their ODA to 0.33% of their GNI by 2006 and (2) that the EU collectively reach the level of 0.39% ODA/GNI. Interestingly, with the accession of the eight CEECs in 2004, the monitoring exercise was extended also to their newly created foreign aid policies. However, this situation changed in 2005 when new financial commitments were agreed that provided that the old and new member states would reach differential targets of ODA increases. The new member states were expected to reach the 0.17% ODA/GNI target by 2010 and the 0.33% ODA/GNI target by 2015, which implied a substantial decrease in expectations and a transition period for the CEECs.

Throughout the chapter I have treated both the pre-accession monitoring (1997-2003) and the monitoring that ensued adoption of the Barcelona commitments (2002-2010) as adaptational pressures that stemmed from the EU. In both cases, the EU (and the Commission, in particular) expected the states to alter their policies in conformance with the EU norms – either the *acquis* or the financial commitments. However, in both cases the EU adaptational pressures were articulated cautiously and they can be judged as being low, especially, in comparison to other policy areas. In the first instance, the EU pressures in development co-operation were marginalised in the accession agenda as foreign aid policy was just one of many – and not even among the most important – policy areas. In the second instance, the EU pressures were low, because the Commission did not have any formal powers to issue any sanctions in case of non-compliance due to the soft law status of the EU's financial commitments.

The case studies of Slovenia and Latvia illustrates these trends very well. In spite of formal policy misfit between the EU expectations and the still emerging aid structures in both countries during the pre-accession period, the Commission's reports issued very concise and cursory assessments. This trend was reversed only in the later stage of accession (2002-2003) when the reports became relatively more detailed. In the case of Slovenia, the Commission noted its increasing aid activities, while in the case of Latvia, the candidate country was encouraged to improve its institutional structure and it, implicitly, was encouraged to be more active donor. Although Slovenia's aid policy was evaluated as being comparatively better than Latvia in the pre-accession phase, both countries were urged to comply with the EU, OECD DAC and UN norms in regard to development assistance even in the late accession period. However, the accession negotiations were concluded by December 2002 and it was unlikely that the Commission would endanger the approaching accession due to the insufficient progress in aligning with the *acquis* in the area of foreign aid policy.

The Commission's monitoring of how the member states implemented the Barcelona commitments, and the later financial commitments from 2005, was predominantly oriented towards the old member states. Performance of the new member states was reviewed cursorily, but the attention increased around 2006. Although both of the countries failed to reach their 2010 individual targets, the Commission treated Latvia and Slovenia differently throughout the period of 2002-2010. Generally, Slovenia was considered to be in a better position to reach the EU financial targets than Latvia. While Slovenia was often singled out for its comparatively good performance in approaching the targets, Latvia was often implicitly criticised and ranked among those new member states that lacked the will to align with the EU commitments.

Chapter Five: Domestic Response: Pre-accession period (1997-2004)

Introduction

In this chapter, I present an empirical account of foreign-aid policy evolution in Slovenia and Latvia before their accession to the EU (from approximately 1997 to 2004). I also set out the mediating factors that, based on my theoretical framework, serve as potential explanatory factors. The similarities and differences between the two countries are discussed in the last, summary section.

Domestic response in Slovenia

In reviewing the main historical developments in the initiation of Slovenian foreign aid, I pay particular attention to the Slovenian engagement in the stabilisation of South Eastern Europe (SEE), the institutional evolution of the foreign aid, and the financial dynamics of the Slovenian foreign aid in this period.

Evolution of Slovenia's foreign aid policy (1997-2004)

Independent Slovenia's engagement toward providing foreign aid can be traced back to late 1991 when it provided humanitarian aid to the refugees who had come to Slovenia fleeing the outbreak of war in Croatia. The first wave of approximately 30,000 refugees reached Slovenia in September 1991, and the second wave of approximately 40,000 refugees from Bosnia and Herzegovina reached Slovenia in April 1992 (Grisold 1994:38). Slovenia established the Office for Immigration and Refugees to deal with the refugee problem in 1992 and this institution together with Slovenian NGOs (Caritas Slovenija, the Red Cross of Slovenia, among others) as well as international donors provided ad hoc humanitarian assistance to the war refugees. According to Lene Hansen (1996:488), the influx of refugees was seen as an "economic burden" that caused "resentment among part of the population", but, at the same time, assisting the refugees was also seen as "a problem Slovenia had to deal with if it wished to live up to its new status as a European country"⁸⁴ (Hansen 1996:488).

Later, as part of the regional stabilisation efforts after the Dayton Agreement in 1995, a variety of top-down regional initiatives took place: namely, the Royaumont Process, the Southeast European Co-operative Initiative (SECI) and, after the war in Kosovo, the Stability Pact for South East Europe. At that time Slovenia tried to distance itself from the Balkan

⁸⁴ As a Slovenian observer put it: "The newly established Slovenian state, within limits of its economic and social capacities, has passed its cultural-civilisational test by accepting and providing legal status and suitable accommodation to a high number of refugees from Croatia and B&H." (Grisold 1994:44)

region and actively sought EU membership. The Royaumont Process, launched in December 1995, was an EU initiative to promote stability and “good neighbourliness” in the South East European region, but due to its emphasis on political co-operation, there was no particular aid budget (Clément 1999:78; Ehrhart 2003:118). Although Slovenia finally agreed to participate in the Royaumont Process, it was reluctant to involve itself too deep in this initiative (Clément 1999:84). Similarly, when SECI, the USA-inspired regional co-operation initiative, was established in December 1996, Slovenia was still very wary of any regional involvement in the Balkans⁸⁵ and, only after intensive persuasion, did Slovenia get involved in SECI following Hungary’s involvement in the initiative (Schifter 2006:162; Bechev 2011:44). SECI was not an aid program either, but aimed at creating a forum for mutual co-operation which would lead the countries to deeper integration in the EU (Clément 1999:79).

In 1999, after the Kosovo war, Germany, which held the EU Presidency at that time, pushed for creating an initiative that would stabilise and reconstruct the region as a whole and proposed to establish the Stability Pact for South Eastern Europe (Ehrhart 2003:119-20). The aim was to involve the EU and the Organisation for Security and Co-operation in Europe (OSCE) in the stabilisation of the Balkan region and the EU decided to play a “leading role” in this initiative (Ehrhart 2003:120). When Slovenia was invited to participate in the Stability Pact, it was at first reluctant (Interview 19). As a former senior diplomat described it, there was “strong” domestic opposition in the media and the political elite to Slovenia’s involvement in the Balkan region and it took some time before Slovenia agreed. Particularly important in this persuasion, according to the diplomat, were the USA and Germany:

And on the other side, we were pressed, so to say, by the Americans and by the EU to join: “You should help, you are not part of the problem, but you should be part of the solution... you should co-operate! You should help!” [...] We joined the Stability Pact after some hot discussions at home, after the opposition in the media and in the political elite, but we joined. We were advised, I wouldn’t say pressed, but advised that we should join, so... and of course, a part of that then... it was the new climate... and the part of that was also the technical assistance, co-operation and all that. (Interview 19)

However, the Slovenian side made a condition for its involvement that it be considered a donor country in the Stability Pact:

After the initial opposition in Slovenia, we were insisting, you know, that when we have this Stability Pact that we will join if also Hungary joins, Austria joins and some others. We insisted that we sit on the side of those who assist, not on the side of those who are to be assisted. We even had discussions on where somebody will sit physically

⁸⁵ As Bechev (2011:44) explained, Slovenia “first declined to take part fearing that SECI was covertly recreating Yugoslavia”.

in Sarajevo. We sit here... Germany, EU, Turkey and so on... Slovenia. And here they sit – Bosnia, Montenegro... those who are the problem. And here are sitting those who are trying to find the solution. But this was then the break. (Interview 19)

As the result, Slovenia participated in the founding of the Stability Pact in Cologne and later re-confirmed its commitments at the Sarajevo Summit where it promised as a donor state to contribute to the stabilisation and reconstruction of the region. In December 1999, the Slovenian Government adopted the “Strategy of Slovenia’s Integration in the Economic Reconstruction of South Eastern Europe” where it set out the main geographical areas for Slovenian assistance: Bosnia Herzegovina, Montenegro and Macedonia. (Slovenian MFA⁸⁶ 2000; Petric 2000) Although Slovenia engaged in playing the role of a donor in 1999, this document was by no means a comprehensive policy document outlining a systematic foreign aid policy (Mrak 2002:7).

In 1999, when the Declaration on the Foreign Policy of the Republic of Slovenia (1999) was adopted, development co-operation was not mentioned even once in the document. However, in the section devoted to relations with the SEE countries, it is asserted that Slovenia is an important partner to the international organisations and the international community in stabilising the region. The document stresses, furthermore, that it is in Slovenia’s political, security and economic interest to support the efforts of the international community to “stabilise and develop this area” (Deklaracija 1999). If read sympathetically, this passage can be seen as an indication that Slovenia asserts its new role as a donor country, even though it does not mention the word “donor”. Nevertheless, a formal policy document outlining the goals of the Slovenian foreign aid was not adopted until 2004.

Despite the lack of a formal policy paper, the Coalition Agreement (Koalicijski sporazum 2000), which is the Slovenian equivalent to the Statement of Government, also indicates that Slovenia had acquired a new role in the region. In the section on foreign policy, the governing parties noted that:

We help our partners and allies as “translators” of Balkan conditions, at which we are actually becoming busier in South-Eastern Europe within the framework of the so-called Stability Pact and SECI. We have to realise that once – if possible as soon as possible - the South Eastern European countries will become part of the European Union, at which our neighbouring country Croatia will soon be on the way to join us. Our work in this area is not only necessary, but also beneficial. (Koalicijski sporazum 2000)

⁸⁶ The official name of the ministry is Ministry of Foreign Affairs of the Republic of Slovenia (in Slovene – Ministrstvo za zunanje zadeve Republike Slovenije).

Moreover, in the section on public finances, the governing parties stated that among the tasks to be taken in 2001, the third priority would be the “introduction of an aid content coordinator for foreign aid within the Ministry of Economy or Ministry of Foreign Affairs” (Koalicijski sporazum 2000).

Slovenian foreign aid was modest in the period until 2004. Slovenian economist Mojmir Mrak (2002) notes that in 2000 and 2001 its official development assistance (ODA) was respectively around EUR 3 million and EUR 2 million. According to his “qualified” estimations, Slovenian ODA, as a proportion of GNI, was 0.015% and 0.01% in 2000 and 2001 respectively (Mrak 2002:5). At the same time, Mrak cautioned against making any conclusive judgments about these figures, as he indicated that “no comprehensive and reliable data is available about the volume and structures of Slovenian ODA/OA” (Mrak 2002:3).

The year 2002 was the first for which the Slovenian government presented data on Slovenia’s foreign aid, namely, around EUR 18.9 millions (Slovenian MFA 2005:25). After a dip in 2003, the foreign aid rose to EUR 18.3 millions in 2004 (Slovenian MFA 2005:25). The ODA/GNI proportion in this period thus fluctuates between 0.08% in 2002 and 0.1% in 2004 (see Table 8).

Table 8: The financial allocations to foreign aid policy in Slovenia before accession, 2002-2004

Year	Foreign aid, SIT, million	Foreign aid, EUR, million	Foreign aid/GNI (%)
2002	4.5	18.9	0.08
2003	4.2	17.7	0.07
2004	4.4	18.3	0.1

Sources: Slovenian MFA (2005) “Slovenian International Development Cooperation, 2002-2004”, *Website of the Slovenian MFA*, http://www.mzz.gov.si/fileadmin/pageuploads/Zunanja_politika/RA/Porocilo_o_MRS_2004_in_pred_tem.pdf, last viewed on 10 September 2011 – 25.

It thus seems that accession to the EU and monitoring of Slovenian foreign aid did have a positive effect because the proportion increased from 0.07% in 2003 to 0.1% in 2004. If the estimations by Mrak (2002) are also included in the analysis, then the rise of ODA/GNI, from around 0.01% in 2001 to 0.1% in 2004, can be described as impressive. In its destination, Slovenian bilateral foreign aid went more to the Western Balkans over any other region – 37.9% of the bilateral ODA went to the SEE countries; in comparison, only 10.2% of the aid went to Africa (Slovenian MFA 2005:26).

However, Slovenian foreign aid was plagued by the lack of a systematic approach to aid contributions in this period. Some informants call it “ad hoc

foreign aid” (e.g., Interview 6) suggesting that the foreign aid was distributed either on an ad hoc basis or according to the internal plans of the Ministry of Foreign Affairs (MFA) or other governmental ministries (Interview 13). However, this period was also characterised by Slovenian foreign aid being channelled to the Western Balkan region countries and the establishment of the “implementing agencies,” which received both the political and financial support from the Slovenian government.

In the early 2000s, it was not clear which institution had a coordinating role in foreign aid policy. As the Commission noted in its Regular Report in 2001, the Ministry of Economy was in charge of development assistance until a central, coordinating authority could be established (EC 2001b:83). This was particularly true in the case of assistance channelled through the structures of the Stability Pact, despite the MFA having overall responsibility for coordination of Slovenian actions within the framework of the Stability Pact (Mrak 2002:7). In March 2002, the Office for International Development Cooperation and Humanitarian Assistance was established within the Ministry of Foreign Affairs (MFA). At that time, the Office consisted of only two persons and its mandate was to co-ordinate existing foreign aid and to design a new policy framework. A representative of the MFA also chaired a special Inter-Ministerial Working Group, which was tasked with the co-ordination of foreign aid. However, development co-operation continued to be fragmented and characterised by a high degree of decentralisation. The line ministries dealt with relations with the multi-lateral organisations and implemented the foreign aid projects. For example, the Ministry of Economy was still cited as being “most involved in assistance matters”, while other ministries were implementing their own, specialised, development assistance projects. (Krichewsky 2003:29-30; see also Mrak 2002:9 and Slovenian MFA 2005:11) In 2004, the Office was placed within the Division of International Development Cooperation and Humanitarian Assistance within the same ministry. (Slovenian MFA 2005:11). In sum, in the period leading up to 2004 responsibility over assistance initiatives was decentralised to the line ministries and implementing agencies and it led to a high degree of fragmentation in emerging aid policy.

Evolution of foreign aid implementing agencies in Slovenia

As noted in the previous sub-section, the pre-accession period was characterised by the creation of implementing agencies. Before 2004 three such agencies were established: the International Trust Fund for Demining and Mine Victims Assistance (ITF), the Centre for Excellency in Finance (CEF), and the Foundation “Together”. These organisations will henceforth be referred to as implementing agencies. Though this chapter is about the pre-accession period, the three agencies’ evolution here described includes the time to around 2010.

ITF

The International Trust Fund for Demining and Mine Victims Assistance (ITF) was, and still is, acknowledged to be one of the most successful Slovenian implementing agencies (Interview 7; 14). Although the ITF was established by the Slovenian government in March 1998, the initiative, originally, came from the United States Department of State that was, at the time, looking for a partner in the region to implement projects of demining of Bosnia-Herzegovina as set out in the Dayton Agreement (Interview 14).

The ITF evolved as a body that, first of all, raised funding for the purpose of demining and for humanitarian assistance to the mine victims, as well as managing the donated contributions. Secondly, it was tasked with identifying and managing the projects on behalf of the recipient countries and the donors and, finally, with increasing the capacity of the national and regional authorities in the recipient countries to run efficiently the programs and projects (ITF 2010c).

The ITF is supported and provided premises by the Slovenian Government, and manages a wide network of donors. While there were only four donors (Slovenia, USA, Germany and Czech Republic) in 1998, this was increased to 33 donors in 2004, among them, the EU and 11 countries. Similarly, the total sum of donations to the ITF was USD 2.9 million in 1998; in 2004, it was USD 30.7 million. The financial situation continued to evolve positively after Slovenia's accession to the EU. In 2008, the total sum of donations was USD 33.9 million and the number of donors reached 47. Nevertheless, after the economic crisis hit the international community, the volume of donations decreased to USD 28.3 million in 2010. (ITF 2010b)

After the mission in Bosnia-Herzegovina, the ITF was involved in Croatia in 2000 and, later, the scope of activities expanded even to Albania, Montenegro, Macedonia, Kosovo and Serbia (Interview 14). In 2002, a geographical "spill-over" of the ITF activities to countries outside the Western Balkans and SEE region occurred when Azerbaijan became involved (Interview 14; ITF 2003:37). By 2004, the spill-over was a fact because the ITF had activities not only in Azerbaijan, but also in Armenia, Georgia and Cyprus (ITF 2005).

After 2004, the ITF broadened its scope of activities. In 2010, it was involved in several projects outside the ITF's "traditional area of focus" (South Eastern Europe) in such countries and areas as Armenia, Azerbaijan, Georgia, the Gaza Strip, Lebanon, Colombia, and Egypt (ITF 2010d). The ITF also has been involved in establishing regional co-operation in the Central Asia and there were plans for expanding the scope of activities to South Eastern Asia (Interview 14).

Although the ITF is situated in Slovenia and the Slovenian Government is one of its founders, the organisation does not consider itself to be a governmental agency (Interview 14). It is governed by the Managing Board,

which consists of nine representatives from Slovenia, Croatia, and Bosnia-Herzegovina that oversees the work of the ITF. The Board of Advisors consists of 32 donors and, while its role is of an advisory nature, it “draws attention to the matters, which are important to the donors, and to their desire and willingness to provide further assistance in relation to future ITF projects” (ITF 2010a).

At the same time, the ITF is not an international organisation, strictly speaking; interestingly, in closely co-operating with Slovenian diplomacy the ITF serves as a showcase of Slovenian development co-operation. Still, a senior official working at the ITF expressed the desire to see the ITF evolve into a full-fledged international organisation and thus clarify its legal status (Interview 14).

Moreover, the ITF enjoys strong political support not only from the foreign minister and the MFA, but also from President Danil Türk. It has also developed good relations with MPs, particularly, those who sit on the Defence Committee (Interview 14).

CEF

The Centre of Excellence in Finance (CEF) was created by the Slovenian Government on 11 January 2001. Along with the ITF, the CEF is considered to be one of the successful examples of Slovenian development co-operation. The mission of the CEF is to “promote awareness of international standards and best practice in public financial management and central banking” (CEF n.d.:2). This is achieved through organising specialised, tailor-made training, “encouraging knowledge sharing and research, and providing technical assistance” (CEF n.d.:2). While one of target groups of the CEF’s training activities are public officials in the central banking sector, the CEF is focused mostly on building capacities among officials in the finance ministries of the member countries of the CEF (Interview 11). As the CEF was established within the framework of the Stability Pact for the SEE, it directs its services to government officials from Albania, Bosnia Herzegovina, Bulgaria, Croatia, Macedonia, Moldova, Romania, Serbia and Montenegro, and Slovenia.

According to a senior official at the CEF, the initiative to establish the CEF came from the Slovenian government which was considered, at the time, as a positive example for other former Yugoslav countries:

It [The initiative] came from the numerous demands from the region... and it was a kind of response of the Slovenian government to reduce the number of demands by offering... since... you know, in May there was a course, in June the Serbs ask for exactly the same thing and in September the Macedonians – the same thing. Why not organise one even for everybody and everybody can get what he or she wants? (Interview 11)

However, like in the creation of the ITF, international actors were involved in the initiation of the CEF:

[W]hen we started this centre, Slovenia, at that time, had here an IMF resident adviser for... the budgeting processes... and... through that and through the co-operation with the World Bank and... the IMF actively supported and encouraged Slovenia to establish the centre. (Interview 11)

The income structure of the CEF consists of: 1) resources donated for the CEF operations (usually provided by the Slovenian Government), 2) resources aimed at advisory assistance (training), lecturers, and materials and for organising the specialised workshops (usually, provided by the donors) and 3) resources provided by the member countries to cover the expenses of workshop participants. The increase in CEF income illustrates the success of the organisation, particularly, in developing resources for CEF operations and training programs and workshops. In 2001, Slovenia provided a donation of USD 213,897 for establishing and running the CEF, while nine foreign donors sponsored the lectures with a total of USD 27,250. In 2004, the Slovenian donation covering CEF operations, had doubled to USD 563,667, supplemented by USD 59,154 from other donors (CEF 2005:19). In addition, USD 213,075 was provided by approximately 17 donors – the IMF, the Dutch Ministry of Finance, and the U.S. Department of Treasury among others – for training programs and workshops (CEF 2005:20). Moreover, after Slovenia’s accession to the EU, the CEF’s income continued to rise, as did the Slovenian share of contributions (Interview 11). For instance, in 2010, Slovenia provided a donation of approximately USD 1,143,019 to be used for the CEF’s operations; other donors provided approximately USD 768,821 for operations⁸⁷ (CEF 2011:79).

The CEF enjoyed much support from the Slovenian Ministry of Finance and other ministries. A senior official at the CEF expressed disappointment that the operations of the CEF had previously not been well monitored and evaluated by the government. The official seemed to be worried that the “success story” of the CEF operations might be “ruined” by the MFA introducing new reforms about how the implementing bodies should be run (Interview 11).

Similar to the ITF, the CEF has a complex governance structure with the Supervisory Board being the highest body in its hierarchy consisting of the ministers of finance and the heads of the central banks of the nine member countries (CEF 2005:7-10). The Management Board supervises the financial

⁸⁷ The CEF annual report from 2010 (CEF 2011:79) did not account for the income from Slovenia and other donors in USD, but in EUR only. Therefore I calculated an approximate value of the donations by assuming that the average price for EUR1 was USD1.3275 in 2010. The calculations were based on historical exchange rate data provided by OANDA (n.d.) “Historiska växelkurser”, *Website of OANDA Corporation*, <http://www.oanda.com/lang/sv/currency/historical-rates/>, last viewed on 22 February 2012.

and other operations of the CEF and is made up of three representatives from the Slovenian Government (CEF 2005:7-10). The Advisory Board is made up of representatives from the CEF's donor community (CEF 2005:7-10).

“Together”

The Foundation “Together” – Regional Centre for Psychosocial Well-being of Children (“Together”) was established by the Slovenian Government, NGO “Slovene Philanthropy” and the City of Ljubljana in February 2002. It aims at protecting and improving the psychosocial situation of children who live in the areas where conflicts, other forms of violence and natural disasters have been taking place. At the very beginning of its operation, the geographical focus of “Together” was Bosnia Herzegovina (Interview 3; Foundation “Together” n.d.a).

Given that one of its founders was “Slovene Philanthropy”, which had engaged in assisting refugees from the SEE countries during the 1990s, “Together” was considered to have the relevant expertise and the knowledge of the cultural context of the Western Balkans to engage in this humanitarian effort (Interview 3; Interview 1). Therefore it was able to attract financing from various sources:

The first source was the money given by Slovenia, but then it was not a lot of this money, because the development aid started then and maybe they gave for other activities, but not for these psycho-social activities, but, however, some money came also from Slovenia. The second source was the money given by other, usually, developmental organisations – Sweden, Ireland, Switzerland, Netherlands... Sweden was very generous and they gave money to “Together” to run programs in the Balkan countries. Sometimes also some NGOs gave money to “Together” and “Together” was implementing programs in Bosnia, Kosovo, Macedonia, and Serbia. The third source was the foreigners who gave the money directly to the NGOs in the countries that were affected by the war and to those who were hired to work there. (Interview 3)

This organisation also had financial support from various international humanitarian organisations, e.g., UNICEF and “Save the Children”. It also had a political support, as one of the founders was the Ministry of Foreign Affairs (Interview 3):

To put it simply, we had no problem with them. When we suggested something, they accepted it. We, of course, asked them – what are your priorities and preferences – but the Balkans were the priority all the time. But concerning the contact, we didn't have any problem. (Interview 3)

Later, “Together” expanded its scope of operation beyond Bosnia Herzegovina, launching projects in Kosovo, Macedonia, and Serbia (Interview 3). The “geographical spill-over” continued in 2004 when “Together” in co-operation with other humanitarian children organisations

carried out a project in Iraq which was funded by the Slovenian and Austrian governments (Slovenian MFA 2005:18). Also after 2004, “Together” has had projects in the South Eastern Europe (e.g., Bosnia Herzegovina, Macedonia, Serbia, Kosovo) and it has also worked with partner organisations in other areas, such as Chechnya and Ingushetia, Iraq, and Albania (Slovenian MFA 2011; 2010; Foundation “Together” n.d.b).

Summary

What can we learn from this overview of how Slovenia established the ITF, CEF and “Together” in the pre-accession period? My answer consists of at least three parts. First, we have learned that Slovenia, when it was involved in aid-giving, institutionalised its specialised assistance programs via implementation bodies. This might seem to be a trivial conclusion, but as I will show below Slovenian efforts to institutionalise its aid programs contrasts with the Latvian approach of aid-giving where no such agencies were created. Moreover, the creation of specialised aid-providing bodies continued after accession to the EU, as we will see in Chapter 6. Second, these bodies did not stop their activities when the initial aims were achieved, but consciously sought to expand their activities to other geographical areas. All three bodies, thus, further institutionalised to become the “face” of Slovenia’s aid policy enjoying great support from the MFA and the Slovenian political actors. Third, the establishment of these bodies was to a large extent driven by external and internal developments. International actors contributed to and encouraged the creation of the ITF and the CEF, while “Together” was initiated by the Slovenian government, the Ljubljana municipality and a Slovenian NGO. Still, all three bodies were created as a response to developments in the external environment – reconstruction of Bosnia and Herzegovina (the ITF), Slovenia’s involvement in the Stability Pact (the CEF), and the humanitarian crisis in the Western Balkans (“Together”). In sum, creation of the three implementing bodies nuances the picture of Slovenia’s foreign aid as being altogether driven by the EU accession. While we can say that the EU put the issue of foreign aid on the domestic agenda of Slovenian politics especially when the Stability Pact was created, there were many other actors involved in the evolution of foreign aid policy – both international and domestic.

Explanatory factors

In this section, I discuss the main factors suggested by the Europeanisation East literature to account for Slovenia’s adjustments in foreign aid policy before the accession to the EU.

Credible conditionality

As suggested by the RCI literature, credible conditionality can be one of the factors explaining policy adoption in the pre-accession period. Here I inquire whether foreign aid policy was part of the accession *acquis*, whether it was seen as a salient issue, whether there were any rewards/punishments attached to foreign aid policy adoption, whether the rewards/punishments were applied consistently, and whether domestic decision-makers perceived the conditionality as credible. I also try to identify any informational asymmetries decreased the credibility of conditionality.

Development co-operation was included in the Commission's monitoring of how Slovenia adjusted to the *acquis* throughout the pre-accession period (1998-2004). While the main aspects of the EU monitoring process were set out in the previous chapter on EU adaptational pressures, it is now appropriate to ask whether and to what extent EU conditionality was credible, according to the criteria described in the chapter on methodology.

First, we consider whether development co-operation policy was articulated in Slovenia's accession negotiations. The existing literature is unclear as to whether development co-operation was one of the items in the accession negotiations (e.g., Grimm & Harmer 2005:11). An informant with a background in the Slovenian NGO sector explained that development co-operation "was the area where the Slovenian negotiators did not negotiate" (Interview 12). A high-ranking civil servant at the Slovenian MFA who had participated in the negotiations with the EU contradicted this statement by pointing out that "we were negotiating, but this was not really a... hard issue" (Interview 17). Knowing that the latter informant had established her proximity to the negotiation events, I am more inclined to believe this civil servant's account that negotiations on this issue took place and that EU adaptational pressures, most likely, were articulated during the negotiations. Slovenia's initial negotiating position on Chapter 26 supports the civil servant's version that foreign aid policy was not seen as a problematic area from Slovenia's side:

The Republic of Slovenia does not have the scale of experience and resources which are available in the European Union. Nevertheless, Slovenia is already taking an active part in the provision of development aid for the restoration of Bosnia and Herzegovina according to its possibilities. The Republic of Slovenia does not expect any substantive difficulties as far as integration into the EU development policy upon accession is concerned. (Republic of Slovenia 1998)

Moreover, an examination of the later negotiation positions suggests that Slovenia did not request any transitional periods or derogations.⁸⁸

Nevertheless, it is not clear whether progress in aligning with the EU acquis in development co-operation was linked with any material rewards or punishments, as Slovenia's potential adjustments to the acquis in the area of foreign aid policy were not even mentioned in the Accession Partnerships, the documents in which the Commission outlined the reform priorities in the candidate countries and outlined the rewards. Even if there were no material rewards for compliance or punishment for non-compliance, the negotiation process could slow down if a country did not demonstrate that it was adjusting to the acquis, given that it was in the interest of the candidate country to complete the accession negotiations (cf. Grabbe 2006:32). Provisionally closing a negotiation chapter could be seen as a reward for adjustment or demonstrated will to adjust. It can be established that the EU closed the negotiation of Chapter 26, which included the foreign aid policy area, on 1 June 2001⁸⁹ (Republic of Slovenia 2001). The negotiations were provisionally closed before Slovenia had completed its adjustments. The foreign-aid policy structures were set up during 2002, yet the Slovenian government identified establishment of an aid coordinating structure as a governmental priority in 2000. Furthermore, the Office for International Development Cooperation and Humanitarian Assistance was established within the Ministry of Foreign Affairs in February 2002, and in that year Slovenia allocated approximately 0.08% of its GNI to foreign aid. Although a formal policy statement was not adopted, the Commission, most likely, concluded that Slovenia was adjusting to the acquis and closed the accession negotiations in December 2002. While the provisional closing of negotiations took place before the policy was adopted, the negotiations were concluded at the same time Slovenia set up its policy structures, therefore it can be concluded that the EU had been acting credibly. Accordingly, it rewarded the country by closing the negotiation chapter when Slovenia had demonstrated the will to adjust to the acquis in the respective policy area. I did not find any indication that rewarding Slovenia by closing the chapters was inconsistent, which also strengthens the assessment that conditionality was credible.

But did the Slovenian decision-makers perceive adjustments in foreign policy area as a condition for the accession to the EU? And, moreover, were

⁸⁸ The last negotiating position, adopted on 15 October 2002, stated once again that Slovenia does not demand any special treatment in regard to the Chapter 26, but it "expects that it will not implement the Financial Protocol to the Benin Agreement and will be upon its accession to the EU invited to accede to the next EU agreement with the ACP countries which will define financing of the 10th European Development Fund" (Republic of Slovenia 2002).

⁸⁹ The length of negotiations (1998-2001) on this chapter was not connected with any problems in foreign aid policy, but rather with Slovenia's wish to obtain a transitional period in trade relations with the Western Balkan countries which the EU opposed.

there any inconsistencies in the monitoring that might cloud the credibility of monitoring exercise? In addressing the first question, I was unsuccessful at establishing exactly when the Slovenian elites started perceiving the EU pressures to adapt. A civil servant, assigned to work with the development co-operation portfolio in the early 2000s, recalled that development co-operation was added to the agenda of adjusting to the *acquis* around 2001 or 2002 and that the then-State Secretary for Multilateral Affairs was “sympathetic” to the introduction of foreign aid policy:

And, of course, there were already certain signals coming from Brussels that we should follow certain policies as soon as possible. As you know, it was two years before our accession. (Interview 24)

It seems that Slovenian administrative elites became aware of the issue rather late, three or four years after the accession negotiations were launched. This realisation that foreign aid policy adoption could be a condition was partly influenced by the preparation works at the EU level related to participation in the Monterrey Conference in 2002 according to this informant. In addition, Slovenia participated in the Monterrey Conference where the EU presented its commitment to reaching the financing target of 0.7% ODA/GNI by 2015 (Interview 24). At that time, the EU sent invitations to Slovenia to participate in the development policy meetings at the EU level. Once it was realised that the adjustment was expected, the Slovenian response seemed to have been rather quick, taking just a few months:

So we have done all this prep[aratory] work on how to set up this kind of service with this colleague of mine... In few months time, it was three four, maybe five, months... when we set up this, we were already somehow put into... how to say... link to the European Commission heading this directorate already organising informal ministerial meetings... and I started attending the informal ministerial meetings... (Interview 24)

Other informants confirmed the role of the EU in adopting the policy and more strongly engaging in this policy area. An NGO representative with a long experience in the development co-operation explained that foreign aid policy was “something that Slovenia had to accept as part of becoming the member of the EU” and it was not negotiable (Interview 12). A decision-maker involved in the negotiations with the EU noted that:

During the approach to the European Union, there was no discussion about that Slovenia would not be a part of, you know, existing development co-operation, so we were... there was no question-marks about that should be or be not or will be, but we were from the very beginning decided that we will enter into this as soon as we will fulfil conditions and, as you know, we in... from 2004 we're donor country and from that we are trying to fulfil our commitments. (Interview 17)

Both informants indicated that policy adoption as such was not an issue (Interview 17; 12), because Slovenia's adjustment to the *acquis* was part of the government's wider strategy for entering the EU (Interview 12).

Throughout the field work and document analysis I found no evidence that would call into question the accuracy of the Commission's monitoring. Therefore I conclude that there is no reason to think that an informational asymmetry existed between Slovenia and the Commission that would have put Slovenia in a favourable position vis-à-vis the EU.

In sum, the most serious objection to the credibility of the EU conditionality is, probably, that it was a marginal policy area in the accession negotiations. Still, the Commission monitored Slovenia's progress in adjusting to the *acquis* in this area and the subject was brought up in the accession negotiations with Slovenia. The Slovenian decision-makers did not contest the *acquis* in development co-operation and they did not perceive the adoption of the development co-operation policy as a negotiable item. While there is no evidence that the foreign-aid policy adoption as an EU condition was linked to any direct material incentive, one can reasonably see the closing of the negotiation chapter on foreign aid as a "reward". In such a case, the reward was distributed to Slovenia after the progress in adjusting to the *acquis* was demonstrated and there is no evidence to question the consistency of the EU's distribution of reward. It is fair to conclude, therefore, that the domestic decision-makers perceived EU conditionality as credible.

Veto players and adjustment costs

In this section, I present findings on another factor suggested by the RCI literature that could account for delays in policy adjustment – influential veto players and high adjustment costs. I rely mostly on interviews with the actors involved to identify whether there were any domestic actors that tried to stop or delay the policy adoption and whether there were any domestic actors that perceived the policy adoption as incurring high adjustment costs.

The interview data do not explicitly support the thesis that veto players might have delayed or constrained the foreign aid policy adoption as such in Slovenia in the period from approximately 1998 until 2004. As mentioned above, Slovenia engaged in development co-operation in a more systematic way around 1999 when it decided to participate in the Stability Pact for South Eastern Europe. As one of the informants noted, there was originally opposition to this policy initiative from the media and politicians who perceived this aid effort as an inappropriate rapprochement with Serbia and other former Yugoslav republics (Interview 19). But Slovenia's final decision to engage in the Stability Pact demonstrates that the government forced through its will despite the initial opposition. Moreover, the government established the CEF in 2001 which was designed to channel the Slovenian

contribution into the framework of the Stability Pact. This evidence contradicts expectations that a powerful governmental actor would have tried to constrain the policy adoption. In analysing the interviews, one particular theme emerged that I examine below, i.e., the fragmentation of Slovenia's aid architecture. In the beginning of 2000s, the splintering of Slovenian development co-operation structure gave rise to opposition against the centralisation and coordination efforts from the side of the MFA. The emerging agencies (the ITF founded in 1998, the CEF founded in 2001, and the Foundation "Together" founded in 2003) as well as the line ministries were running their own development projects. When the researchers tried to obtain an overview of the ODA spent by different governmental bodies, they came to conclusion that the figures they had obtained were not fully reliable – the ODA volume might have been even higher (Mrak 2002; Interview 22). At the same time, the MFA tried to exercise its newly acquired role as a national co-ordinator of the aid, but a centralisation of development co-operation would have meant that the ministries would have to give up these budget lines, which they were not willing to do so (Interview 5; 13; 22; 24). Apparently, the various aid projects managed by the line ministries and the implementing bodies had created entrenched interests that wanted to retain the status quo.

Although there is no direct evidence, it could be inferred that the emerging fragmentation of Slovenian aid efforts and the likely difficulties in policy co-ordination could account for the rather lengthy adoption process of a comprehensive foreign aid policy statement, which was not adopted in the pre-accession phase. In sum, Slovenia provided aid already before 2004, its aid volumes gradually increased and the coordinating structure was set up, but the institutionalisation of a coordinated policy was still incomplete most likely constrained by the number of agencies and actors involved in aid provision.

Identification and social influence

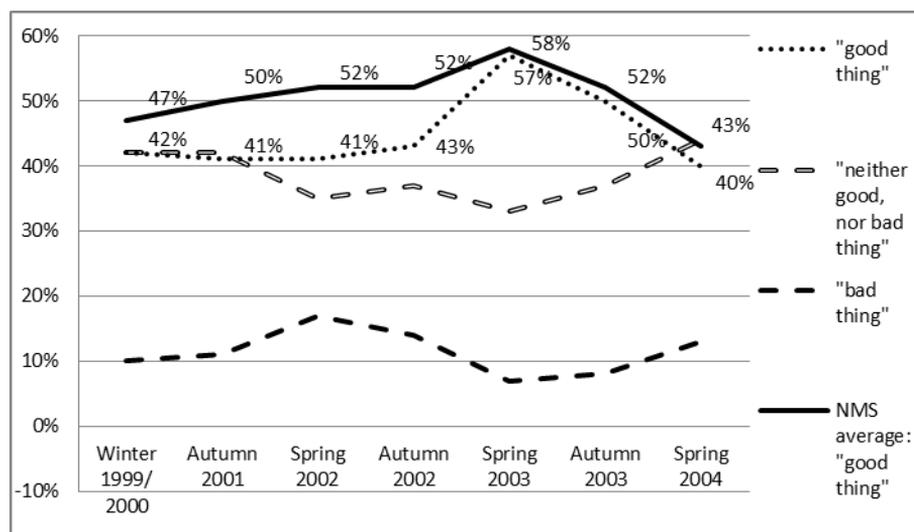
In this sub-section, I examine whether Slovenian public opinion supported EU membership (as measured by the Eurobarometer public opinion polls) and whether the politicians identified with the EU as an "in-group" (i.e., elite perceptions inferred from the existing literature). If found, it would satisfy the condition of identification. If social influence accounted for foreign aid policy adoption, one should be able to trace persuasive arguments based on the notion that Slovenia was a European country and that such policy adoption was the right thing to do as an aspiring EU member state. This will be inferred mainly from the interviews with diplomats who worked on development assistance in the early stages of policy evolution.

Considering the perceptions of the Slovenian public and its politicians, there is little doubt that they supported EU membership and identified

Slovenia as a European or Western country. In 1997, when the country was involved in a constitutional debate triggered by the EU demands,⁹⁰ the Slovenian public, and, in particular, the political elite, were pro-European, according to a study of how the EU is reflected in the Slovenian political discourse, public opinion and mass media (Šabič & Brglez 2002). This study found that both public opinion and the major political parties strongly espoused European integration, even though it implied amending the constitution and thus changing some features of the Slovenian identity (Šabič & Brglez 2002).

The trends in public opinion also confirm the EU-orientation. Throughout the period of 2000-2004, more Slovenians (on average 44.8%) thought that Slovenia's membership in the EU was a positive thing (see Figure 10), though this share was consistently lower than the average share of new member states' citizens approving of their countries' EU membership (50.5%).

Figure 10: Support to EU membership in Slovenia (2000-2004)



Sources: "Eurobarometer Spring 2004.1: Public Opinion in the Candidate Countries" (2004), *Website of the European Commission*, http://ec.europa.eu/public_opinion/archives/eb/eb61/eb61_en.pdf, last viewed on 13 May 2013 - C57.

⁹⁰ In 1997, the EU was supposed to take a decision on whether to invite Slovenia to accession negotiations. As a condition for such negotiations to be held, the EU asked Slovenia to change the constitution to allow foreign citizens to purchase real estate in Slovenia "which has typically been seen as important for the existence and preservation of the Slovenian nation and its national identity" (Šabič & Brglez 2002:72). Despite "considerable debate" (Šabič & Brglez 2002:72), the country's constitution was changed and the EU invited Slovenia to begin accession negotiations.

It is noteworthy that support for EU membership was steadily increasing until spring 2003. From autumn 2001 until autumn 2003 the share of respondents that approved of EU membership was higher than 50% and the approval ratings reached their peak in spring 2003 (at that time the proportion of those who viewed EU membership in negative terms was at record low level of 7%). The high support level in 2003 can probably be explained by the campaign before the referendum on EU membership, which was held on 23 March 2003. Then EU membership was supported by an overwhelming majority of 89.61%, while 10.39% were against (International Foundation for Electoral Systems 2011), which was the third highest level of support for EU membership among the CEECs.

In spring 2004, the support fell to 40%, while the number of “agnostics” (neither approving, nor disapproving of the EU membership) rose to 44% and the proportion of those who viewed the membership prospects negatively almost doubled to the level of 13%. In the period under scrutiny, it is only the second time when the proportion of “agnostics” was higher than that of “pro-Europeans”. The first time was in autumn 2001 when 42% responded that they see Slovenia’s EU membership as “neither good, nor bad thing”, thus surpassing the 41% who thought that the EU membership was a “good thing”. The most interesting feature is the relatively low disapproval rates throughout the period (on average 11.4%). The highest disapproval rate was registered in spring 2002 when it reached the level of 17%. In sum, Slovenian public opinion can be characterised as positive towards the EU membership and thus identifying with Europe⁹¹ and the EU.

The Slovenian political elites were also positive towards the EU membership and can be described as “EU-oriented” or “oriented to Europe”. The pro-European orientation seems to have roots that stretch back to the period before Slovenia gained its independence.⁹² One illustrative example of the strong pro-European orientation espoused by the political elite was Janez Drnovšek, who was the Slovenian representative in the collective presidency of Yugoslavia (1989-1991), and then Prime Minister of Slovenia (1992-2002) and later President (2002-2007). Writing on his role in the break-down of Yugoslavia, he explicitly mentions European integration as a goal that emerged among Slovenia’s political elite in late 1980s and in early 1990s (Drnovšek 2004:6-7):

⁹¹ It is asserted that Slovenia belongs to the “middle European cultural and historical area” (Bučar 2004:34; Cox 2005:191)

⁹² In the end of 1980s, the Slovenian political elite and public saw the widening economic gap between Yugoslavia and the Western Europe as a worrying development (Bučar 2004:38). Indeed, the Slovenian political scientist Bojko Bučar (2004:38) cites the European orientation of Slovenia as one of the most important reasons why it decided to break away from Yugoslavia in early 1990s.

Directly to the west of us, a peaceful, prosperous, and democratic Europe was integrating. Slovenia gradually developed the idea of joining this process – I myself experienced a similar evolutionary conversion. (Drnovšek 2004:7)

This pro-European orientation continued to materialise and, during his chairmanship of the Yugoslav collective presidency, Drnovšek even proposed that Yugoslavia enter the Council of Europe and the European Community (Drnovšek 2004:8). Not surprisingly, after Slovenia declared its independence, a pro-European foreign policy was established, particularly, focusing on entry into the then European Community and NATO (Rupel et al. 2000).

The European orientation of the Slovenian political elite and general public is important in explaining the engagement in the development co-operation. As some informants noted, Slovenia, throughout the 1990s, tried to distance itself from the Balkan region and the official rhetoric was characterised by Balkanist attitudes⁹³ towards other former republics of SFRY (Interview 19, 20, 22). In Slovenia, Balkanist attitudes, which defined Slovenia in opposition to the Balkans and as belonging to the Central Europe, reach back to the struggle for independence in 1980s and 1990s (Patterson 2003; Hansen 1996). In 1991, sociologist and foreign minister at the time Dimitrij Rupel wrote that:

The Balkans is, to be sure, a geographic concept, but even more so the mark of a *corrupt and primitive society*. With our attainment of independence we ought to rid ourselves of the Balkans in this sense, too. (cited in Patterson 2003:116; emphasis in original).

Later, Slovenia's foreign minister Zoran Thaler, pointing to the difference between Slovenia and Croatia, used the trope of "the Balkan slaughterhouse", refusing to allow Slovenia to be placed in this geographical or political category (Hansen 1996:486). The Balkan wars affected the image of Slovenia abroad in terms of questions raised about its stability (Interview 19) – although Slovenia had been safe and secure since autumn 1991 – and as a result Slovenia's foreign tourism dropped by 59% in 1992 (Ferfila 2010:25, 26). As one informant put it, the foreign policy of Slovenia at that time was "to get out of this Balkan mess [...] We want to get out of that and we want to belong to the West" (Interview 12). Similarly, a former senior diplomat described this detachment strategy as a conscious effort to assert the image of Slovenia as a stable, peaceful Western country⁹⁴ (Interview 19).

⁹³ I use here the term "Balkanism" in the sense suggested by the Bulgarian American historian Maria Todorova (2009) referring to the views and stereotypes defining the Balkan area and the peoples living there as the negatively characterised "Others" in opposition to the more positively characterised "Europeans".

⁹⁴ The anti-Balkan stance should be understood in a wider context – as Todorova observed, the assertion of Central European identity was often constructed in opposition to the Balkans as the symbolic Other "in the drive for entry into the European institutional framework" during the 1990s (Todorova 2009:159; cf. Hansen

While Slovenia tried to detach itself from the label of Balkan country,⁹⁵ the Slovenes held a “fairly widespread belief that the Slovenians, due to their seven decades long ‘cohabitation’ within the Yugoslav state, possess a privileged knowledge of the former Yugoslavs and that they can profit from it” (Baskar 2003:200). The political and diplomatic implications of this belief was that the “idea was promptly seized by politicians who understood their role vis-à-vis their western interlocutors as one of middlemen and interpreters of Balkan realities, and especially of the *Balkan mentality*” (Baskar 2003:2000).

Aware of this initial Slovenian unwillingness to participate in the Stability Pact for South Eastern Europe, the EU and the USA sought to persuade Slovenia to become involved in the Stability Pact. A former senior diplomat who was involved in the negotiations stressed that the EU and the USA did not use “pressure”, but that Slovenia was “advised” to join the Stability Pact and, although there were no conditions involved, that Slovenia should provide aid at that time; Slovenia was assured that the engagement would have a positive effect on its accession negotiations (Interview 19). It is reasonable to agree with the Slovene anthropologist Bojan Baskar (2003:197) that “joining the Pact as a member of the honourable club of donors, not receivers of help, has certainly been of utmost symbolic importance since it implied the recognition of Slovenia as external to the Balkan core”. This observation resonates with the reasoning of the former senior diplomat that Slovenia, at the time, insisted on being seen as a donor country that would assist in stabilising the region and not as a Balkan country in need of help (Interview 19). As he put it, describing the initial opposition to Slovenia’s participation in the Stability Pact:

It was not party-based, but kind of general feeling. Ah! Again, they are pushing back to the Balkans! Again, they want to establish a kind of combinations that we are part of the Balkans! [...] No, we are a part of Central Europe! Now, of course, the things have changed a little bit, we have gone even too far, because... but... so that’s why I told you, they had such little, I would say, symbolic things – how do we sit? Do we sit together with Albania, Bosnia, as part of problem or do we sit on the other side (*laughs*). You

1996:489, also 481, 491; Pattersson 2003). The orientation towards the West had also an economic dimension as Slovenia tried to penetrate the Western markets. It was a successful strategy as Slovenian foreign trade with the EU countries rose from 52% in 1992 to 65.5% in 1997 and 65.1% in 2001 (Ferfila 2010:33).

⁹⁵ Dimitar Bechev (2011:113) described an illustrative historic episode concerning Slovenia’s “detachment strategy”. When Slovenia participated in the second meeting of the South East European Defence Ministerial process (initiated originally by the USA) in Sofia in 1997, Slovenia’s government was harshly criticised domestically, because “there was the perception that the country risked being “dragged back” into the Balkans after the hard-won emancipation from Yugoslavia” (Bechev 2011:113). The Slovenian defence minister was forced to explain that participation in the initiative would increase the country’s chances of being admitted to NATO and that Slovenia “although not belonging to South East Europe” took part in the initiative only as “a role model for that region” (Bechev 2011:113). In other words, Slovenia’s “detachment strategy”, most probably, strengthened its image as a Western European country (as opposed to being a “Balkan country”), but it also risked limiting or, at least, constraining its participation in the regional initiatives in the Western Balkans.

know in diplomacy sometimes such little things have importance. At least, they are seen as important. (Interview 19)

This quote confirms that the general public saw their country as a European country and they did not want to be involved in the area which was seen, at that time, as unstable and problematic. As the informant notes, it was a deeply symbolic act for Slovenia to be involved in the Stability Pact as a donor – being part of the “solution” and not “part of the problem” (Interview 19).

Moreover, the decision to engage in the Stability Pact was related with concerns about Slovenia’s international status. As a senior diplomat noted, Slovenia’s new role of donor country and the engagement in the Western Balkans was part of a paradigmatic outlook on international relations, a certain “Weltanschauung” that dominated in the MFA at that time. This paradigmatic outlook defined Slovenia as a Western (or Central) European country which needs a “place of its own” to project its diplomatic influence. In this worldview, the Balkans was a place where Slovenia could project an image of an active foreign policy actor, or as the informant put it: “The Balkans, that’s our place. Here we can play a role. If we do something here... it will also establish our image in the EU...” (Interview 19) Moreover, the status of being a donor country appealed to Slovenia and it facilitated Slovenia’s involvement in Kosovo, Montenegro, and Bosnia Herzegovina (Interview 19). This political engagement in the Western Balkans also had economic consequences as economic interest in the Balkan markets increased (Interview 3; 5; 7) and, as one informant described it, the Slovenian firms suddenly perceived the Western Balkans as their “El Dorado”⁹⁶ (Interview 19).

The themes of Slovenia having a “special knowledge” about and “special interests” in the Balkan area, and that Slovenia had a “special role” to play in the region also surfaced in a text written by the former foreign minister Dimitrij Rupel and other Slovenian diplomats in 2000:

The Stability Pact for South Eastern Europe became a final test in this respect: Slovenia is participating in the Pact as a country which advocates the stability of this troubled and conflict area, as a country which is able and knows how to drive the way for the settlement of this fatal issue for Europe (through our thorough knowledge, gained by experience in its entirety and complexity). The resolution of the conflict is one of Slovenia’s key interests, since it would, sooner or later, help to ensure peace in our close neighbourhood which, in turn, would have a beneficial influence on the future development of Slovenia as well as on the life of its citizens. (Rupel et al. 2000.)

⁹⁶ Indeed, the former Yugoslav republics represented the source of “raw materials and intermediate goods necessary for domestic and export production” which was crucial for a further economic growth in Slovenia before the independence (Ferfila 2010:33). Although Slovenia re-involved in the former Yugoslav markets by 1999 (Damijan 2004:339), the main investment activity was characterised by trade-promotion in the regional markets, not by establishment of local production facilities in the Western Balkans (Damijan & Mrak 2005).

This quote contains two claims. First, the Slovenian diplomats claim that Slovenia is a country possessing a particular knowledge and experience that qualifies it as a donor country. This claim of particular knowledge and being able to assist in stabilisation is based on a shared history and sense of common cultural background, as well as human ties with the Western Balkan countries. These themes emerged in the interviews (Interview 3; 6). Second, this quote reflects a realisation of Slovenian economic and security interest in engagement in the Western Balkans. Both themes were mentioned by informants (economic interest - interview 3; 4; 5; security interest – interview 1).

The second claim deals with another aspect to Slovenia's concerns for its status. In early 2000s, Slovenia had achieved a status of being a "good pupil" of the EU and it seems that compliance with the EU norms was a conscious strategy for Slovenia to play a role as a Western or European country (Interview 5; 7; 13). The former head of the negotiating team for Slovenia's accession to the EU Janez Potočnik confirms this observation when he explained why Slovenia is often perceived as the most successful candidate state:

One of the reasons for that success may be that Slovenians were aware throughout the accession process that their country's future image as a member state was being created. Slovenia wanted to be seen as a country with great expertise – flexible, constructive, and well-organised [...] Aware of its small size and relative lack of political significance, Slovenia always sought to do its work correctly. (Potočnik & Lombardero 2004:375)

This strategy seemed to be successful because Slovenian politicians appeared to be aware that Slovenia had achieved the status of "role model" for other former Yugoslav countries (see e.g., Drnovšek 2004:14; cf. Bechev 2011:113). In 2004, the then-president of Slovenia, Janez Drnovšek, argued that the former Yugoslav countries can be stabilised only by "the real prospect of integration into the European Union" and that Slovenia "is in position to help, particularly with its advice, as the countries adopt the regulatory and institutional systems of the European Union" (Drnovšek 2004:14). This quotation should be considered within a wider historical context. In the early 2000s, the EU asserted that it would play the leading role in stabilisation of the Western Balkan countries and it also declared that the Western Balkan countries should be seen as potential candidate countries initiating the Stabilisation and Association process, which was modelled on the experience of the CEECs' EU accession process (Bartlett 2008:200).

The closer accession to the EU came, the more Slovenian diplomats were persuaded by its new role as a donor country and the ensuing obligations:

You should understand that, in 2002 or 2003, it was clear that we are approaching the entry of the European Union and that we are approaching the change of our status in the World Bank from the recipient country to a donor country. We were... I am not hundred percent, but we have been the thirtieth richest country per capita in 2004 when we entered the European Union, so we were put in the club of the donors anyway... and this was matching our... we had to match this... coming... coming, how to say, change of status with our policies a little bit earlier and so we did, of course. We knew that we will have to, sooner or later... join the club of those who are taking on obligations of allocating a certain proportion of our GDP to... assistance. It was quite a natural process which was unavoidable. (Interview 24)

This quote shows that the change in Slovenia's role was perceived as a "natural" and "unavoidable" process, as its relatively high economic development obligated Slovenia to perform the duties of a donor. This diplomat also refers to a "club of donors" whose members are expected to increase their ODA. The diplomat went on explaining that "it was almost, I would say, self-evident that you have to follow these policies and I would dare to claim that this was a kind of spontaneous activity" (Interview 24).

This diplomat explained that Slovenia, already before officially assuming its obligations as the donor country, was involved in various learning exercises and seminars on development co-operation policy organised by the Commission for the new member states. Moreover, Slovenia also organised its own "learning" seminars for the new member states with the participation of "old" donor countries in the EU, with the participation of development co-operation experts. Visits to old member states like Denmark were arranged to see how other countries conduct their development co-operation policies. The diplomat noted that the importance of contacts with counterparts in the old member states (such as Austria and Sweden) that served as a professional network supporting Slovenia's efforts at adjusting to the new role. As the diplomat noted, in the discussions the old member states encouraged Slovenia to start adjusting early:

You know, they would... I remember, saying – well, at different stages, it's advisable to start being involved as early as possible that when the entry date comes, you can start to participate in these activities in a more... how to say, it takes years and years that you are on an equal ground. It will take years that we catch up with certain policies. (Interview 24)

Furthermore, the EU invited the new member states, including Slovenia, to participate as observers in various meetings of the Council and other forums to discuss development co-operation policy (Interview 24). In 2004 and 2005 Austria initiated projects to strengthen co-operation among the new member states in its region in the field of development co-operation and urged them to support their national NGDO platforms (Interview 12).

Moreover, a re-definition of the already existing aid projects took place in the run-up to the accession:

You know, after I have studied all these... materials, especially, as you know, OECD in Paris produces regulations how, what is development assistance and when we started, we... how to say, develop more and more knowledge on what is assistance, we already defined certain activities Slovenia performed at that time as the development assistance [...] When you start thinking, we were, you know, financing students from Bosnia, for example, and it has gone... the numbers were quite large in the figures and when you add up what you spend on these students, a few thousand euro and you multiply it by thousand, you get a million or two or three or four... so to give you a clue that we have slowly pulled together what we already are doing. (Interview 24)

In the comments above the interviewee, who was a diplomat, makes a direct reference to “studying” the new subject of development co-operation, which he described as “a continuous learning process” (Interview 24). The diplomat added that the foreign aid policy entailed a new dimension of Slovenian foreign policy:

The development co-operation is a kind of... how to say, external policy which is... which goes a little bit beyond, I would say, the conventional thinking about the foreign policy. When I’m saying “conventional”, I mean... the foreign policy which is... which is... more or less on a political level. But this is giving the foreign policy a financial backing. No matter what, even though we would like to say that there is no link, there is a huge link... (Interview 24)

Such learning on its own or from old member states acting as “peer-teachers” as well as active reflections on the policy’s implications for Slovenia’s foreign policy, in combination with already existing aid activities being redefined as development assistance, is interpreted here as part of the process of adjustment to the obligations and norms of Slovenia’s new role.

In summary, the identification argument revolves around Slovenian public opinion and political elites identifying with Europe and the EU as a reference group. Slovenia’s decision to become a donor in the pre-accession period was part of its strategy to play the role of a Western, European country. As Slovenia sought EU membership, it consciously rejected being associated with the former SFRY members and the Balkan region as such. When the EU and the USA tried to involve Slovenia in the stabilisation initiatives in the region, the country was at first reluctant, as it did not conform to its view of itself. But Slovenia conformed to the expectations of the EU and other international actors because it was persuaded by other donors to do so and because involvement in the Western Balkans offered an opportunity to confirm its European and Western identity. Slovenia saw its role as a donor country within the framework of the Stability Pact for South Eastern Europe as the opposite of association with the Balkan region and thus enhancing the status it sought as a modern, developed candidate state that would soon enter the EU and thus be a “role model” for the region. Playing the role of donor enabled Slovenia to argue for its place in the EU as a responsible European country that has successfully implemented the

acquis and now assists other countries to do the same. As the EU accession came closer, the decision-makers and diplomats became aware that Slovenia would have to assume the duties of a full-fledged donor and it was seen as a “natural” process due to its relatively high economic development and its EU aspirations. In the adjustment process, learning and encouragement from the old member states and reflections on the new role was a distinct component which entailed a redefinition of the activities that Slovenia was already performing as development co-operation.

Policy resonance

Measuring policy resonance in the pre-accession period, I first focus on whether Slovenia carried any policy legacies or positive references from past initiatives in foreign aid, which I infer from the literature on the subject, interviews with decision-makers and NGO activists. The second dimension of policy resonance – the presence of positive references to foreign aid policy – is measured here by examining perceptions of political and administrative elites revealed in interviews. Since no public opinion polls were conducted on the subject throughout the pre-accession phase, it is not possible to be very precise about broader social attitudes towards the policy.

Concerning the policy legacies and positive references to past initiatives, the former member of the Core Negotiating Group⁹⁷ meant that “development co-operation” was not an unknown practice in Slovenia, as the SFRY had been involved in the developing countries as part of the Non-Alignment Movement (NAM):

What I wanted to tell you is that yes, we were negotiating [this issue with the EU], but this was not really a... hard issue, because, you know, traditionally, Slovenia was devoted to humanitarian and projects... at that time we didn't use the word “development co-operation”, OK? But it was a kind of co-operation, because, as you, probably, would know, Yugoslavia was a member of the NAM and, at that time, Yugoslavia was extremely active, you know... extremely active in this field... (Interview 17)

Another former senior diplomat pointed out that at that time the State Secretary for the Multi-lateral Affairs Samuel Žbogar (later Foreign Minister 2008-2012) was “very sympathetic” to the efforts of establishing a foreign aid policy (Interview 24). In a similar vein, Bucar and Mrak (2007:4) argued that some of the CEECs, among them Slovenia, saw themselves as “re-emerging donors and that this view is justified, because these countries were “significant providers of development assistance” before the end of the Cold War. As they put it: “Slovenia, being a part of the highly influential non-

⁹⁷ Core Negotiating Group was a group of ten top-level civil servants who were appointed by Slovenia's government in 1998 to negotiate terms of Slovenia's accession to the EU with the EU.

aligned SFR Yugoslavia, provided assistance to fellow non-aligned countries” (Bucar & Mrak 2007:4).

The interview evidence suggests that some segments of the Slovenian elites positively regarded Yugoslav foreign aid initiatives in the past. But did any policy legacies exist during the pre-accession period? And how likely is it that adoption of Slovenia’s foreign aid policy was facilitated by positive references from the Yugoslav past? In short, are there any reasons to believe that the Slovenia’s foreign aid was based on expertise or knowledge inherited from the Yugoslav times?

It can be established that, since the early 1950s, the SFRY co-operated with several developing countries and, later, became one of the key players in the NAM. The SFRY also assisted the least developed countries through the United Nations, in particular, participating in the establishment of the UN Conference on Trade and Development (UNCTAD) in 1964 (Stanovnik 1986:49-50; Rubinstein 1970:15). Economic co-operation with developing countries was the official policy of the SFRY (Mrak & Rihtaršič 1983). This included, for instance, the establishment of trade relations with like-minded developing countries, an offer of tied long-term credits, and implementation of development projects (Rubinstein 1970:17). In 1974 the SFRY government established a Solidarity Fund for the Non-Aligned and Other Developing Countries in Belgrade, which, among many other things, provided humanitarian aid and financial contributions to the liberation movements in the developing countries (Mrak & Rihtaršič 1983:52). All the republics in the SFRY were obliged to pay “0.1% of public sector GNP” to this fund (Mrak & Rihtaršič 1983:52).

But being an integral part of the SFRY does not automatically qualify Slovenia as a re-emerging donor, as some have claimed (e.g., Bucar & Mrak 2007:4). Expertise and knowledge can be inherited from the past, if there is a clear transmission mechanism in the form of holders of “institutional memory” – civil servants that were engaged with development co-operation in the federal or Slovenia’s government during the pre-independence time – who pass their knowledge onto the next generation of civil servants. But as a republic within the SFRY, Slovenia had only a small foreign policy apparatus, consisting of around 50 people (Jazbec 2001:96) who worked with regional bodies in the neighbouring international environment, not with the developing countries. In fact, some contend that the Slovenian foreign policy and its structures were formed “from scratch” in the early 1990s (Borak & Borak 2004:64; Rupel et al. 2000). Second, if we look at the SFRY diplomatic service, Slovenes were underrepresented in the federal MFA (Bukowski 2000:8-9). Therefore, the number of Slovene diplomats in the Yugoslav federal diplomatic service who might have acquired some crucial foreign aid policy expertise earlier and who, after independence, joined the independent Slovenian diplomatic service was very small (Bukowski 2000:8-

9). According to one estimate, the number was less than 60 people (Jazbec 2001:95). This suggests that the former Yugoslav diplomats did not play a major role in shaping foreign aid in an independent Slovenia, as their number in the new diplomatic service of Slovenia was relatively small. More importantly, economic co-operation by the SFRY with Third World countries was based on idiosyncratic Yugoslav socialist ideology and its foreign policy orientation towards the members of the NAM, which the SFRY had jointly initiated together with India and Egypt. In contrast, independent Slovenia's foreign policy, at least during the 1990s and the early 2000s, was focused on achieving international recognition as an independent country and its foreign policy strategy was oriented towards accession to the EU and NATO, thus moving away from the NAM's non-alignment. Furthermore, when Slovenia launched its first aid initiatives, due to the destabilising Balkan wars, the geographical orientation of the aid was the Western Balkans. At the very beginning, Slovenia provided humanitarian assistance to the war refugees, as well as to those who came to Slovenia in the period of 1991-1996 (Mrak 2002:2; Bucar & Mrak 2007:4). Later, Slovenia was a donor state in the stabilisation of its neighbouring region, but its assistance to the developing countries in other continents was minimal and indirect, largely channelled through various multilateral aid agencies (e.g., UNDP). As one of the NGO representatives noted, when speaking about possible historic legacies in foreign aid policy from the Yugoslav times:

It was mainly dealt with in Belgrade, the capital of Yugoslavia, which was dealing with that. Also Slovenia has been receiving some... foreign students from Africa from the NAM, but, on the other hand, it did not have any kind of foreign policy towards those countries. Even when becoming a donor... that was showing in the very high percentage devoted to the multilateral aid, they simply didn't have any clue what to do in the area of development co-operation. (Interview 12)

The perception that the administration was not prepared to engage in development co-operation was echoed also by another NGO activist that claimed that Slovenia was "totally unprepared" and that "nobody had a clue" about foreign aid policy (Interview 8). Based on these considerations, I conclude that there is little if any support for the thesis that Slovenia inherited a historical legacy in foreign aid policy from the time when the country was an integral part of the SFRY and that positive references to the Yugoslav past played an important role in foreign aid policy adoption.

No public opinion polls gauging the public support for foreign aid policy were conducted during the pre-accession period. Therefore it is not possible to draw any conclusions about whether there was public support for foreign aid policy. Hence we closely examine elite perceptions. While it seems that some segments of the administrative elites within the Slovenian MFA were positive about foreign aid policy adoption, it is unclear whether the political

leadership shared this positive stance. The foreign minister who served during the pre-accession period referred to scepticism on the part of the Slovene people to economic assistance stemming from the Yugoslav times and, hence a somewhat sceptical attitude to foreign aid as such:

You know, you have to understand... in Yugoslav time, Slovenia was responsible for... I don't know... we had eight per cent of population, in Yugoslav times, of Yugoslavia and we were responsible for twenty per cent of the economic output and I guess forty per cent of foreign earnings came from Slovenia. So, people were sort of... (*laughs*) a little tired of this... unbalanced, lack of balance as far as... you know... the flow of money was concerned. And then, at the beginning, when Slovenia became independent, we said: "No, we are not going to... you know, give money to the people who are not really interested in contributing by themselves or... investing responsibly." For instance, you know, in Yugoslav times... (*laughs*) a modern theatre has been built in Skopje, Macedonia... modern, super-modern, all marble and... after a few years, it was falling apart (*laughs*) because... bad maintenance. In Pristina, Kosovo, huge investments... the most modern library in Western Balkans. Again, if you look at it now, it's falling apart. This is... how do you say... if... not appropriate methods of assistance or co-operation are... involved, then you know the money gets squandered, it goes to the pockets of... you know, private... people. Corruption of... you know... officials. It was a Communist system and Communists... nowhere you have such a corruption as in Communist systems. So, people were a little fed up with the system. Now, it's turning into something different, and I guess that today... the... economic co-operation and... aid... is... being... rationalised and becoming more sober. (Interview 5)

I interpret this narrative as an effort to explain and to implicitly justify the somewhat sceptical attitude that the minister's compatriots held about foreign aid. However, it should not pass unnoticed that the former foreign minister explained this stance in great detail and that he was also expressing his personal political views in this context. Therefore a question arises whether also he held these rather sceptical views on foreign aid, even if he did not explicitly acknowledge his agreement with them (observe, in particular, the minister's suggestion that foreign aid, probably, is becoming more "sober" now). In other parts of the interview he explained that he did not deal with foreign aid to a great extent, because he left the foreign aid policy to the MFA's State Secretary. As this left an impression that the foreign aid policy was not a priority of the government, the following exchange followed:

Interviewer: Is there any kind of reason why it [foreign aid] is not a high priority in Slovenia?

Former foreign minister: Why should it be (*laughs*)? (Interview 5)

Similarly, a Slovene diplomat who worked with foreign aid policy in its inception phase seemed to assert that this particular foreign minister did not engage in setting up the policy in the period before 2004 and was not interested in the matter:

I would say it was not enough engagement at that time. Not enough of engagement... but I dare to claim that it was due to the fact that there were so many things going on at the same time. (Interview 24)

The diplomat also explained that, at that time, foreign aid policy was not seen as relevant and, indeed, as clashing with other, more important governmental activities:

This was for a certain period seen as something that is now intruding into... normal business of the government. (Interview 24)

This quote indicates that foreign aid did not have a strong resonance in governmental circles, as the informant used the verb “intrude” to describe the attitude of the political leadership toward foreign aid policy. This evidence sheds doubt on the extent to which policy resonance among certain, most likely narrow, circles of diplomats had an effect on policy-making in the period until 2004.

To sum up, I argue that policy resonance was low in Slovenia during the pre-accession period. Although some have claimed that Slovenia had policy legacies, I argue instead that the Slovenian foreign policy establishment did not inherit any policy legacies from the time when the country was part of the SFRY, and thus did not carry prior positive references to foreign aid policy. As a result, the politicians did not perceive foreign aid policy as a “good thing” and had low awareness about this subject.

Norm entrepreneurs

Norm entrepreneurs are cited by the Constructivist literature as a facilitating factor in adjustment to the EU norms and policies. The existence of norm entrepreneurs was established here by reconstructing the historical emergence of the NGOs in Slovenia by help of documents and existing literature and by interviewing the Slovenian NGO activists about their activities in the pre-accession period (in particular, existence of “success stories” when the NGOs succeeded to influence the policy processes) and whether the Slovenian NGOs had good working relations with the government.

Generally, Slovenia was known for its relatively lively civil society that, among other factors, contributed to the downfall of the SFRY and emergence of Slovenia as an independent state (Cox 2005:63-4; Fink-Hafner 2010:236). Therefore it is reasonable to hypothesise that civil society might have also played some role in the public policy debates after the independence and, probably, also in the initiation of the development co-operation policy in Slovenia. This was, however, not the case in Slovenia where, as in many other CEECs, the role of the civil society declined in the public sphere since 1991 (Cox 2005:137). According to Cox (2005:137-8), Slovenia had one of the

lowest indicators of membership in the civil society organisations in both the Central and Eastern Europe. This, however, does not mean that there were no activists and civil society organisations, but that their impact was decreasing in comparison to the period before 1991. The interest intermediation within the foreign and defence policy area is assessed as a policy network which includes members of parliament and experts, but is dominated by the executive (Fink-Hafner 1998:294). Therefore it can be expected that the role of civil society within the emerging foreign aid policy area was minor in early 2000s and that the NGOs were not active in exerting “normative pressure” on the government to initiate foreign aid policy.

Indeed, until 2004, it seems that there was no strong norm entrepreneur within the Slovenian civil society that took leading role or, at least, contributed to the emergence of the Slovenian development co-operation. At the beginning of 2000s, some smaller non-governmental development organisations (NGDOs) were organised and, in 2001, they tried to establish a national platform of NGDOs that would co-operate with the government. But as some informants perceived, the attitude of the governmental civil servants was skeptical to any co-operation with the NGDOs and the effort to establish the national NGDO platform failed (Interview 10; 12; see also Bučar 2012:87). One informant also pointed out that the government could virtually be the only source of resources to fund any kind of national NGDO platform, as there were no major international donors who would support these organisations in Slovenia, but the relationship was strained and it seriously constrained the aspirations of the smaller NGDOs to establish an organisation that would be a partner in the dialogue with the government (Interview 8). Moreover, the Slovenian NGDO scene was somewhat divided. On the one hand, there were large NGDOs with international connections – UNICEF Slovenia (which strictly speaking is a local chapter of an inter-governmental organisation, not a NGO), the Slovenian Red Cross, and Caritas Slovenia – which had a relatively close relationship with the Government. The smaller NGDOs, on the other hand, did not have similar international contact networks, or equally large budgets. As the MFA preferred to deal with the three larger NGDOs and not with the smaller ones, a certain competition arose (Interview 12).

In 2002, some civil society actors, once more, tried to establish a national platform for the NGDOs. The initiative came from the Slovenian NGO centre which tried to form a network of the NGDOs working in the developing countries and the former Yugoslavia. According to one of the informants who was involved in this process, this effort did not succeed, because the MFA, which would be the partner in the dialogue between the civil society and the government, did not show an interest in co-operating with the emerging NGDO community; the initiative to form a NGDO platform evaporated and “only informal gathering of NGOs” was formed (Interview 12).

In sum, the scene of the Slovenian NGDOs was split and had competitive relations with each other. The efforts to establish a common NGDO platform failed. As far as I could establish, no institutional arrangements existed for contacts between the NGDOs and the government; moreover, the relations between the government and the NGDOs were not conducive to co-operation. All in all, I argue that the Slovenian NGDOs did not play role of norm entrepreneurs during the pre-accession period.

Domestic response in Latvia

In this section I present an empirical account of the evolution of foreign aid policy of Latvia and the potential explanatory factors suggested in the literature.

Evolution of Latvia's foreign aid policy (1997-2004)

Since Latvia declared its renewed independence in 1990, the country's foreign policy was oriented to assuring its international recognition, independence and security. As a former foreign minister aptly put it, Latvia's foreign policy, throughout the 1990s, can be summarised in three words – “security, security, and security” (Interview 24). To a large extent, it meant that Latvia's foreign policy was focused on its neighbour country Russia (Dreifelds 1996a:156) which was seen as “the only and overwhelming threat to Baltic independence” (Carrafiello & Vertongen 1997:213; see also Jubulis 1996:61; Dreifelds 1996b:180) and with which it had relations that were described as “cool and sometimes even unfriendly” (Pabriks & Purs 2001:134). More specifically, there were concerns about the durability of Russia's democratisation process and its impact on relations between Russia and Latvia (Dreifelds 1996b:180). As one observer put it, the “Baltic security is as yet almost entirely dependent on the actions of Russia [...] The stability of Russia is a key to the stability of the Baltic and, indeed, the guarantee of relative peace in the world” (Dreifelds 1996b:182; see also Asmus 2002:158).

The Latvian political elite, therefore, saw Latvia's integration into European institutions, in particular, the EU and NATO, as crucial to the country's security and its independence (Jubulis 1996:59, 61; Pabriks & Purs 2001:144) Pabriks and Purs (2001:142) argue that “EU membership is believed to provide Latvia with ‘soft’ security guarantees”. Most likely for that reason, Latvia signed an association agreement with the EU in June 1995 and applied for the EU membership in October of the same year. In 1997, the Commission assessed Latvia as not being ready to start accession negotiations, which sent shock waves throughout the Latvian political elite. As a result, the politicians mobilised resources to align with the EU demands and to persuade the EU that it should be admitted to the accession

negotiations⁹⁸ (Lejiņš & Ozoliņa 1997:35). While the EU continued to monitor Latvia's progress in aligning to the *acquis*, the EU decided to start the accession negotiations with Latvia at the Helsinki European Council in 1999.

When measuring the discursive dimension of aid policy adoption, it is important to have in mind this historic context and, in particular, the continuous EU monitoring that was initiated in 1998, because the first hint that the Latvian government was considering initiating a specific aid policy came as early as a year after the Commission delivered its Opinion on Latvia's Application for Membership of the European Union. In the Statement of Government from 1998, the government led by the Prime Minister Vilis Krištopāns stated that the government, "guided by solidarity considerations and principles of humanism, will appraise possibilities to grant assistance to the regions of foreign countries [which are] struck by crisis. The Cabinet will provide a reserve of resources for these reasons" (Cabinet 1998). Although this statement appeared in the sub-section outlining the government's foreign policy, it implied that the government would only "appraise the possibilities" of engaging in what seems to be humanitarian aid activities, and not plan development co-operation. Still, it was the first commitment of the Latvian government to engage in aid giving based on the values of solidarity and "principles of humanism".

The first reference to plans to initiate a development co-operation policy can be found in the Statement of Government of 1999 which mentioned that the government led by the Prime Minister Andris Šķēle will "appraise the possibilities to participate in international aid projects [aimed at] the poor and underdeveloped countries" (Cabinet 1999). As noted, this document stated only an intention to "appraise the possibilities" to become involved in development co-operation, which is limited and vague. While this commitment implied that the Latvian government no longer saw international aid in terms of humanitarian aid, it promised neither long-term involvement in development co-operation or initiation of a foreign aid policy either: the document referred to involvement in "projects", which usually means short-term aid initiatives. Besides, in comparison to the previous Statement of Government, this document did not promise to allocate any financing for the planned aid activities. Moreover, this commitment strangely appears under the chapter of "international financial co-operation", which seems unrelated to foreign policy or planning a foreign aid policy, and had as one of its objectives "to overcome the financial crisis

⁹⁸ Lejiņš and Ozoliņa (1997:43) claimed that the EU had been inconsistent in its criticisms against Latvia, because, at first, the EU criticised Latvia's unresolved relations with Russia and the large number of non-citizens in Latvia, but later the weak economy was brought forward as the main reason why not to begin the accession negotiations. Still later, the Commission pointed to Latvia's poor alignment with the *acquis* and Latvia's inability to apply *acquis* rules as the main shortcoming (Lejiņš & Ozoliņa 1997:43).

by achieving sustainable and balanced economic growth” (Cabinet 1999). It appears that participating in development co-operation by aiding to developing countries is part of the state’s fiscal and economic policy rather than its foreign policy.

In 2000, when a new government was formed by the Prime Minister Andris Šķēle, the Statement of Government mentions the same intention worded precisely as in the Statement of Government in 1999. Moreover, here this commitment appears as the last priority in the section dealing with co-operation with international financial institutions. This section largely deals with how Latvia will prepare its financial structures in order to co-operate with the IFIs and the EU to be able to receive the foreign aid itself. Hence it seems that participating in international aid projects to assist developing countries was perceived as a demand from the IFIs and the EU.

Significantly, the statement of the Repše government in 2002 did not mention the subject of foreign aid at all, but the subject reappeared two years later in 2004 in a document which was composed shortly before accession to the EU. As foreign policy priority number 19, the Emsis government committed to “develop the strategy of giving the Latvian aid to the partner countries” which can be interpreted as vaguely referring to Latvia’s emerging foreign aid policy. Notably, the commitment is stated under the wider priority of “rearranging the external economic dimension for a more effective achievement of the national interests” (Cabinet 2004a), which can be interpreted as an indication that the emerging foreign aid policy would be used as an instrument to advance Latvia’s economic interests. Under the section on fiscal policy, the “traditional” intention to appraise the possibilities of engaging in international aid projects is mentioned.

Institutional development of foreign aid policy seemed to be a low priority for the government, which was confirmed, more or less explicitly, by almost all informants. The period until accession to the EU was characterised by a focus on the implementation of the *acquis* and the conditionality; only around 2000 did the decision-makers become aware of development co-operation as one of the conditions for EU membership (Interview 24; Interview 12). Although there was a scarcity of resources at the time, the initiation of foreign aid policy was not a question of choice, as an ex-foreign minister put it, since the political context was characterised by overarching EU conditionality (Interview 24). However, as this ex-foreign minister admitted, foreign aid policy was not an urgent issue before entry into the EU, as most resources were allocated toward obtaining membership in the EU and the NATO (Interview 6).

Since the first governmental commitment in 1998, it took almost five years to draft and approve a foreign-aid policy statement when the Basic Principles on Latvian Development Co-operation were adopted on 19 February 2003. At first sight, it might seem odd that it took three years from

the beginning of EU accession negotiations until the adoption of the policy planning document. There are indications that a policy paper was already underway in early 2002, because the inter-ministerial correspondence shows that a paper entitled “On the participation of the Republic of Latvia in the development policy of the European Union” (Projekts 2002) was drafted in January or February 2002. This policy paper was referred to other ministries for their consideration on 6 February 2002. However, it was never adopted. The responsible official for drafting the policy planning document changed in that year and the newly arrived official had no intention of presenting foreign aid as a policy imposed by the EU; he wanted to present it as a part of Latvian foreign policy (Interview 28).

The bureaucratic organisation around the new policy also evolved slowly. In the beginning, the responsibility over drafting the foreign aid policy statement was given to civil servants placed within the Department of the External Economic Relations at the Latvian MFA. After the policy statement was adopted, a special unit for development co-operation was formed within the same department in August 2003 (UNDP Latvia 2005). According to a special study ordered by the Commission (Migliorisi 2003:28), the Latvian MFA employed only three people in the unit dealing with foreign aid policy in 2003 (Migliorisi 2003:28). The study also found that the line ministries and the National School of Public Administration were heavily involved in aid provision. This often implied that these public bodies provided aid on ad hoc basis and that the “financial resources have not been explicitly allocated to these activities” (Migliorisi 2003:95).

The financial dimension of the policy has evolved since 1999, which can be considered as the first year that Latvia was involved in aid giving. The main reason for considering it the “year zero” of Latvian aid is that Latvia, in 1999, paid LVL 3 000 to the United Nations Development Program (UNDP) (Basic Principles 2003). In that year, Latvia allocated LVL 88 733 to aid activities of which most of the aid were of humanitarian character (Basic Principles 2003). In 2000, LVL 26 361 were allocated to humanitarian aid to Romania and LVL 2 960 were allocated to the UNDP budget (Basic Principles 2003). The Basic Principles (2003) provided a systematic account of Latvia’s official development assistance (ODA) starting with 2001 when Latvia allocated LVL 898 201 or 0.019% of its GNI to ODA and LVL 200 563 or 0.004% of its GNI to official assistance⁹⁹ (OA). As Table 9 indicates, Latvia, in total, allocated LVL 1 098 764 to aid in 2001 (Basic Principles 2003).

⁹⁹ Difference between the official development assistance (ODA) and the official assistance (OA) is based on the statistical categorisation of aid recipients according to the OECD Development Assistance Committee (DAC). The OECD DAC kept a list of aid recipients which was divided into two parts – the part one contained recipients with relatively low GNI and the aid provided to these recipients was called ODA, while the recipients with relatively higher GNI were ranked in the second part of the list and the aid channelled to them was called OA. This division into ODA and OA was abolished in 2005. (OECD n.d.)

Table 9: The financial allocations to foreign aid policy in Latvia before accession, 2001-2004

Year	Foreign aid, LVL, million	Foreign aid, EUR, million	Foreign aid/GNI
2001	1.1	1.9	0.019
2002	0.6	1	0.01
2003	0.5	1	0.008
2004	4.8	7	0.06

Sources: Latvian MFA (not dated) "Latvia's contribution to development assistance", *Website of the Latvian MFA*; <http://www.mfa.gov.lv/en/policy/DevelopmentCo-operation/finance/>, last viewed on 14 February 2013; European Commission, the (2005b) *Financing for Development and Aid Effectiveness. EU follow-up to the Barcelona Commitments and operationalisation of the Monterrey consensus*. Brussels, SEC (2005) 453 – 13; European Commission, the (2006a) *Financing for Development and Aid Effectiveness. The challenges of scaling up EU aid 2006-2010*. Brussels, COM (2006) 85 – 4.

Note: Aid allocations in EUR for the years 2001-2002 were calculated by the author based on the European Central Bank's (ECB) data on average annual exchange rate of the year 2001 (LVL 1 = EUR 1.787) and 2002 (LVL 1 = EUR 1.723); source: ECB (not dated) "Euro exchange rates LVL", *Website of the ECB*, <http://www.ecb.int/stats/exchange/eurofxref/html/eurofxref-graph-lv.en.html>, last viewed on 13 May 2013)

The following two years reflect a drop in ODA (see Table 9). Generally, with the exception of the contributions in 2001, the funding was well under LVL 1 million, which amounted to around 0.01% of country's GNI. In 2004 when Latvia joined the EU, the allocation jumped to LVL 4.8 million (around 0.06% of GNI) which, most probably, can be explained by the fact that Latvia entered the EU in 2004 and started contributing to the EU budget from which a proportion is automatically allocated to the Commission's aid programs and the allocated portion is counted in the member state's total ODA.

In sum, almost all of the Latvian governments expressed an intention to participate in aid-giving in the years 1998-2004, but the intentions were not specific and contained no financial commitments. As most of the governments stated that they would only "appraise the possibilities" to engage in aid provision, these can be interpreted as only promises. This conclusion is supported by the fact that three out of four governments, in the period 1998-2004, had not succeeded in moving beyond appraising the possibilities to involve in development co-operation. Only the last Statement of Government (i.e., Cabinet 2004a) indicated that the Latvian government had committed itself to take at least one concrete step beyond appraising the possibilities to engage in development co-operation by working out a strategy on how to provide aid. Therefore I conclude that Latvia discursively

adopted foreign aid policy only in 2004. The institutional dimension evolved relatively slowly and, when Latvia entered the EU, only a comprehensive policy statement was adopted which set out the main contours of the emerging policy. The policy capacity, in terms of civil servants involved in foreign aid policy planning and implementation in the MFA, was very low and the line ministries were involved in ad hoc assistance initiatives. The formal or institutional implementation of policy thus was only partial, at best, when Latvia joined the EU. Latvia's ODA allocations throughout the period were relatively low and increased only in 2004. If Latvia were to implement the Barcelona commitments that required the member states to allocate 0.33% of their GNI to ODA by 2006, it would imply increasing the aid budget by more than five times (provided that Latvia's GNI would be constant at the 2004 levels) in a period of two years (2004-2006). Although Latvia had formally launched its bilateral assistance program, it was implemented on ad hoc basis and consisted mostly of small projects of technical assistance, often implemented by the line ministries. In other words, foreign aid policy was not adopted behaviourally when Latvia entered the EU.

Explanatory factors

In this sub-section, I review the main factors that the Europeanisation East literature suggests "link" or mediate EU adaptational pressures and the domestic response.

Credible conditionality

Following the RCI literature, credible conditionality is seen as an important factor explaining policy adoption in the run-up to accession. In this section, I explore whether foreign aid policy was included in the accession acquis, whether it was a salient issue, whether one can establish the existence of rewards/punishments connected with policy adoption, whether the rewards/punishments were applied consistently, and whether domestic actors perceived the conditions as credible. Finally, I investigate the presence of any informational asymmetries that could have affected the credibility of the conditions.

Development co-operation was included in the Commission's monitoring of how well Latvia aligned with the acquis during the pre-accession phase. It was part of acquis and it was included as one of the items in Chapter 26 entitled "External policies". The essence of EU monitoring was set out in the previous chapter which dealt with EU adaptational pressures. But was EU conditionality credible, according to the criteria described in the chapter on methodology?

In that chapter it was noted that some, in the literature on accession period, expressed doubts over whether, or even denied outright that,

development co-operation was one of the items in the accession negotiations (e.g., Grimm & Harmer 2005:11). In my field work in Latvia, I did not find any indication that the policy area was included in or excluded from the negotiations agenda. It has been previously mentioned that foreign aid policy was not a salient issue in the Commission's monitoring (Lightfoot 2010; Lightfoot & Lindenhvius 2010). Also, missing is a clear indication that progress in aligning specifically with the EU acquis in development co-operation would be linked to material rewards, because adjustments to the acquis in the area of foreign aid policy were not even mentioned in the Accession Partnerships, in which the Commission outlined the reform priorities that Latvia had to implement in order to be awarded material rewards. While adjustments in foreign aid policy were seemingly not tied to a particular material reward, it was in the interest of the candidate country to complete the accession negotiations and, if the candidate was assessed as having adjusted to the EU acquis, the negotiation chapter was closed and the negotiations moved further (cf. Grabbe 2006:32). In that way, closing a negotiation chapter could be seen as a reward for adjustment or for a demonstrated will to adjust. It can be established that the EU provisionally closed the negotiation of Chapter 26, containing among other things foreign aid policy, on 21 November 2000 (Latvian MFA 2000). This happened more than two years before Latvia established the basic structures of foreign aid policy. Moreover, no foreign aid policy statement was adopted and no specialised foreign aid policy unit was established within the Latvian MFA either at that time. This could be interpreted as an inconsistent rewarding practice – closing the negotiation before any major progress in the area was achieved. It should be noted that the final closure of negotiations on Chapter 26 occurred in December 2002 after the first draft policy statement had been worked out, but was not yet adopted. As far as I could establish, the administrative unit within the MFA dealing with foreign aid policy was not yet established. While Latvia had started granting foreign aid on ad hoc basis and the policy adoption process was initiated, it is questionable whether the EU's decision to close the negotiations in foreign aid policy was really consistent.

Keeping in mind the fact that the EU conditionality in the case of Latvia could be assessed as not credible due to the above-noted inconsistencies, it is crucial to explore, first, the perceptions of decision-makers – did they perceive that the Commission's monitoring of progress in development co-operation implied a credible condition for EU membership? – and, second, whether any informational asymmetries existed between the Commission and Latvia.

Examining the documentary evidence, it seems that the decision-makers perceived foreign aid policy as a part of the acquis and as a condition for entry in the EU. For example, in February 2002, a letter from the Deputy

State Secretary of the Latvian MFA, which accompanied the draft document formulating Latvia's foreign aid policy, stated that "development policy is of particular importance in the context of EU accession, because development policy is part of *acquis communautaire* Chapter 26 'external relations'." (Virsis 2002) Moreover, it states that the Concept "is necessary due to" the international commitments "to take over the EU law upon the accession to the EU" (Virsis 2002). These statements indicate clearly that initiation of a foreign aid policy was seen as a part of the *acquis* which Latvia was obliged to implement before entry to the EU (Virsis 2002). The draft policy document stated that implementation of the obligations concerning the *acquis* in development co-operation policy was "one of the prioritised actions" (Projekts 2002). Moreover, the Basic Principles that the Latvian government adopted in February 2003 mentioned Latvia's "international commitments" to transpose the EU commitments into development co-operation policy to be a priority (Basic Principles 2003). Furthermore, the policy statement referred explicitly to the Commission's Regular Reports from 2001 and 2002 that had "recommended upgrading the administrative capacity in order to ensure participation in the EU development policy" (Basic Principles 2003). As this reference to the Commission's reports was mentioned as the first among the "problems for whose solution a governmental policy is required" (Basic Principles 2003), I interpret this document as evidence that the Latvian administrative elites perceived the Commission's monitoring as adaptational pressures in foreign aid policy, that Latvia saw the Commission's "recommendations" as a condition that must be fulfilled for Latvia to enter the EU.

Interview data also supports this interpretation. As one of the former ministers of the foreign affairs put it:

Entering the EU... well, the states do not have a real choice what we want to do and what we do not want to do. If we join a bloc of the countries, an organisation, which functions in accordance to its own rules, regulations, directives, policies and so on... and the only thing that Latvia, when entering the EU, could, if you can put it like that, bargain about were the transitional periods in one or another [policy] area where we had to have these transitional periods to implement the EU norms... firstly, they were connected with... not so much legal changes... but with the resources available that Latvia was prepared to allocate to one or another [policy] area. Such a choice that we do not want to do this did not exist in the negotiations with the EU. (Interview 24)

This quote well illustrates the asymmetrical interdependence (Moravcsik & Vachudova 2003) by which the accession negotiations were characterised: the EU could dictate the conditions and Latvia was forced to comply. It is doubtful that EU membership would have been withheld if Latvia had failed to comply with this condition because foreign aid policy was not a salient issue on the EU accession agenda, but the Commission's scrutiny and the asymmetrical relationship in the accession negotiations seemed to have

influenced how the decision-makers regarded EU conditionality in the area of foreign aid policy. Other informants also confirm that foreign aid as a policy was initiated due to pressures from the EU (Interview 4; 8; 10). For example, when I asked a counterfactual question on the role of the EU in the initiation of the foreign aid policy to an activist who had been involved in Latvian development co-operation policy-making as an NGO representative, she replied:

I think that it would not exist in the level of a policy [if the EU had not pressured Latvia for adoption of the foreign aid policy]. I think not. I think there would be some kind of co-operation, but I doubt that a separate policy would have been formed. *(Pause)* Because I think that there is no political interest. It lacks. *(Pause)* [...] I doubt that it would have been done in such a fast pace. (Interview 1)

There was, however, a slightly different interpretation. A civil servant who worked with foreign aid at the Latvian MFA in the pre-accession period noted:

In that time, the aim was clear – the entry in the EU – and it was the convincing argument when we went to meet the minister, other ministries, the Ministry of Finances, that we do not have any choice here, that we have to do it anyway... in principle... [...] It was not such an outright... condition... it was not something which would imply sanctions if we did not comply... but in the EU legislative acts, it is provided that the member states conduct their own development complementary to the EU development co-operation policy and we have to do it... it is somehow clear that we have to do it. (Interview 11)

It seems that this civil servant saw foreign-aid policy adoption more of an obligation than a condition. Words that are indicative of obligation (rather than condition) are “we do not have any choice here”, “we have to do it anyway... in principle” and “we have to do it”. Furthermore, she explicitly negated the presumption that the policy adoption was an EU condition. As well, she pointed out that no sanctions could be applied even if Latvia did not initiate foreign aid policy.

Another civil servant at the MFA distinguished between the hard and soft *acquis*. Whereas Latvia’s prospective payments to the European Development Fund and related issues were part of the hard *acquis*, foreign aid policy as such and increasing the financing for the policy were distinguished as soft *acquis*, which implies that no sanctions can be issued against a non-complying country (Interview 27). Other civil servants indicated that initiation of foreign aid policy was a result of what can be called peer pressure to “participate in burden-sharing” when it comes to EU assistance to developing countries (Interview 20). An ex-foreign minister went so far as to assert that he never had felt any pressure from the EU or other actors to initiate foreign aid policy (Interview 14).

In sum, elite perceptions of foreign aid policy as a condition were mixed. Some saw it as a condition to be fulfilled, others as an obligation connected with Latvia's entry into the EU. The common feature apparently was that none of the interviewees thought of the policy adoption as a matter of choice.

When it comes to the informational asymmetries in the accession negotiations, there is little doubt that the EU was well informed about the state of matters within the candidate countries. The candidates were asked to compile answers to the Commission's questionnaires and the Commission released its annual assessments every year. In reading the Regular Report from November 2002 one documentary detail, however, strikes as odd because the Commission makes reference to the "Policy document of Latvia's participation in the EU Development policy" (EC 2002c:123). In fact, this "policy document" was never adopted, only a draft document entitled "Concept on the participation of the Republic of Latvia in the development policy of the European Union" had been referred to the ministries for their consideration previously in spring 2002. The first policy statement was drafted and adopted only in February 2003 and the document was entitled "Basic Principles for the Development Co-operation Policy". While this evidence seems to indicate that the Commission was not always well-informed, the weight of this, single, contradictory piece of evidence should nevertheless not be overestimated.

In sum, there are three reasons to believe that the EU conditionality was not credible in case of Latvia. First, the policy area was marginalised in the accession negotiations. Second, one can question whether EU's behaviour of rewarding Latvia by closing the negotiation chapter including foreign aid policy contributed to the credibility of EU conditionality. In other words, the negotiations were closed before Latvia had adopted a policy statement or even established an administrative unit dealing with this policy area. Third, the decision-makers had mixed views on whether foreign aid policy adoption was part of the EU conditionality. Nevertheless, I argue that, despite these objections, foreign aid policy adoption was part of the EU conditionality and was a credible condition for entry into the EU. First, the Commission monitored Latvia's progress in adjusting to *acquis* in this area. Second, at least some Latvian decision-makers in high positions perceived the policy adoption as part of the EU conditionality. Third, Latvian decision-makers – even those who questioned whether it was part of the EU conditionality – did not perceive the policy adoption as a negotiable item or a matter of choice.

Veto players and adjustment costs

In this section I analyse the evidence on the existence of veto players and adjustment costs, factors that the RCI literature suggests explains delays in policy adjustment or non-adoption. I have relied in this case on interviews with the decision-makers to identify domestic actors that may have tried to

stop or delay adoption of the policy in Latvia due to high perceived adjustment costs. Moreover, I examined the documentary evidence.

Already at the time of the initiation of foreign aid policy the Latvian Ministry of Finance (MoF) had voiced its concerns about its costs. On 1 March 2002, the Deputy State Secretary of the Latvian MoF cautioned in a letter to the MFA that although the MoF “supports overall the participation of Latvia in the implementation of the EU development policy after accession”, the setting-up of the institutional arrangements dealing with the foreign aid implies “substantial allocations of financial resources” (Vasaraudze 2002). Therefore the MoF urged to “carefully evaluate the financial implications of the participation” in EU development policy (Vasaraudze 2002). While the financial implications of a policy initiative can, and most probably should, be questioned by Treasuries or Ministries of Finance, it is striking that, as expressed in the quoted text from her letter, the Deputy State Secretary of the MoF, a high-ranking civil servant, seemed to regard initiation of foreign aid policy as a matter of choice, which starkly contrasts with the views in the quotations from civil servants working at the MFA. It would seem that the financial aspects of the policy were contested in the inter-ministerial arena even before the policy statement was adopted in February 2003. Similarly, a middle-level civil servant at the MFA perceived the initial attitude of civil servants at the MoF as being sceptical of the new policy and even demonstrating a certain level of “resistance” towards increasing spending in the policy area (Interview 11).

This resistance from the MoF should be understood in a context of the process in which the government drafts the annual budget and the MoF has a central role, as two former ministers of foreign affairs confirmed (Interview 6; 14). Since the MoF has a key role along with the MFA when the budget of foreign affairs is discussed, if the MoF were resistant to foreign aid policy adoption, it could have led to delays in the policy adoption or non-adoption. In the pre-accession phase, the MoF considered foreign aid policy as a low priority (Interview 20), which was reflected by the relatively low financial allocations during this period, but one can infer that the MFA succeeded in persuading the MoF to allocate an increasing amount of financing at least for the year 2004.

As one of the high-ranking civil servants at the MoF indicated, in the early stages of foreign policy adoption (2003-2005) there was an ongoing discussion pertaining to whether Latvia should channel its foreign aid through both multilateral (e.g., the EU budget, UNDP, and the World Bank) and bilateral channels, or through multilateral channels only (Interview 20). As far as I could tell, this discussion took place mainly after accession, but it might have been initiated earlier, after adoption of the foreign aid policy statement in 2003. Once again, the MoF took a position that it was too costly to channel the aid through both multilateral and bilateral channels

(Interview 20). This ongoing discussion over desirable aid channels could also explain why throughout the pre-accession period there were very few other policy planning documents adopted and why foreign aid levels were at very low level.

In sum, the MoF was initially sceptical about adopting a policy which, in the future, might imply increasing public spending. Most likely, this administrative resistance can account for the relatively low aid budgets in the period until the accession. Still, it seems that the MFA succeeded at persuading the MoF that the EU expected Latvia to adopt a foreign aid policy and that the Latvian government had to allocate increased financing to this policy area in 2004 when Latvia entered the EU.

Identification and social influence

Considering Latvia's identification with the EU that, according to the Constructivist literature, is seen as a facilitating factor in policy adoption processes, I focus here on two components: public opinion about prospective EU membership (as measured by support for Latvia's membership in the EU) and the Latvian elite's perceptions of the EU (inferred here from the existing literature). The Constructivists also suggest that, if a country identifies with a specific "in-group" (e.g., EU), the social influence (which I understand here as peer pressure) exerted by the in-group in the candidate country can facilitate the policy adoption. Therefore, I interviewed the decision-makers working with the development assistance in the early stages of policy evolution for any indications of peer pressure, social learning and persuasion by EU actors to adopt foreign aid policy. If social influence was present, one should be able to trace persuasion or peer pressure based on the notion that Latvia was a European country and that adoption of the policy was the right thing to do as an aspiring EU member state.

Previous Europeanisation research using identification as a variable finds that the Latvian political elites are largely pro-European because the EU is seen as a guarantor of the country's security and Latvia is seen as belonging to the community of European nations (e.g., Schimmelfennig et al. 2005:46; Jubulis 1996). In his seminal article on EU influence on Latvia, Jubulis (1996:60) explained that the Latvian political elites and public identifies with the EU, because "it is perceived as *the* institution that *defines* Europe and membership would thus provide tangible evidence of Latvia's 'return to Europe'" (emphasis in the original text). Valdis Birkavs, the Latvian foreign minister that served in various governments from 1993 up to 2000, espoused pro-European views that were based on his assessment that Latvia's integration into the EU (and NATO) was the only viable course of action to safeguard its independence (Park 2005b:262-3). Moreover, the importance of foreign minister's beliefs should not be underestimated in the context of foreign policy making in Latvia because these policy processes

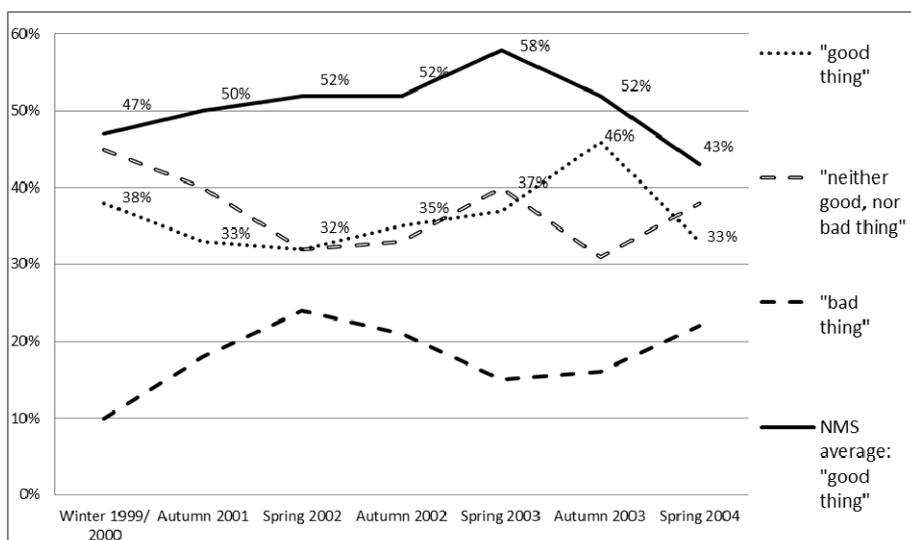
were characterised by decision-making taking place in a “small and closed elite circle without public participation, involvement and extensive debates”¹⁰⁰ (Park 2005b:237).

When it comes to the public opinion and perceptions of EU membership, Park (2005b:236) noted that the Latvian public opinion was generally pro-Western. During the 1990s, public opinion was positive toward entry into the EU, but it fell below 50% in 1996 (Park 2005b:238) and, as Figure 11 indicates, never recovered. Figure 11 summarises the Eurobarometer polls from winter 1999/2000 to spring 2004, when Latvia conducted its accession negotiations with the EU. If the political elites had taken note of public opinion in adapting legislation to the *acquis*, it would have been during this period.

Generally, Latvian public opinion seems to have been rather “agnostic” about EU membership (on average around 37%). In winter 1999/2000, autumn 2001, spring 2003 and spring 2004, the share of those who thought that Latvia’s membership in the EU would be a “neither good, nor bad thing” was higher than the share of those who thought it would be a “good thing”. In spring 2002, the share of “agnostics” and “pro-Europeans” was equally large – 32%. While the share of those who thought that EU membership would be a “bad thing” was consistently lower than that of “agnostics” and “pro-Europeans” (on average around 18%), it rose to 24% in spring 2002 and to 22% in spring 2004.

¹⁰⁰ Park (2005a:195) claims that the foreign policy decision making was concentrated within the MFA that was “the one and only political institution in charge of Latvia’s foreign policy” until at least 1999 when “highly active, and foreign policy oriented” Vaira Vīķe-Freiberga was elected to the office of President of State.

Figure 11: Support to EU membership in Latvia (2000-2004)



Sources: "Eurobarometer 2004.1: Public Opinion in the Candidate Countries" (2004), *Website of the European Commission*, http://ec.europa.eu/public_opinion/archives/eb/eb61/eb61_en.pdf, last viewed on 13 May 2013 - C54.

The share of those who thought that Latvia's EU membership would be a "good thing" was on average around 36% throughout the period and it was higher than that of "agnostics" only in two polls – autumn 2002 (35%) and autumn 2003 (46%). The share of those who thought that EU membership was a "good thing" in Latvia was consistently lower than the average share of respondents holding the same opinion in the ten new member states (on average around 50.5%). Moreover, Latvia (together with Estonia) was consistently the most EU-sceptic candidate country with the lowest approval ratings of EU membership throughout the period 2000-2004. Hence Latvia should be seen as relatively only moderately supportive of EU membership.¹⁰¹ If the political elites, indeed, were as staunch pro-Europeans as the existing literature suggests, they could not always be certain that adjustments to the EU acquis were positively accepted by public opinion.

Social influence, according to the existing literature, can be exerted only if material inducements (rewards/punishments) are absent. Keeping in mind the previous discussion on the credibility of the EU's conditionality, it is not clear that foreign aid policy adoption was a process characterised by the EU inducing Latvia to adopt the policy with material rewards or punishments (i.e., EU conditionality). As noted, one foreign minister thought of foreign aid adoption as a matter of no choice and seemed to indicate that the EU had

¹⁰¹ Still, the EU membership was supported by 66.97%, while 32.26% voted against in the referendum on Latvia's EU membership in 2003 (Central Election Committee 2003).

imposed conditionality in area of foreign aid policy (Interview 24). However, another foreign minister, who was in the office before the accession, explained that he had no recollection of experiencing pressure from the EU or other international actors to introduce foreign aid policy during the pre-accession period (Interview 14). This resonates with the civil servant who stated that no punishments awaited Latvia if it had not introduced foreign aid policy (Interview 11). When I asked this civil servant why Latvia introduced the policy if there was no formal demand, the reply was simply that foreign aid policy was appropriate for EU member states:

No sanction mechanism was provided there, but it is the practice. We, of course, did not want to be... the only ones who did not have that kind of policy... It was taken for granted that it should be initiated. (Interview 11)

I interpret this comment as demonstrating that the civil servants were interested in creating a positive image of Latvia among the countries that were the “reference group” (i.e., the EU old member states). This interpretation is supported by what the Deputy State Secretary wrote in a letter to other line ministries when the draft policy statement was referred for consultation in 6 February 2002: “A coordinated development policy will promote a positive image of the state in the eyes of international organisations and foreign countries showing Latvia as an assistance donor” (Virsis 2002). The draft document explained that at that time un-coordinated development assistance did not allow Latvia to create an image of the country as a “developed country” (Projekts 2002). The draft went on to explain that only instituting a coordinated policy would allow it to promote the image of Latvia as a “responsible country”, which “has experience with providing development assistance and implementing economic reforms” (Projekts 2002). I interpret these passages as an indication that the Latvian elites were concerned with Latvia appearing as what they, likely, perceived as developed European country which allows us to infer that Latvia experienced a certain level of, even if very diffuse, peer pressure. Similarly, the civil servant working at the MoF also spoke of a certain peer pressure as an explanation for why the policy was introduced:

Well, my opinion – probably, that my colleagues in the MFA have another opinion – but from my point of view, it was created only because of the invitation from the foreign countries, that now you have joined to the club of the rich countries and you should kind of participate in sharing the burden and to assist to the third countries. (Interview 20)

This quote refers to a certain practice of “burden sharing” that is also explicitly referred to in the later EU documents of the Monterrey process. However, the underlying idea seems to be a distinctive interpretation of foreign aid as solidarity with other, older member states that had assumed

their role of donor earlier. One of the high-level civil servants linked this solidarity with the fact that Latvia had been assisted by the EU during the pre-accession period and that Latvia “had to demonstrate some kind of solidarity with those aims that are important to the EU” in return (Interview 27). As the ex-foreign minister explained:

When we drafted the 2004 budget, there was a discussion on what we can and cannot afford and what we need for ourselves. It concluded with that we have to understand that we have reached some kind of phase, went through it, that we have to start sharing with others. The motivation was the same as when we speak of participation in the NATO operations that none expects from us a large contribution, everyone understands that, but that one of the most essential principles is solidarity. That is the principle; the volume depends on the concrete country and the concrete situation, what one can afford and it is understood [by others]. (Interview 14)

I interpret these quotes as indicative of a certain culture of solidarity that the newcomers are expected to respect. Even if no punishments are meted out to the countries that do not share the burden of providing aid, it seems that such an action would result in opprobrium from the other member states that do involve in development co-operation.

Policy resonance

Policy resonance is understood here as consisting of two components – policy legacies and beliefs (opinions) about foreign aid policy. I look for evidence of policy legacies by reviewing the literature on Latvia’s foreign policy. Wider public perceptions of foreign aid policy are inferred from the interviews with the NGO activists and the existing literature, as no public opinion polls were conducted on the subject during the pre-accession period. Elite perceptions of foreign aid policy are inferred from the interviews with Latvian decision-makers.

When considering the first component, there are no policy legacies from the previous periods of Latvia’s foreign policy history. In the period of Soviet occupation, Latvia did not conduct an independent foreign policy and all the Soviet era foreign policy decisions were made in Moscow (Dreifelds 1996a:154; Migliorisi 2003:95). This implies that, at the time that Latvia regained its independence, the country had to develop its foreign policy “from scratch” (Pabriks & Purs 2001:122; Dreifelds 1996a:154; Park 2005a:182; Galbreath et al. 2008:59; cf. Muiznieks 1990:17). During the 1990s, Latvia’s foreign policy was primarily oriented towards strengthening its newly restored independence and security (Interview 24) and Latvia did not conduct a foreign aid policy (Migliorisi 2003:95). A comparative study of the personnel in the Slovenian and Baltic MFAs indicates that virtually none of the Soviet diplomats of Latvian origin that had worked at the federal level in Moscow came to independent Latvia’s MFA in the early 1990s (Jazbec 2001:98). Overall, there is little evidence that there are any foreign aid policy

legacies from the Soviet period or the 1990s. As the Latvian MFA was formed from scratch, we can assume that the Latvian diplomatic elites had no experience of providing foreign aid and no positive references to past foreign aid initiatives.

Considering the opinions and beliefs on foreign aid and whether it is seen as a “good thing”, the fact that no national or Eurobarometer public opinion surveys were conducted during the pre-accession period, means that we cannot draw any conclusions about opinions on foreign aid among the general public. The interviewed decision-makers and NGO activists generally assessed the public’s awareness about development co-operation in the pre-accession period as low. Significantly, as Kāle (2007:44) notes, there was no such term as “development co-operation” in Latvian until it was translated into Latvian from English around 2003-2004. Another informant recalled that the NGOs had discussed how to translate the term “development co-operation” into Latvian when they discussed the establishment of the national platform of a non-governmental organisation working with development issues:

Attīstības sadarbība [development co-operation] is, in my view, were unsatisfactory solution [...] My opinion was different. In my view, we should have adopted the term that the linguists had proposed... that it should be [translated as] *sadarbība attīstības jomā* [co-operation in the field of development] *Attīstības sadarbība* does not say anything and you are forced to engage in long explanations what we are, actually, speaking about. If [Andris] Piebalgs was not our [EU] Commissioner [for Development Co-operation], I think we still would struggle due to the awkward terminology. (Interview 26)

The interviewed decision-makers, generally, noted that there was a low awareness on foreign aid policy issues among the political and administrative elites, but some of them offered more detailed explanations for that. First, there was a general agreement that Latvian political elites were rather inward-oriented and that they did not care about issues pertaining to foreign policy or international politics (Interview 6; 13; 14). One of the former foreign ministers noted that his parliamentary colleagues were predominantly interested in domestic affairs and even those who were interested in international affairs were “mostly preoccupied with themselves” (Interview 14). The politicians, according to the former minister,

did not understand what kind of obligations we will have [when Latvia enters the EU]. They understood that we should be there if other are there too [...] but what kind of obligations we will have, that some of them understood only after [the accession] (Interview 14).

I interpret this quote as indicating that Latvian political elite, at the time of accession to the EU, had other priorities and pre-occupations, most likely,

domestic problems, but that no awareness that Latvia was on its way to become a donor country had emerged in the pre-accession period.

Moreover, among civil servants within the MFA, foreign aid policy was perceived to be a low priority (Interview 24; 28). One of the civil servants who worked at the MFA at that time reflected on the colleagues' attitudes in the early years of foreign aid policy adoption:

No, in the beginning, it [the attitude] was... others thought that it [foreign aid policy] is a much too marginal question: "Well, what is that development co-operation." [The attitude] was a slightly disdainful (*laughs*). (Interview 11)

Only later, when bilateral foreign aid contributions resulted in more positive reactions from the bilateral partners, the colleagues' attitude towards the policy became more positive (Interview 11). I interpret this excerpt from the interview as indicating that even the civil servant within the MFA did not perceive foreign aid policy as a "good thing" and that their awareness of foreign aid issues was low. At least in part this is due to a preoccupation in the run-up to EU and NATO accession with a smooth transition into these international organisations (Interview 12) and with other foreign policy priorities,¹⁰² e.g., security policy (Interview 24).

In sum, policy resonance can be assessed as low, because there were no previous positive references to conducting foreign aid policy (lack of policy legacies) and the awareness of foreign aid policy issues was low among the political and administrative elites.

Norm entrepreneurs

In this sub-section, I review whether there was any non-governmental actor that may have persuaded or facilitated the adoption of foreign aid policy in Latvia, as the Constructivist literature suggests. I do this by reconstructing the historical conditions of how the Latvian NGOs emerged based on the existing literature and interviews of Latvian NGO activists about their activities in the pre-accession period (paying particular attention to whether the NGOs succeeded at influencing policy adoption) and how the Latvian NGOs related to the government.

Assessing the evolution of Latvia's foreign aid policy, Maija Kāle (2007:49-50) took the position that the national non-governmental development organisations (NGDO) platform LAPAS together with another Latvian NGDO GLEN-Latvija were "notable norm entrepreneurs". In my assessment, Kāle (2007) overestimated the role of these organisations, at

¹⁰² Another explanation can be that the diplomats and the administration of the MFA were pre-occupied with other, internal priorities of the Ministry that also demanded an increase in the MFA's budget. This interpretation is supported by an interview with the former foreign minister that cited raising salaries of diplomats as a serious problem, because the salaries in the MFA were among the lowest in the civil service (Interview 14).

least in the early policy initiation processes, i.e., in the period up to May 2004. Chronologically, NGDO involvement in foreign aid began on 20 May 2003, some months after the adoption of the Basic Principles, when the Latvian MFA, the Canadian Embassy, and the umbrella-organisation for all NGOs in Latvia (in Latvian language called “NVO centrs”) met to discuss the role of NGOs in foreign aid policy formation and implementation. It is not clear on exactly whose initiative this meeting was organised, but the impetus for NGO involvement in the foreign aid policy implementation, generally, came from the MFA (Interview 22; Interview 11).

The Consultative Council for Development Co-operation was formed in June 2003 in the early stages of the policy, its main purpose being to engage with civil society and other potential stakeholders (e.g., ministries, academic and private sectors). “NVO centrs” was appointed to act as the representative of the civil society.

At that time, Soros Foundation-Latvia (SFL) was involved in the very initial phase of development co-operation. This foundation ran a grant programme aimed at preparing Latvian civil society for entry into the EU and, identified foreign aid policy as one of the priorities (Interview 22). In 2003, the SFL initiated a project that aimed at involving NGOs in foreign aid policy and surveyed all NGOs in Latvia as to whether they had been involved in development co-operation and whether they would be interested in implementing development co-operation projects. The results of the survey showed that only 18% had some experience, 45% were interested in development, but had no experience, and 37% did not answer the survey (Bērziņa 2004). The persons that were involved in engaging NGOs in development co-operation suggested that the NGOs did not have any real experience in the field (Interview 22), while a former official at the UNDP said that “there was no – and there is still no – organisation that has development co-operation as its *raison d’être*” (Interview 8; see also Kāle 2007). However, the NGOs had shown an interest in the field and SFL urged them to build a national platform that would be similar to those in other EU countries (Interview 22). Upon its establishment on 17 June 2004 (i.e., already in the post-accession phase), LAPAS, the Latvian NGDO platform brought together twenty-two NGOs working with (or more correctly, interested in) development co-operation, and it thus replaced “NVO centrs” as the representative of civil society on the Consultative Council for Development Co-operation.

In sum, the role of NGDOs was minimal in the early policy initiation processes before Latvia joined the EU. The SFL could be seen as a norm entrepreneur trying to engage civil society in development co-operation, but, according to the interviews, there was little evidence that this organisation lobbied for adoption of a foreign aid policy in Latvia. In my assessment, its main “success story” is the establishment of the NGDO platform in Latvia.

The Latvian NGOs were not norm entrepreneurs trying to persuade the government to initiate this policy in Latvia.

One could stretch the concept of norm entrepreneurs to include also other actors beside NGOs that supported foreign aid policy initiation in Latvia. If so, the Latvian office of the United Nations Development Program (UNDP-Latvia) and the Canadian International Development Agency (CIDA) can be described as supportive actors who took part in the policy initiation and, later, in the implementation phase. The civil servants from the MFA lauded the assistance that they received from the UNDP-Latvia and CIDA as substantial (Interview 27, 28).

The UNDP financed “Support for the Implementation of the Latvian Development Co-operation Programmes” (launched in September 2003, finalised in December 2005), a project that aimed directly at the capacity-building of the officials at the MFA, to assist them in drafting the policy planning documents and the legal framework, working out the mechanisms of foreign aid provision, and informing the public about development co-operation (UNDP 2003; Interview 17). When asked, the former senior official at UNDP-Latvia reported that there was no particular pressure applied from the side of the UNDP that it encouraged the national politicians to pay attention to their newly assumed obligations as an EU member state (Interview 17; also Interview 8). Apart from financing the project (totalling USD 100,000), the UNDP seconded an official to the Latvian MFA in order to assist in the implementation of the project. This official explained the UNDP initiative as rather an attempt to use the “window of opportunity” provided by the pre-accession period when the EU was pressuring Latvia to adopt its own foreign aid policy (Interview 8). Moreover, similar initiatives were carried out in other new member states (Interview 8). According to this official, the early stages of policy development were characterised by low capacity, because the newly created unit within the MFA consisted of two persons and both of them often attended various seminars, meetings and working groups in Brussels. Similarly, the informant criticised the frustrating “red tape” in the MFA which slowed the policy-making processes. The most success was in raising public awareness and working out the legal framework, but the most problematic area was the project management. The informant had the impression that the civil servants within the MFA never had any experience with project cycle management, which meant that they were forced to learn the very basics in this field (Interview 8).

Similarly, CIDA engaged in assisting the new donor country to assume its role through a special project, “Official Development Assistance for Central Europe/Baltic Initiative Program” (Migliorisi 2003:95). As a senior civil servant from the MFA admitted, the aid from CIDA was “invaluable” (Interview 28). Throughout the pre-accession period, CIDA organised various seminars for civil servants from the new member states on the issues

of development co-operation and provided the new donors with expertise thus significantly contributing to policy implementation capacity (Interview 11).

In sum, even if the definition of norm entrepreneurs is expanded to include other actors than NGOs, there is no evidence that the UNDP-Latvia or CIDA exerted “normative pressure” on the Latvian government to initiate foreign aid policy before Latvia’s accession to the EU. These actors facilitated governmental efforts by providing know-how and technical assistance, or co-managing early aid activities.

Intermediate conclusions

While the evidence indicates that Slovenia did assist Bosnia and Herzegovina in the aftermath of the Balkan Wars, both Latvia and Slovenia had little or, in fact, almost no experience whatsoever of development co-operation when they started their accession negotiations with the EU. However, even though they found themselves in similar situations, the two countries made different choices that led to different paths in the evolution of their foreign aid policies.

The commitment by each government to establishing foreign aid policy was not the same. The Latvian government made a somewhat vague promise to engage in the provision of aid in 1998, earlier than Slovenia. Such promises were repeated by several Latvian governments throughout the pre-accession period, with the exception of the Repše government (2002-2004) and undertaken again when the Emsis government took power in early 2004. In 2000, the Slovenian government mentioned that a foreign aid coordinator should be selected. None of the statements should be seen as a firm commitment to foreign aid policy, but it seems that Latvia “talked the EU talk” first.

With regard to institutional structures, Slovenia was a step ahead of Latvia because it had already established the first Slovenian assistance implementing agency (the ITF) in 1998 and the CEF in 2001. The creation of the agencies was not unequivocally connected with Slovenia’s accession negotiations to the EU, although its timing coincided. Latvia, on the other hand, did not establish any specialised aid-provision agencies during the pre-accession period, providing the aid through existing state institutions on ad hoc basis. The policy structures developed faster in Slovenia which established a unit dealing with foreign aid policy in 2002, while Latvia created a similar unit only in 2003. Still, Latvia was first to adopt a comprehensive policy statement in 2003, while Slovenia did not adopt such a document throughout the pre-accession period. Though Slovenia had adopted a document outlining its intentions of engaging in re-building Western Balkans in 1999, it should not, according to the expert assessment, be seen as a comprehensive foreign aid policy document.

Behavioural adoption – if understood as providing and increasing ODA – was quicker in Slovenia, which was involved in the Stability Pact for South East Europe in 1999 and had started providing foreign aid to the Western Balkans. At that time, Latvia started providing minor allocations of humanitarian aid and paying its fee to international foreign aid institutions (UNDP), but most of its aid was provided on an ad hoc basis. While precise data was hard to obtain, Slovenia, at the end of the pre-accession period, in 2004, provided 0.1% ODA/GNI, while Latvia provided only 0.06% ODA/GNI.

Table 10: Policy adoption in Slovenia and Latvia, 1998-2004

Countries	Discursive adoption	Institutional adoption	Behavioural adoption
Slovenia	No explicit commitment to establishing foreign aid policy	<ul style="list-style-type: none"> • 3 implementing agencies • A unit within the MFA established in 2002 • No comprehensive policy statement, but a policy document on the reconstruction aid to the Western Balkans 	<ul style="list-style-type: none"> • Aid provision since 1999 • Aid volumes rose to 0.1% ODA/GNI by 2004
Latvia	Vague promises to establish a foreign aid policy	<ul style="list-style-type: none"> • No implementing agencies • A unit within the MFA established in 2002 • A comprehensive policy statement adopted in 2003 	<ul style="list-style-type: none"> • Aid provision since 1999, but most of its aid on ad hoc basis • Aid volumes rose to 0.06% ODA/GNI by 2004

As Table 10 indicates, both of the countries were far from fully adopting foreign aid policy, but Slovenia was ahead of Latvia in establishing institutions and allocating higher aid volumes. While Latvia “talked the EU talk” and adopted a policy framework, Slovenia was the first to provide aid and established aid providing institutions, differences reflected in the volumes of foreign aid.

Reviewing the explanatory factors, the experiences of the two countries tend to converge in that EU conditionality was seen as credible and apparently had an important causal influence in both countries. Although foreign aid was a marginal issue in the pre-accession period, both Latvian and Slovenian civil servants perceived that they were not presented with a choice in adjusting to the EU requirements concerning such aid. While some Latvian civil servants from the MFA saw the policy adoption as an obligation rather than a condition, none questioned the policy adoption as such.

When reviewing the existence of adjustment costs and veto players, it seems that the countries had rather different experiences. In Slovenia, evidence of actors constraining policy adoption was scarce, but the emerging fragmentation of the foreign aid architecture most probably contributed to

problems in establishing the MFA as the co-ordinator of the aid, which also could have delayed adoption of a comprehensive policy document in the pre-accession phase. In Latvia, the MoF emerged as an actor that questioned the financial implications of adopting foreign aid policy, but did not succeed in delaying adoption of the policy document, nor did it apparently have any effect on setting-up institutional structures in the pre-accession phase.

Both countries identified with the EU – both at the level of general public and at the elite level – but public support for EU membership was on average higher in Slovenia than in Latvia. Moreover, Slovenia’s identity was characterised by a wish not only to join the EU, but also to play the role of a “model” new member state. It was one of the most advanced countries in Central and Eastern Europe and it was aware of it, cultivating its image as a role model for other CEECs and especially for the Western Balkan countries to which Slovenia started to provide foreign aid. There is no evidence of a similar dynamic in Latvia, though it was aware that it could cultivate an image of a “modern” country if it provided foreign aid.

It is difficult to assess policy resonance in the two countries, but it seems that neither had any previous experience with the policy that could serve as a positive reference when forming the new policy. Moreover, it seems that the political elites of neither saw foreign aid policy as a good thing that should be developed on its own merits. Since neither of the countries conducted public opinion polls on the desirability of the foreign aid policy adoption, we are unable to assess public opinion on the adopting the policy.

No norm entrepreneurs could be identified as important factors influencing policy adoption in the pre-accession phase. There were differences in NGDO involvement in the policy-making, however. In Latvia, the government took an active interest in establishing a co-operation with the NGDOs, almost in a top-down manner, while Slovenia’s government was sceptical about co-operation with the emerging NGDOs. All in all, lack of societal involvement in both countries indicates that the state had a dominant role in adjustment to the EU acquis.

Table 11: Explanatory factors

Explanatory factors	Slovenia	Latvia
Credible conditionality	Present	Present
Veto players and adjustment costs	Fragmentation of aid provision and emergence of “entrenched interests”	MoF as a constraining actor
Identification and social influence	<ul style="list-style-type: none"> • Identified with EU • Foreign aid as part of being a “model” new member state 	<ul style="list-style-type: none"> • Identified with EU • Foreign aid as part of being a “modern” country
Policy resonance	<ul style="list-style-type: none"> • No policy legacies • Low policy resonance 	<ul style="list-style-type: none"> • No policy legacies • Low policy resonance
Norm entrepreneurs	Not present	Not present

As I summarise in Table 11, there are three conditions that, most likely, had a causal influence on the policy adoption: credible conditionality, veto players and adjustment costs, and identification and social influence. Credible conditionality brought the topic of foreign aid policy adoption onto the pre-accession political agenda and it, most likely, provided arguments for various domestic decision-makers as to why policy adoption should be proceeded with. However, as Table 10 indicated, there was variation with respect to how the policy was adopted in the two countries. It seems that the varying degree of identification with the EU and the varying effects of social influence in combination with presence of veto players accounted for the differences in policy adoption. This is most obvious in the case of Slovenia which began to provide aid in 1999 as a result of being persuaded to act as a “donor country,” which was facilitated by its relatively high level of identification with the EU and the image it cultivated as a “model” country among the CEECs. While there was an interest in foreign aid policy, the incremental creation of various implementing agencies dispersed aid provision which became fragmented among the various line ministries. This process, here referred to as entrenched interests (line ministries and the newly created implementing bodies guarding their respective aid budgets) apparently slowed down the process of policy centralisation and consolidation. Latvia provides a useful contrast here – although the country identified with the EU, it did so to a lesser extent than Slovenia. Moreover, there was no similar self-perception of being a “model” country. Aid provision was motivated by the desire to appearing to be a “modern” country, but the efforts to build aid policy were constrained by the MoF, which cautioned against high adoption costs. Despite the seeming powerful constraints of the veto players and adjustment costs, aid volumes increased in both countries when they joined the EU. In other words, the veto players influenced the pace of policy adoption, but not the possibility of adoption itself. In this respect, credible conditionality, indeed, had an overwhelming effect.

Chapter Six: Domestic Response: Post-accession Period (2004-2010)

Introduction

In this chapter, I present an empirical account of foreign-aid policy evolution in Slovenia and Latvia after their accession to the EU in 2004. The cases are discussed separately and this is done in two steps. The first stage is a discussion of the evolution of foreign aid policy in the respective country. The second stage is an examination of the role of mediating factors: 1) identification and social influence, 2) policy resonance, 3) norm entrepreneurs and 4) veto players and adjustment costs. At the end of the chapter, the most important comparative findings are summarised.

Domestic response in Slovenia

In this section, I review the later stages of Slovenian foreign-aid policy adoption, paying particular attention to institutional developments and financial dynamics. The first section deals with the evolution of Slovenia's foreign aid policy in the post-accession period, examining the discursive, institutional and behavioural dimensions of policy adoption, while the second section deals with the evolution of implementing agencies, in particular. The third section examines the evidence pertaining to the pertinence of the four factors suggested in the Europeanisation literature as potentially explaining the policy evolution processes in Slovenia

Evolution of Slovenia's foreign aid policy (2004-2010)

During the post-accession period, Slovenia's foreign aid policy continued to consolidate and the policy's geographical focus stayed on the Western Balkan countries. The commitment to foreign aid policy can be assessed by closely examining the Coalition Agreements in which the political parties forming the Slovenian governments enumerate and explain their political priorities. In this context, it is important to note the parliamentary elections of 2004, when a centre-right government was elected. The Coalition Agreement between the parties forming this government did not explicitly mention foreign aid policy. The section on foreign policy described the changed scene of international politics and made clear that the directions and goals of Slovenia's foreign policy must be clearly defined, "so that we can achieve the greatest efficiency of the Slovenian engagement, and will be thus able to assert our interests more effectively". These interests had a very clear economic dimension; the policy stressed the role of economic diplomacy and promotion of Slovenia's economic interests abroad (Koalicijski pogodbo 2004). In the section devoted to the Balkans (to which Slovenia provided foreign aid) the Coalition Agreement focused on security and stability in the

region, and, in committing the government to contributing to it, the Agreement argued for the need to take a “European perspective” (Koalicijski pogodbo 2004). The “European perspective” or “European future”, in this particular context, refers to the prospect of the Balkan countries entering the EU. This prospect was first formulated at the Feira European Council in 2000 and later re-confirmed at the Thessaloniki EU summit in 2003 (Bartlett 2008:200-202). The document mentioned foreign aid policy only cursorily: “In addition to the enforcement of the Slovenian economy, we will promote our own projects and those of the European Union to ensure democratic stabilization of this European region” (Koalicijski pogodbo 2004). It also stressed the “strategic interest” of Slovenia in Croatia’s accession to the EU (Koalicijski pogodbo 2004).

While the self-interest of Slovenia in assisting and supporting the Western Balkan countries on their way to the EU could also be read between the lines of the Coalition Agreement of 2000, this document was more explicit about the national interests of Slovenia. Another difference is that, in the document from 2004, the language had changed from that of asserting Slovenia’s role as a “middle-man” or “translator” of Balkan conditions (as it was stated in 2000) to a language that stresses Slovenia’s own agency and interests. The Slovenian interests, here, were defined as linked to both the security and economic benefits that Slovenia could reap from ensuring stability in the region. It can be read between the lines that Slovenia intended to use its foreign aid to stabilise the Western Balkan region.

This emphasis on Slovenia’s self-interest was in stark contrast to the Coalition Agreement drafted in 2008 after the centre-right coalition government was ousted by the centre-left coalition. In 2008, the Coalition Agreement mentioned foreign aid in the introduction to the section dealing with the intended foreign policy, asserting that “development cooperation and development assistance are integral parts of the modern foreign policy of the Republic of Slovenia” (Koalicijski sporazum 2008). This was also the first time when a Coalition agreement confirmed its commitment to development co-operation and foreign aid with such an explicit reference. Later in the document, foreign aid was mentioned under the section “15.2 Economic diplomacy” and it was stressed that “development co-operation should become an integral part of Slovenian foreign policy”. The Coalition Agreement (Koalicijski sporazum 2008) pointed out that the economic diplomacy and development co-operation were two functions that would be brought under the competence of the MFA. Under the section “15.4 Western Balkans and the Mediterranean”, the Coalition Agreement emphasised that “Slovenia should more **systematically and continuously** than ever deepen its relations with Western Balkan countries, and aim for a clear European perspective for the countries of this region.” (Koalicijski sporazum 2008; emphasis in original) The document also confirmed Slovenia’s

support for the Stability Pact for South Eastern Europe and urged for a greater involvement in the Mediterranean region:

As a **Mediterranean country**, Slovenia should pay more attention to this region, especially in terms of increased economic cooperation. Before that, it is necessary to strengthen the diplomatic network and development assistance, which should be focused in areas of Slovenian economy's primary interests. (Koalicijski sporazum 2008; emphasis in original)

This quote shows that Slovenia tried to assert its role beyond South Eastern Europe – into the Mediterranean area – and intended to use foreign aid as an instrument to play this role. Significantly, this text also reveals that foreign aid would be used directly or indirectly to promote Slovenia's economic interests. The Coalition Agreement (Koalicijski sporazum 2008) also outlined the plans to re-organize the MFA and heralded an institutional reform of foreign aid policy, notably by establishing a specialized agency.

In sum, both coalition agreements in the period after EU accession, touched upon foreign aid, but there were significant differences. The Coalition Agreement from 2004 did so implicitly and focused mostly on assisting the Western Balkan countries on their way to the EU. The Coalition agreement of 2008 was, on the other hand, very explicit in integrating the aid into development co-operation in Slovenian foreign policy and broadened the scope of such development co-operation from the Balkan region to the Mediterranean region. Both documents linked development co-operation to Slovenia's economic interests. These documents exemplify how Slovenia established itself discursively as an actor with its own interests and ambitions, not only serving as a “middleman” for the European partners, as it was before accession to the EU. Moreover, if the implicit references to foreign aid leave some doubt about the level of discursive adoption of foreign aid policy, the 2008 document cemented the position of Slovenia as a donor country.

The institutional aspects of the policy also evolved during the post accession period. Although Slovenia had not adopted a clear policy framework before 2004, the work on a strategic planning document was initiated in 2004 and three academics (Mojmir Mrak, Maja Bučar, and Helena Kamnar), affiliated to the Centre for International Cooperation and Development (CICD), were invited to draft a strategic policy paper. Drafting the Strategy was a response to a perceived need to both systematise and plan strategically Slovenian bilateral development co-operation from within the MFA and under EU membership pressures:

I think it was more internal, and also being the member of the EU, so, you know, it's basically these people started to go to these meetings, it was more and more clear that we don't have a system, so it was... whom to, you know, who is Mr. ODA in Slovenia... or Mrs. [ODA]? The Ministry of Foreign Affairs was de facto doing only that segment

related with the humanitarian side... but it was far from having an overall picture of this. So it was then the idea to... then of course there were some missions from the OECD, I remember, some consultants who were clearly saying that you need something like this... and then there was... then the Ministry, basically, asked... Well, the following happened... the Ministry of Foreign Affairs got a financial support from the UNDP... so it was basically, we have done this strategy formally as the... basically, as the project of the UNDP. (Interview 22)

The involvement of international actors in initiating the process of strategic planning of the Slovenian development co-operation was confirmed by other informants (Interview 13; 15). Four actors were named – the EU, OECD, the World Bank, and the UNDP – as exerting direct or indirect adaptational pressures. In March 2004, Slovenia “graduated” from the World Bank’s financial assistance program, which marked the transition from being a “developing country” to being a “developed country” and it meant, in practice, that the World Bank expected Slovenia to become a more active donor (Interview 15). The UNDP financially facilitated the drafting of the strategy, but what triggered the planning process was membership in the EU, the EU commitments to increase the ODA, Slovenia’s aspirations to become a member of the OECD and the ensuing visits of the OECD officials (Interview 13; 15; 22).

The final version of the Strategy for International Development Co-operation of the Republic of Slovenia (referred to here as “the Strategy”) was submitted to the government on 31 March 2007. The Strategy included a variety of topics: 1) review of the main international agreements, 2) commitments and principles in the area of development co-operation, 3) choice of the geographic focus (Montenegro and Macedonia were chosen as the primary targets of Slovenian aid), 4) projections of ODA increase until 2015, 5) proposal to adopt a Law on development co-operation and 6) the role of state institutions in policy making and implementation. (Mrak et al. 2007)

The most contentious issue, however, was the proposal to establish a specialized agency that would be tasked with implementation of the policy. At that time and also at the present, the MFA is responsible for both policy making and implementation, and its civil servants (diplomats) rotate on a regular basis to other diplomatic positions. The authors reasoned that this system (particularly, the personnel rotation within the MFA) constrained the institutionalization and centralisation of the policy and inhibited capacity-building (Interview 22). They argued that it would be necessary to isolate the civil servants involved in implementation of development co-operation from the rules applicable to the diplomatic service by creating an agency which would answer to the MFA, and which would be responsible for planning the policy. However, the MFA rejected this recommendation (Interview 13; 22). As a senior diplomat working with foreign aid at that time noted:

There was a very strong, strong... government policy against establishing any agencies. I'm not saying only for development, any agency, whatever agencies, for whatever area. No agencies! So we proposed that... department would be doing both – the technical side and the policy side. (Interview 24)

While the Strategy was being drafted, the work on the International Development Co-operation Act (referred to here as “the Act”) was launched as well. This involved an inter-ministerial consultation on the draft act and a senior diplomat recalled that it faced at least two salient problems. First, the MoF and the Ministry of Economy allegedly had differing views on the aims of development co-operation and maintained that it should “be, at the same time, used as a tool of financing our business abroad” (Interview 24). Second, other ministries opposed the efforts to centralise the ODA under the auspices of the MFA (Interview 24). The inter-ministerial struggle for and against the centralisation of foreign aid was a recurrent theme in other interviews as well (Interview 13; 15; 22).

The Act, adopted on 23 June 2006, reflected the existing division of power between the MFA and other departments, stipulating in Article 5 that the MFA is “national co-ordinator for International Development Co-operation” (Act 2006:2). This article also stipulates that the government appoints, upon the proposal by the foreign minister, the Inter-ministerial Working Body, presided by a representative from the MFA, which, inter alia, is to co-ordinate policy planning and monitor policy implementation. The responsibility for policy implementation was divided between the MFA, other ministries and the implementing bodies, according to Article 8 (Act 2006:3-4). There was no mention of establishing a specialised agency in the Act.

In the first half of 2008, Slovenia held the Presidency of the Council of the EU (EU Presidency), the first new member state to do so, and it implied more intense Slovenian involvement in all areas of EU policy-making, including development co-operation policy. Initially, there were concerns that Slovenia as a relatively small and new member state would not be able to manage the EU Presidency (Bukowski 2009:101, 113). Not wanting to leave a bad impression, Slovenia made efforts to perform well, which likely extended to development co-operation policy (Interview 6). To ensure that the EU Presidency was managed smoothly, the government decided to work in close co-operation with the Commission and rely on its support and advice, and preparations for the EU Presidency started three years in advance (Bukowski 2009:100-1; Fink-Hafner & Lajh 2008:34). Although the expectations were relatively low, the Slovenian EU Presidency's performance, was, in general, assessed as relatively successful (Bukowski 2009:108; Barber 2008).

During the preparations for Slovenia's EU Presidency, the Slovenian government was exposed not only to peer pressure from other EU member

states to perform well, but also to societal and international pressures. The Commission tried, with success, to persuade the Slovenian government that civil society should be involved in the planning and implementation of various events during its EU Presidency (Interview 6). Until then the Slovenian NGDO scene was split, but when the Commission urged the government to co-operate with the NGDOs, the civil society groups decided to register the national NGDO platform SLOGA. As one NGO representative noted, later in the run-up to the EU Presidency both the Slovenian and international NGOs (particularly, CONCORD) lobbied the Slovenian government to raise the salience of the development co-operation policy and to involve civil society in the policy planning and implementation (Interview 12). This effort succeeded and the government became involved in co-operation with the NGDO platform.

As all the countries holding the EU Presidency have agenda-setting powers, the Slovenian government chose to name enlargement in the Western Balkans as one of its five priority areas¹⁰³ (Bukowski 2009:101). As Slovenia's foreign aid was focused on the Western Balkans, this implied a more distinct role for development co-operation policy resulting in increased salience for the policy during the EU Presidency (Interview 12). A senior MP recalled that development co-operation policy came onto the parliamentary agenda more often during that time¹⁰⁴ (Interview 4).

During Slovenia's EU Presidency, the National Assembly passed the Resolution on International Development of the Republic of Slovenia (the Resolution¹⁰⁵) on 7 April 2008. In Articles 6 and 21, the commitment to reach a financial target of 0.17% ODA/GNI by 2010 and of 0.33% ODA/GNI by 2015 was confirmed. The Resolution also confirmed that the geographical focus of the aid was on the Western Balkan countries, while indicating that other Eastern European, Caucasian and Central Asian countries (in particular, Ukraine and Moldova) would be of secondary priority, while African countries would be targeted mainly by multilateral aid. The Resolution defined the thematic priorities: the three top ones being humanitarian and post-conflict assistance, social services, and economic services and infrastructure. As Article 21 envisaged a significant increase in ODA, the Resolution set out the plans for concentrating budgetary funds (Article 22) and the "establishment of a comprehensive international

¹⁰³ Slovenia emphasized that it would be desirable that Serbia sign the Stabilization and Association Agreement with the EU (which is considered to be one of the first steps toward the EU membership) during the Slovenian EU Presidency (Bukowski 2009:101-2).

¹⁰⁴ This MP noted, however, that the issue of development co-operation policy was mostly discussed during the committee meetings or other meetings that were related to the EU policies, but it was not discussed in particular during routine parliamentary debates on the state budget (Interview 4).

¹⁰⁵ As prescribed by Article 4 of the Act (2006), the Resolution is the main, long-term policy planning document proposed by the government and adopted by the National Assembly and it sets out the main policy features until 2015.

development cooperation system” (Articles 24-26). These provisions could be interpreted as signifying policy centralisation through the concentration of authority over the policy in the hands of the MFA. Although responsibility for policy implementation remained decentralised among the MFA, other line ministries and the implementing bodies, according to the Resolution (2008), the MFA was tasked with “comprehensive reporting on the objectives met by and achievements of development cooperation” with the aim to “facilitate additional control as envisaged for all other budget expenditure, i.e., through the Court of Audit and the National Assembly”. Finally, Article 23 urged the government to review and upgrade aid statistics according to the OECD methodology. (Resolution 2008)

The Act (2006) and the Resolution (2008) gave an impetus to a centralisation effort which began in 2009 and was completed in 2010. As mentioned above, the structure of foreign aid implementation was fragmented due to a number of ministries managing their own funds devoted to development co-operation and a number of semi-independent implementing agencies. Moreover, there were inter-ministerial disagreements on the concentration of the budget for foreign aid in the hands of the MFA (Interview 5, 13, 15, 22, 24). The most specific critique was voiced by civil servants within the MoF who were sceptical as to whether the MFA had the capacity to efficiently run the existing development co-operation programs and implementing bodies due to personnel rotation in the diplomatic service (Interview 15). The MFA, on the other hand, perceived the resistance against centralisation on the side of other ministries as unwillingness to surrender items in their budgets (Interview 24; also interview 13, 22). The defenders of centralisation pointed out that decentralised policy planning and implementation inhibited vigorous and effective development co-operation and, thus, increase in ODA (Interview 24; see also interview 13, 22). Other defenders of the centralisation effort argued that Slovenia, as a small donor, needed to be very precise in policy planning if it wished to optimise the impact of its development policy and that such precision could be achieved if the MFA had a larger say over the foreign aid budget (Interview 1).

As the result of the centralisation effort, less than 50%¹⁰⁶ of Slovenia’s bilateral foreign aid was moved under the direct control of the MFA, according to a recent report on Slovenian development co-operation (Zrinski & Bučar 2012:9). As a senior diplomat explained, it had a large impact on the policy planning:

¹⁰⁶ Other estimates show that the proportion of Slovenia’s ODA which was transferred to the control of the MFA was 50% of the bilateral aid (Interview 1).

Now we have leeway. We have a tool how to direct... Otherwise, it was, you know, how it goes, one line minister thinks that it is extremely important to... put... lighting system somewhere, [or] whatever, so you cannot really have a clear policy if you don't have a consolidated budget. (Interview 1)

Although this particular diplomat perceived this reform as an achievement, others were more restrained in their assessment, noting that the individual line ministries, still, held their own funds for bilateral development cooperation and that the MFA had little influence over how the line ministries used these individual budgets even after the reform (Zrinski & Bučar 2012:5, 9).

The financial dimension of the policy adoption processes can be characterised by a steady increase in the ODA budget (see Table 12) over the period 2004-2010. Although the pace was somewhat slow in the period 2004-2006 and it stagnated from 2006 to 2007, the ODA/GNI proportion went up from 0.13% in 2008 to 0.15% in 2009. Due to the steady growth in the ODA allocations, Slovenia seemed to be set to reach the EU target in 2010 (i.e., 0.17% ODA/GNI), but in 2010, there was instead a sudden drop of ODA from 0.15% to 0.13% of the country's GNI.

Table 12: Financial allocations to foreign aid policy in Slovenia after the accession, 2004-2010

	2004	2005	2006	2007	2008	2009	2010
Foreign aid, EUR, million	25	28	35	40	47	57	48
ODA/ GNI (%)	0.1	0.11	0.12	0.12	0.13	0.15	0.13

Source: European Commission, the (2011b) EU Accountability Report 2011 on Financing for Development. Review of progress of the EU and its Member States. Brussels, SEC (2011) 500 – 27.

According to the interviewed civil servants, there were two technical reasons and one macro-economic policy cause why the drop occurred. First, the ODA contribution statistics were “cleaned” according to the OECD methodology in 2010. It meant that some of the contributions which were earlier reported as part of the ODA, but did not meet the OECD Development Assistance Committee's criteria, were no longer included in the report on Slovenia's ODA. Second, Slovenia's contribution to the EU budget for development cooperation were decreased by five million. The Slovenian contributions to the EU budget are estimated by the Commission and, according to the civil servants, it was not in their capacity to influence the Commission's estimates. The third and most important reason was the governmental budget cuts which reduced the discretionary part of Slovenian bilateral foreign aid by approximately 25% in 2010 (see also Slovenian MFA 2011:8).

The cutbacks were part of the government's austerity measures implemented as the response to the economic crisis which hit the country in 2009 (Interview 1; 2)

In absolute figures, Slovenian foreign aid rose from EUR 25.21 million in 2004 to EUR 44.24 million in 2010 (Slovenian MFA 2005:25; 2011:5), which is an increase of 75%. A large share – around 61% in 2010 – of Slovenia's ODA was channelled as multilateral aid (including contributions to the EU budget, membership fees in international organizations, etc.). At the same time, bilateral aid made up only around 38% of Slovenia's ODA in 2010. While the bilateral share increased slightly from 2009 to 2010 (from 35% to 38%), Slovenian allocations to bilateral aid were still much lower than in other OECD DAC countries, where the average share was around 64% in 2009 (Slovenian MFA 2011:6).

Geographically, a large share of Slovenia's bilateral foreign aid was still focused on the Western Balkan countries (around 74% in 2010). In 2010, the main recipient countries were Croatia (receiving around 27% of Slovenia's ODA), Montenegro (13%), Bosnia Herzegovina (11%), and Macedonia (10%) (Slovenian MFA 2011:15). As mentioned above, the Resolution (2008) defined Montenegro and Macedonia as the two main focus countries. Therefore it seems that there is a policy implementation gap as the countries that were supposed to be the main recipients accounted for only around 23% of the Slovenian bilateral aid allocated to the Western Balkans.

The main sectors supported in 2010 by Slovenian aid in the Western Balkan countries were education (27%), general support for governments and civil society (20%), conflict prevention and resolution and peace and stability (13%) (Slovenian MFA 2011:15). These areas, in general, matched the policy priorities as defined by the Act (2006) and the Resolution (2008). Nevertheless, the first priority of Slovenia's and the EU's development co-operation policy – “combating poverty in the developing countries by sustaining their economic and social development” (Act 2006) – is not among the three main sectors supported by Slovenia in 2010 (Slovenian MFA 2011:15). Unless this priority is seen as a cross-cutting or a more general aim of the policy, the figures cited above raise the question whether the policy intentions are matched by appropriate implementation measures.

Evolution of foreign aid implementing agencies in Slovenia

As mentioned in the chapter on the evolution of Slovenia's foreign aid in the pre-accession period and also in this chapter, both the pre- and post-accession period were characterised by the creation of implementing agencies. Before 2004, three implementing agencies were established (ITF, CEF, and “Together”), but, after 2004, the government participated in establishing other agencies and I here focus on two of them: the Centre for European Perspective (CEP) and the Centre for International Cooperation

and Development (CICD). The establishment of new implementing agencies prolonged the process of fragmentation of Slovenia's foreign aid architecture into the post-accession phase.

CEP

The Centre for European Perspective (CEP) was established just after Slovenia entered the EU in July 2004 by the Government Office for European Affairs and the Ministry of Finance; at that time it was called the Centre for European Union Integration Support. In 2006, the CEP was taken over by the MFA and renamed (CEP n.d.a; Interview 23).

The purpose of the CEP is, first, to provide “a concrete Slovenian contribution to building stability and prosperity” in the region (most of the activities are aimed at the Western Balkan countries), second, to “develop and strengthen friendly relations with the beneficiary countries”, third, to “achieve visibility of Slovenian know-how and to build the reputation of Slovenia in the region”, and, fourth, to “implement its priorities in the field of development aid and co-operation”. As a senior official of the CEP noted, the main idea was to transfer the knowledge that Slovenia acquired during the pre-accession period and in the accession negotiations and adapt these to the *acquis* of other countries in the Western Balkans. The CEP has also served as an accumulator of scientific and policy-relevant knowledge on transition and EU affairs performing, as the CEP official put it, “some think tank oriented things”¹⁰⁷ (CEP n.d.a; CEP n.d.c; Interview 23).

The CEP launched its activities in 2006, drawing financial support from the MFA and the budget for Slovenian bilateral foreign aid. By 2011, it had completed more than eighty tailor-made, demand-driven projects focusing on institutional and administrative capacity building, security, and socio-economic development. During Slovenia's EU Presidency, the CEP was given specific tasks to assist the MFA. It was also the time when the CEP budget was at its height (CEP n.d.c; Interview 23).

The period 2006-2008 was characterised by the CEP official as being particularly active and also when it enjoyed significant political support from the foreign minister. Since 2009, both political and financial support has decreased and the CEP employed only nine people in 2011. Despite the changes in government, resource scarcity and the centralization reforms, the CEP official maintained that it still enjoys support from the MFA and other ministries, particularly, the Government Office for European Affairs and the Ministry of the Interior. The CEP is governed by an Executive Board consisting of the foreign minister and senior diplomats. A supervisory board

¹⁰⁷ The CEP has published a peer-reviewed journal “European Perspectives: Journal on European Perspectives of the Western Balkans” since 2009. It is also one of the co-organizers of the Bled Strategic Forum which brings together high-level actors and leaders from politics, private business, academia and civil society to discuss strategic issues of European importance.

supervises the activities of the CEP consisting of the minister of justice, the minister of agriculture and two other high civil servants from the prime minister's office and the MFA. Finally, the Advisory Board advises the CEP, promotes its activities and serves as its representative externally. It consists of former political leaders, intellectuals and diplomats (Interview 23; CEP n.d. b).

The new situation gave an impetus to the CEP to redefine its mission. Although the CEP continued to implement projects in the "old" areas, the new niche entailed implementation of security-oriented, civilian crisis management, and civilian mission's projects. As a result, the CEP has become a member of the European Group on Training, and has sought and received external financing for its new area of activities. However, the CEP seemed to suffer from its unclear legal status as an organization established by the government, but run as a private organization; one result was a difficulty recruiting experts for project implementation (Interview 23).

CICD

The history of the Centre for International Cooperation and Development (CICD) reaches back to 1967 when the Research Centre for Cooperation with Developing Countries¹⁰⁸ (RCCDC) was established at the University of Ljubljana in 1967. After the early 1990s when the SFRY broke down, the RCCDC lost its main purpose (i.e., to provide the research expertise on the developing countries' economies and thus support Yugoslav businesses entering the developing countries) and its main source of income (i.e., the federal Yugoslav government). By then, it was renamed and its purpose changed to providing economic (e.g., country risk assessments) and legal analysis of the foreign markets (particularly focusing on the Western Balkans and Eastern Europe) and preparing analysis of the Slovenian market for foreign enterprises. Its ownership then rested with both Nova Ljubljanska Banka and the Chamber of Commerce. Later, the CICD was acquired by Ministry of Finance and the Slovene Export and Development Bank, known also as SED Bank (Interview 9).

When the Act (2006) was adopted, the CICD acquired a new function, namely that the CICD together with the SED Bank provide developmental grants or concessional credits to the recipient countries of Slovenian development co-operation. These grants are aimed at co-financing the projects of developmental (both economic and social) importance in the target countries, as defined by the Resolution (2008). As one of the indirect

¹⁰⁸ In 1973, the RCCDC became an independent and self-financed research institute and, in the mid-1980s, the RCCDC had 29 full-time researchers. This centre among other things (publishing books on different topics, organizing seminars and conferences, conducting research on, among other things, South-South economic co-operation) published a scientific journal "Development & South-South Cooperation" (launched in 1985) on a half-yearly basis. (RCCDC 1985)

aims is to support “the breakthrough of the Slovenian economy” (i.e. Slovene export companies) into the markets of the recipient countries, the CICD serves not only a developmental goal, but also a commercial one (CICD n.d.). As one of the civil servants at the CICD explained:

We do not oblige them [the recipient countries]... that they have to choose the Slovenian company, but we try to find a way that Slovenian companies find business partners... to be involved in project. We do not formally oblige them in the contract... but OK, we try to find a way... (Interview 9)

Due to the cultural ties and “common experiences” of the former SFRY, Slovenia’s development co-operation partners see the Slovenian companies as more competitive than Western European companies:

They like to... do business with our companies because of our history, they know our language and culture... and it is easier to communicate with us than with the Germans... they say... and our companies also have this kind of... experiences... (Interview 9)

From 2007 to 2009, the development co-operation activities of the CICD were controlled by the Ministry of Finance, the Ministry of Economy and the MFA. In 2009, control over the CICD was transferred to the MFA, as part of the centralization effort, and Slovenia’s bilateral foreign aid has, since then, been the main source of income to fund activities in the area of development co-operation. The CICD’s officials indicated that they felt they had support for their activities from the government’s side. According to them, the downside of the centralization effort was the relatively new procedures in conducting the development co-operation and the cumbersome process of budget planning; but these were deemed to be of a transitory nature. (Interview 9)

Summary

What can we learn from this overview of how Slovenia established the CEP and CICD as aid providing agencies in the post-accession phase? First, the continued establishment of aid providing institutions reflected Slovenia’s continued commitment to foreign aid policy and, in particular, assisting the Western Balkans. As in the pre-accession phase, the government continued its policy of assisting the Western Balkan countries and diversified the scope of its assistance from humanitarian assistance to technical assistance and economic assistance. Second, as in the pre-accession period, the government continued its policy of “locking-in” the aid programs by institutionalising them through implementing bodies. This, as mentioned also in Chapter 5, is a distinctive difference from other CEECs (such as Latvia) which did not choose a similar strategy, but used already existing state agencies or created a single development co-operation agency. Third, the more specific lesson is

that the CEP seems to reflect Slovenia's ambition to play a role of being a "model" for other countries within the region aspiring to enter the EU by providing them with technical assistance in adjusting to the EU acquis. This became particularly salient during Slovenia's EU Presidency in 2008 when the CEP acquired a special role in the context of the emphasis on Slovenia placing priority on the EU perspective for the Western Balkans. At the same time, the CICD promoted Slovenia's commercial interests and its image as an example for other countries in the region.

Explanatory factors

In the following four sub-sections, I present the findings on the main explanatory factors that are suggested by the Europeanisation literature: veto players and adjustment costs, identification and social influence, policy resonance, and norm entrepreneurs. Credible conditionality is not included here because the EU, in contrast with the accession of Romania and Bulgaria in 2007, did not conduct a post-accession monitoring of Slovenia after it became a member state in 2004.

Veto players and adjustment costs

In this section, I assess whether the policy adjustments were constrained by powerful veto players which perceived further adjustment of foreign aid policy as causing them too high adjustment costs. I do this mainly on the basis of interviews with the Slovenian decision-makers and NGO activists who were asked to identify any institutions, actors or conditions that, in the post-accession phase, constrained further adjustment of Slovenia's foreign aid policy to EU targets.

Based on the interview data, I distinguished two particular trends emerging in the evolution of Slovenia's foreign aid policy – (1) fragmentation of Slovenia's foreign aid architecture and opposition to centralization efforts, and (2) difficulties at persuading the government to increase the ODA. While neither of the two trends can independently account for all the policy developments after 2004, it seems that both of them in combination constrained the MFA's efforts to centralise the policy in a comprehensive aid system and to realise the EU commitments to increase the financing for development.

Fragmentation and opposition to centralization was reported by the informants in the context of how Slovenia's foreign aid policy was organized. As noted, Slovenia's aid was channelled through multilateral instruments, as well as through the implementing agencies (ITF, CEF, "Together", CEP, and CICD) while the line ministries were also running their own development projects. Even though the MFA tried to assert its role of national co-ordinator of the aid, the line ministries and other organizations were not

willing to give up control over their aid budgets (Interview 5; 13; 22; 24). As a former foreign minister explained:

[I]n this country development aid is quite fragmented... and... you know, several ministries have competencies to deal with... foreign aid on their own. Only recently there have been attempts to centralise ... The whole operation was quite fragmented and, as minister, I often... protested and often criticized the arrangement that we have... but you know, the Ministry of Finance wanted to have their say and then, you know, the Ministry of Economy wanted to have their own policy... (Interview 5).

The line ministries were interested in keeping the status quo, which also meant resisting to the MFA's efforts to centralise the aid system.

The complex governance structure of the established implementing agencies also contributed the fragmentation. For instance, the ITF had to negotiate with three ministries in order to ensure the Slovenian contribution – Ministry of Health, Ministry of Foreign Affairs, and Ministry of Defence (Interview 14). The CEF, on the other hand, was hierarchically subordinated to the Ministry of Finance, not to the MFA. These governmental stakeholders sought to guard their “ownership” of the agencies and did not want to share control over the agencies with the MFA. The resistance was couched in terms of concerns that the MFA would not have the capacity or expertise to program highly specialized agencies (e.g., interview 15). As a civil servant working at the Ministry of Finance (MoF) put it:

If the Ministry of Foreign Affairs wants to run development co-operation, it needs to convince all the other line ministries that they are A able to deliver... and B that they have the power to do so. It is not just enough for the Foreign Minister just to ring to Finance Minister and say – look, my guys are taking over, you hand me over your funds. Sorry, not good enough. They have to prove that they will be able to deliver and, as I said, it was a gradual process... after they had set themselves up, as a unit, it is now a directorate within the Ministry of Foreign Affairs, they [were] growing their capacity. (Interview 15)

In part at least the lack of capacity was a fair argument because many informants, even those not related to other ministries, stressed the relatively weak capacity of the MFA in the area. Particular concerns were raised about what can be called the “rule of rotation” within the diplomatic service that precludes a continuous capacity building and retention of the institutional memory (Interviews 6; 15; 16; 22; 23). The rule of rotation implies that diplomats assigned to work with the development co-operation policy leave their position for other posts (either abroad or within the central apparatus of the MFA) after three to four years spent at the unit (department) for international development co-operation. There were also concerns that the MFA's unit (later department) responsible for development co-operation was understaffed (Interview 13). Moreover, the institutional solution that could remove the concerns about capacity – that the functions of implementing

development co-operation be transferred to an independent agency – was rejected, as the then government’s policy was to avoid creating new agencies (Interviews 22; 24).

The fragmentation within foreign aid policy strongly resonates with the overall characterisation of the Slovenian ministries as being “feudal territories” of the political parties facilitating clientelism (Fink-Hafner 2010:246), suggesting that horizontal co-ordination among the ministries was, to some extent, deficient (Interview 5; 23). As a former foreign minister recalled, speaking of one of the aid providing agencies:

They wanted to...to do their programs as they found it appropriate. They didn’t want anyone to meddle with their business. I guess that... (*laughs*) it’s small feudalism, you know, this is my... how to say, my plot, this is your piece of land and you let me do what I want. (Interview 5)

If there were difficulties in the policy co-ordination, drafting the Act (2006) turned out to be similarly problematic because other ministries had differing views on the aims of Slovenian development co-operation than the MFA (Interview 24).

The situation changed in 2008 when the Resolution (2008) confirmed the MFA’s co-ordinating role in Slovenia’s development co-operation structure and set out plans for centralization. This could have remained just an empty plan (observe that also the Act from 2006 defined the MFA as the “national co-ordinator”), but the informants stressed the role of an active senior administrator and the change of foreign minister in autumn 2008. According to the informants, the senior civil servant who led the development co-operation policy within the MFA relied upon the informal support of the new minister (a former senior diplomat) and both of them persuaded other ministries to accept the centralization effort, in particular, centralizing the responsibility over the implementing bodies under the MFA. (Interviews 1; 6; 7; 8; 12; 13; 15; 17; 18; 23) Still, the centralization effort succeeded only partially because the line ministries still retained the responsibility for managing their own development co-operation projects (Zrinski & Bučar 2012).

As mentioned above, the Coalition Agreement from 2008 included a political promise to form a specialized development co-operation agency. This plan was not carried out, however, as there was internal opposition to the idea. Most likely, the two main sources of opposition were the MoF, and, paradoxically, the MFA. A senior diplomat at the MFA argued that creation of a specialised agency would not be cost-effective in Slovenia as Slovenian aid was too small and that the administrative costs would be too high; besides, according to the diplomat, there was strong opposition within the government against the creation of a specialized agency (Interview 1). A civil

servant at the MoF confirmed that the MoF was afraid that such a move would constitute a danger to the already existing, successful aid programs:

We said that it was not cost-effective, it's not going to bring us towards better aid, so I think we made some kind of compromise... doing something for it, and I think it was also the case, I mean, we have a some kind of inter-ministerial group which deals with the organizational [issues] and that was maybe... it was gradual, gradual... and also the Ministry of Foreign Affairs is pushing hard all the years to get... more centralised. I mean they are also more... more the pushers... We were more conservative on those things because we were very afraid that we would lose the programs which are successful... that was our main concern... that the Ministry of Foreign Affairs would just take them, but then would not be able to keep them... I mean that was... because those institutions are really successful, that's why we were very afraid about that. (Interview 15)

This quote also contains a reference to the perception that the MFA was more activist (“pushers”) in its efforts to centralise and form an agency, while the MoF was more “conservative” (“breaks”) in its approach. As the civil servant noted, the main target of centralization should not be the centralization of activities, rather the centralization of policy planning (Interview 15). It appears that the MFA and the MoF had differing views on important aspects of foreign aid policy and that the MoF prevailed in the inter-ministerial struggles.

The second theme that emerged in the interviews was that it was difficult for the MFA to persuade other ministries and the government about the ODA increase. It was a three-fold problem. First, the difficulties arose from the fragmentation discussed above. Second, the difficulties stemmed out from the budgetary process within the Slovenian government. Third, the lack of political will precluded taking a decision to significantly increase the ODA.

The first element of the problem is related to the issue of which ministry is in charge over the financial resources allocated to foreign aid. One aspect of the centralization effort discussed above was the transfer of responsibility over the funds from the line ministries and the implementing agencies to the MFA which would, in a centralised manner, plan the development co-operation policy according to the overall policy priorities and disburse the funds to either line ministries or the implementing bodies. As mentioned above, this met a strong resistance. When the Act was adopted in 2006, the line ministries and the implementing bodies were reluctant to accept financial centralization and a diplomat who was involved in the process described the budgetary process as a fight between individual ministers for the incremental increase of their budgets. If the changes are proposed transferring the resources from one ministry to another, it is perceived as a loss for that ministry:

The logic which is always behind is: we want a certain percent more on the last year [’s expenditure figure]. Then, of course, when you start, if you want to take something out

of this budget of a certain ministry, it is very difficult because this is understood that you will not recuperate that. This is considered as a loss. Not that this is one state, one government, that this country's policy [which] is behind! It is very odd to understand and there is always a certain level of suspicion between the different ministries and competition, of course, which is sometimes beneficial, you see... This is what I had in mind when I mentioned reluctance. You have to fight on certain, something which is taken for granted as unchangeable. It's very difficult to shift something from one ministry to another ministry. (Interview 24)

The failure to centralise all the bilateral aid under the responsibility of the MFA poses challenges to both how and how much of the financial resources are spent for development co-operation, as the MFA had little authority over the ODA spent by the line ministries (Zrinski & Bučar 2012). As Zrinski and Bučar (2012:9) noted, “this makes planning process very complex and enforcement of the priorities nearly impossible. The lack of political support to centralise ODA in recent years has meant that the Directorate has had to focus on trying to ensure that individual line ministries actually allocated resources appropriated for ODA to meeting expenditures that could be included as ODA under the OECD DAC guidelines.” When the budget for development co-operation is still situated under the individual line ministries, as it was in the period under scrutiny, it is difficult for the MFA to ensure a steady and predictable increase of the funds devoted to the foreign aid. The line ministries are capable of adjusting their budgets to their primary policy priorities and they still have the leeway to decide exactly how their financial resources, even if marked as “development co-operation”, are spent. Moreover, it can be expected to be more difficult to argue for an increase of the ODA if it is hard to account for the exact figures and uses of the relatively decentralised bilateral foreign aid expenditures¹⁰⁹.

The second element of the difficulty is related to the budgetary process itself. As a former foreign minister noted: “[Y]ou know, it's always a political matter – how do you extract that money (*laughs*) from the budget and so on...” (Interview 5). Although the minister did not explicitly admit this, it seems that there was an opposition to increasing the financing of foreign aid from his governmental colleagues. This perception was confirmed by the diplomats at the MFA (Interview 1; 2). Moreover, Bučar (2012:85) corroborates this view noting that the Slovenian MFA “is sometimes faced with opposition within the government when advocating for increased resources for development cooperation as well as closer cooperation with the NGDOs”.

According to a civil servant at the MoF, the draft budget is usually prepared by the MoF and the MFA's budget lines are subsumed under a

¹⁰⁹ According to Zrinski and Bučar (2012), it, still, is unclear which public institution is responsible for evaluation of Slovenian development co-operation projects and programs. Although the MFA submits an annual report on Slovenia's development co-operation, the reports do not have an evaluative character.

more general budget line (“Interior/Defence structure”), which includes the MFA, Ministry of Defence, and the Ministry for Interior. If the MFA strives to increase the budget for development co-operation, it has to convince the other two ministries of the merits of increasing the ODA (Interview 15). But there were generally two strategies for raising the ODA:

It could be two things. Either they raise or they decide between each other who will get more of the share. On that basis, the Ministry of Foreign Affairs is negotiating with [the Ministry of] Defence, with [the Ministry of] Interior whether they would need more funds, so that means that [the Ministry of] Defence will get less which at some phases is not logical. (Interview 15)

In other words, either the three ministries decide to collectively ask the government for a raise in the budget for the three ministries together, or the MFA has to convince either the Ministry of Defence or Ministry for Interior that the ODA is a more important priority than those of the two ministries. But it is not only about convincing the ministerial colleagues, as the civil servant claimed, that the size of the foreign aid budget depends largely on the MFA:

You have to know that the... it’s also to decide on them because usually when there’s a budget cut or something like that, they sometimes decide to cut... official development aid, so we can’t do nothing about that. That’s their business, but if they decide that it’s more important for them to have more on travels or, I don’t know, expenses for the embassies, then that’s their decision, so they have to... but they usually do it like that because the first thing they cut, usually, their ODA budget. So that’s the policy of the [Ministry of] Foreign Affairs. (Interview 15)

I interpret this quote as indicating that the MFA did not seem to prioritize foreign aid over other its activities and had in the past preferred to cut the budget of foreign aid. This leads to the third component of the difficulties in persuading the government on increasing the ODA – the lack of political will within the MFA.

As noted, the diplomat working with development co-operation in the early 2000s noted that the foreign minister was not engaged in the development co-operation issues. The diplomat noted the lack of engagement from the minister’s and the prime minister’s side as a constraining factor which explained the relatively low priority of the newly-made policy from the very beginning and also why earlier centralization efforts failed.

Although the next foreign minister was considered, by the informants, as relatively more positive to the development co-operation, when confronted with the government’s decision to carry out the budgetary cutbacks, he did not hesitate in cutting the budget for the ODA. As a civil servant, at the MoF,

put it, development co-operation is seen as a “soft issue” whose budget is easier to cut:

Most notable example is the 2010 budget because there was in the middle of 2010, we had a... an amending budget because the revenues were lower than expected. We had an amending budget and every ministry had to chip in, every ministry had to reduce partly their expenditure and the largest single contribution within the Ministry of Foreign Affairs came from the development [assistance] budget because everybody saw it as a softer part of the budget. Obviously, they did not cut on their salaries because they cannot just fire some fifteen hundred people and it came from a softer part. (Interview 15)

In sum, findings, in this sub-section, indicate that the fragmentation of the Slovenian aid providers account at least partly for the decentralised structure of the aid provision. Establishment of the implementing bodies and the decentralised aid programs run by the line ministries, in the early 2000s, appears to have created “entrenched interests” that favoured the status quo and resisted any centralisation efforts by the MFA. Although around 50 percent of the bilateral aid was centralised under the MFA’s control in 2010, the centralization effort was only partially successful, as the line ministries still run their own aid programs and the MFA had limited authority over the programs run by the line ministries. This left considerable leeway for the line ministries to focus on their own priorities and to decide over how and how much to spend from the funds allocated to them as their own “development assistance” budget. The partially decentralised structure of Slovenian development co-operation was characterised not only by fragmentation, but, it seems, also by difficulties at horizontal co-ordination.

Although there is no indication that some of the political and administrative actors would have consciously constrained the evolution of development co-operation policy as such, there are indications that the policy was not perceived as a priority within the government. There were also some features in the budgetary process that prevented a substantial rise in ODA, as the MFA’s budget was lumped together with the budgets of Ministry of Defence and Ministry for Interior under one budget line. For a proposal to increase the ODA to be successful, the MFA needed either to persuade the two ministries to give up their priorities, or to convince them to ask the government for an increase of their overall budgets. However, the development co-operation policy, even if it somewhat increased in importance after 2008 and received the minister’s support, was not seen as a particular priority in the MFA given what can be described as lack of political will.

Identification and social influence

In this sub-section I investigate whether the further evolution of Slovenia’s foreign aid policy can be traced back to the country’s identification with the

EU and the EU's social influence. The country's identification with the EU was discussed in the previous chapter on the post-accession period and it was concluded that Slovenia's general public and its elites identified with the EU as "in-group". Since joining the EU in 2004, it is likely that Slovenia retained its European identity. Therefore in this sub-section I pay particular attention to how and whether the EU's social influence can explain the evolution of Slovenia's foreign aid policy. Social influence, understood here as peer pressure by the EU member states and the Commission, is assessed on the basis of interviews with civil servants about whether they acknowledged existence of such peer pressure.

Reviewing the historical development of Slovenia's aid policy, identification with the EU as Slovenia's "reference group" played an important role in the evolution of foreign aid policy during the preparations in the run-up to Slovenia's Presidency of the Council of the EU. A high-level civil servant at the Slovenian MFA noted that Slovenia's EU Presidency contributed to the "maturation" of foreign aid policy (Interview 17), a claim supported by other informants (Interview 6; 10; 12; 13; 21). As one NGDO representative explained, the upcoming EU Presidency provided an incentive for Slovenian politicians and civil servants to increase the financing for foreign aid (Interview 6). This informant implied that Slovenia was expected to demonstrate that, as the first new member state to hold the EU Presidency, it was behaving "responsibly", and that Slovenia was among the better-performing new member states (Interview 6). The latter theme – Slovenia playing a "role model" among the CEECs – was discussed above in reviewing the pre-accession period, but it seems that this posture of being the "good pupil of the EU" survived in the post-accession period.¹¹⁰ All in all, I interpret the interview data as indicating that Slovenia felt peer pressure to demonstrate that it is an active new donor who acts "responsibly", even if only during the period of its EU Presidency. This interpretation is, partly, supported by Bukowski (2009:101) who, reviewing Slovenia's EU Presidency performance, noted that Slovenian diplomats were aware of their country's small size and other limitations, but determined to perform well during Slovenia's Presidency. An NGDO activist noted that the preparation period for the EU Presidency was a definite breakthrough for NGDO relations with the government when the government, upon recommendation from the Commission, decided to involve the NGDOs in development co-operation and became more active in this policy field by financing or co-financing some

¹¹⁰ It seems that this posture played, at least, some role in selecting the priorities of Slovenia's EU Presidency because the country chose to elevate the goal "Strengthening of the European perspective for the Western Balkans" among the five priorities of its EU Presidency. This is particularly significant because Slovenia's development co-operation was targeted mostly to this region and the Slovenian implementing agency Centre for European Perspectives was among the main actors providing Western Balkan countries with EU-related assistance. Also, as discussed above, Slovenian diplomats claimed that they had a special knowledge of the Western Balkans acquired from the period when Slovenia was part of Yugoslavia.

projects that were implemented by the NGOs in 2008 (Interview 12; also interview 6 and Bučar 2012:87, 91).

This historic episode of Slovenia's EU Presidency illustrates well how Slovenia's identification with the EU and Europe as well as social influence resulted in the activation of foreign aid policy. But a more important question is whether Slovenian politicians and civil servants experienced peer pressure from peers within the EU with regard to foreign aid policy.

Most of the interviewed politicians and civil servants admitted that a certain level of peer pressure existed in the post-accession period. While the former foreign minister claimed that he did not experience "brutal pressure" from the EU in regard to foreign aid policy (Interview 5), he admitted:

But, certainly, you know... there was a common understanding that Slovenia as the best developed part of the area, of the region, could contribute... something... or more than somebody else. (Interview 5)

In my assessment, the "common understanding" that the former foreign minister spoke about can be conceptualised as peer pressure. As there were no material incentives or punishments, the EU exerted pressure in the form of formulating expectations vis-à-vis Slovenia and its foreign aid policy. Interestingly, this quote indicates that Slovenia was assessed as being in position to provide more than other CEECs because it was considered to be "the best developed part" of Central and Eastern Europe.

Similarly, a senior level diplomat reported peer pressure during the immediate post-accession period when the EU's old member states and the Commission treated the new member states as their equals. They expected Slovenia to achieve the target of 0.7% by 2015 and launch direct financial transfers to developing countries, known as "budget support":

I remember there was a lot of debate and I can say this openly, we were taken... it was taken for granted that we can match the, I would say... more... that we can match the policies of some donor states, like, Finland, or, I don't know, Denmark, the Netherlands, and it was taken for granted that we can go with the logic of budget support... and I have been... at quite a number of meetings saying that I am hundred percent that I cannot convince my government to go for budget support, we are on the level that we want to see what we get for our money or what is the outcome of our money. (Interview 24)

This led to a frustration in the civil servants who were aware of the particularities of Slovenia and its political leadership and they demanded a "special treatment" of the new member states (Interview 24).

Furthermore, a former Slovenian representative in the Council working party on development co-operation (CoDev) affirmed that financial targets were discussed during the CoDev meetings in the later post-accession period and that no member state has ever questioned the appropriateness of the

targets (Interview 18). But this diplomat emphasized that the peer pressure was of very subtle nature and it was targeted at the old members, in particular, thus confirming that the new member states were treated more mildly:

The Commission was not pushing us or anything... maybe... OK, they were encouraging everybody, but I think we never had a black list or, you know, shaming and blaming board or anything, but they were critical more towards the countries that had traditional ties with the developing countries and, let's say, were not able to maintain the commitments towards these countries. I am not sure that the Commission had in mind the new member states or this EU-10 or EU-12, but more, let's say, I don't know, France or... countries which are supposed to do more. (Interview 18)

That the new member states and their performance in relation to the financial targets were not a focus of the EU's attention was confirmed also by a senior diplomat working with Slovenian foreign aid¹¹¹ (Interview 1). According to this civil servant, the reason for the relatively low interest in the new member states was their relatively small contributions (Interview 1).

Still, while the new member states were treated somewhat more mildly than the old member states, it did not mean that the new member states were allowed to "free-ride". A high civil servant working at the Slovenian MoF explained his view on the EU financial targets for the ODA as a self-policing, voluntary commitment where mutual expectations and one's credibility were essential:

I would say [that] it's a target. It's a public finance target... and as a target, you know, it is something that you want ideally to get as close as to as possible, but you have to know that you will never meet all of your targets 100%. So, if you miss this target by 10%, I think nobody will complain. If you miss it by 20%, maybe some eyebrows will be raised, but if you even don't come close to the target, then, obviously, people will start questioning your commitment. (Interview 15)

This quote indicates that the financial targets were not perceived as, strictly speaking, binding commitments by Slovenia, that the member states have some leeway in implementing the targets. But, most importantly, the civil servant suggested that flagrant non-compliance with the targets would result in opprobrium from its peers, as it would indicate a disregard for the common commitments.

There are also other indications that Slovenia was particularly concerned about its status as a donor country during the post-accession phase. A former

¹¹¹ This diplomat noted with appreciation that the Commission had ordered a systematic study on the best practice of the "transition experience" that the CEECs could "export" to the developing countries – the so-called European Transition Compendium. The diplomat, however, stressed that this study "needs some further work on, so that it really becomes a programming tool for the European development co-operation" (Interview 1).

foreign minister explained that Slovenia's relatively good performance in adjusting to the EU financial targets during the 2000s were related to a conscious effort to shape the image of Slovenia as a European country:

It was a part of our... you know, how do you say? Image-building... Slovenia is a new country... Many people confuse Slovenia with Slovakia or Slavonia (*laughs*), so it was necessary and important for us to project an image of also generous country, if you want, to be quite frank: I don't think we have been overgenerous, I think we have been quite rational in our endeavors of this kind, but... you know... these are the first years of, well, twenty years of, our existence, of our being on the stage... (Interview 5)

This quote also indicates that “appropriateness” might not have been the main motive for Slovenia's foreign aid policy, but rather status and prestige within the EU and among the neighbouring countries in the region were motivating factors.

A senior diplomat expressed a similar opinion when he explained that reaching the EU financial targets in the area of development co-operation were related to its credibility in the EU:

I think we are... we are close to what we have set, but, still, if there wouldn't be the financial crisis and all this happening, I think we would be meeting the targets which I think is quite, quite important for the stand of the European Union. When I say “stand”, it means that it does give you credibility, it does give you... seriousness and... some people might not look at this from this point of view, but I would dare to claim it's quite important. (Interview 24)

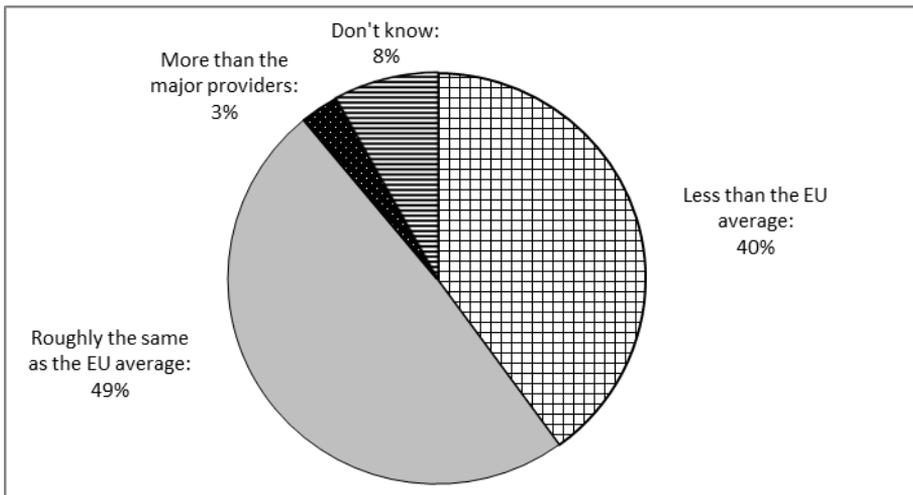
In sum, Slovenia, after 2004, became a member of the EU and was involved in the Monterrey process of regular monitoring. I argue that the Slovenian domestic decision-makers tended to be susceptible to the EU's peer pressure and were concerned about how their country was perceived within the EU. This concern was particularly strong during the run-up to Slovenia's EU Presidency which Slovenia, the first CEEC to do so, held in 2008. The diplomats also acknowledged a certain peer pressure within the EU. The peer pressure to increase the foreign aid budget was more distinct in the early stages after the accession, but it receded as the new members insisted that they were not able to reach the same targets as the old members. Still, it seems that Slovenian diplomats, to a large extent, associated reaching the financial targets with the country's status and image, aware that flagrant non-compliance would result in opprobrium from its peers within the EU. The gradual institutionalisation of the policy and attainment of the financial targets can thus be explained as part of Slovenia's effort to assert itself as an EU member and modern, Western country which has an obligation to engage in development co-operation.

Policy resonance

Policy resonance will be measured along two main dimensions – public opinion on foreign aid policy and political and administrative elite’s perceptions of foreign aid policy. Public opinion on foreign aid surveyed measured by the University of Ljubljana and by the Eurobarometer polls.

The University of Ljubljana conducted one poll on public attitudes concerning Slovenia’s foreign aid policy “Support for Development Cooperation” in July 2005 (Slovenian MFA 2005:33-36). The MFA presented the results of the poll in its first report on Slovenia’s foreign aid policy (Slovenian MFA 2005). While the poll, as far as I could ascertain it, did not measure public opinion on the desirability of assisting developing countries, one of the questions was about the volume of Slovene assistance and how much Slovenia should contribute in comparison to other EU member states (see Figure 12).

Figure 12: Responses to the question "Like other countries, Slovenia too seeks to provide assistance for poor and less developed countries. In your view, should Slovenia contribute..." (%)

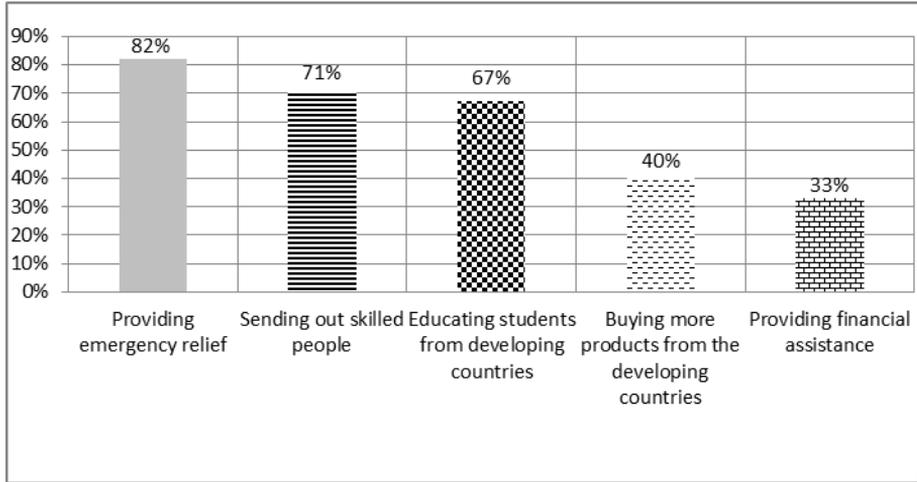


Sources: Slovenian MFA (2005) “Slovenian International Development Cooperation, 2002-2004”, *Website of the Slovenian MFA*, http://www.mzz.gov.si/fileadmin/pageuploads/Zunanja_politika/RA/Porocilo_o_MRS_2004_in_pred_tem.pdf, last viewed on 10 September 2011 – 33.

This measure could be indicative of how Slovenian public opinion viewed the policy and their country’s role as donor. If most of the Slovene respondents thought that Slovenia should contribute less than other EU member states, it could be inferred that the public viewed the policy negatively and/or that the public did not feel that Slovenia was ready to engage in active aid giving. If, on the other hand, the respondents take a neutral position or supported contributing even higher volumes than other EU member states, it could be

inferred that they favoured the active development co-operation policy. Almost half of all the respondents (49%) thought that Slovenia should contribute “roughly the same as the EU average” and only 3% thought that Slovenia should provide “more than the major help provides” (Slovenian MFA 2005:33). At the same time, 40% thought that Slovenia should provide “less than the EU average” and 8% did not know or did not answer (Slovenian MFA 2005:33). Clearly public opinion was divided on the issue of aid provision with a slight majority viewing it positively. The respondents were also asked to evaluate the importance of various reasons for providing aid and 60% thought that increasing “the prestige of Slovenia in the world” is either important or very important (Slovenian MFA 2005:34). Equally, many respondents thought that aid provision as “moral obligation” was an important or very important reason to provide assistance (Slovenian MFA 2005:34).

Figure 13: Responses to the question "Less developed countries can be assisted in different ways. How appropriate is each of the following forms of assistance for Slovenia?" (%).
Source: Slovenian MFA 2005.



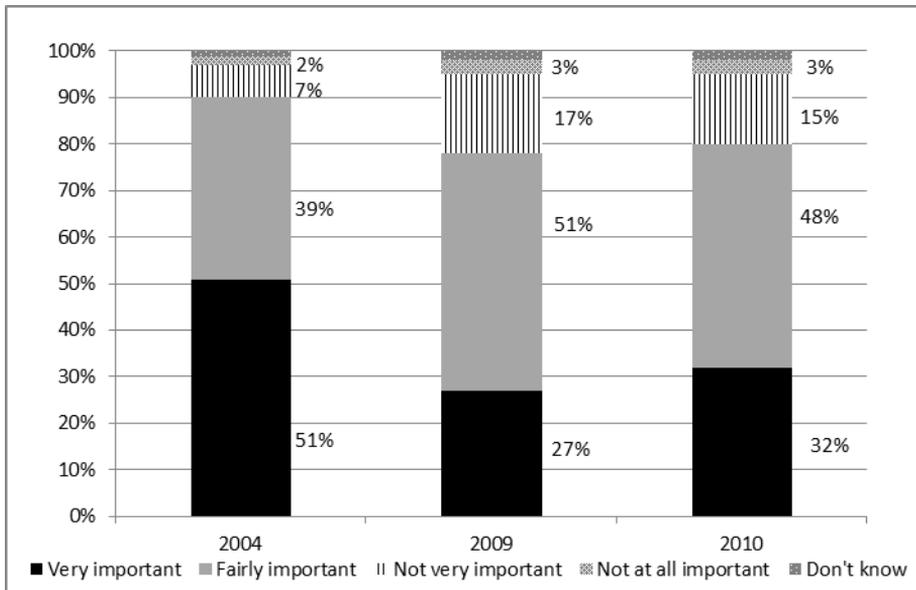
Sources: Slovenian MFA (2005) “Slovenian International Development Cooperation, 2002-2004”, Website of the Slovenian MFA, http://www.mzz.gov.si/fileadmin/pageuploads/Zunanja_politika/RA/Porocilo_o_MRS_2004_in_pred_tem.pdf, last viewed on 10 September 2011 – 35.

When the Slovenian respondents were asked about what forms of the assistance would be appropriate for Slovenia to provide (respondents could choose more than one), the result (see Figure 13) was that a definitive majority of 82% deemed provision of emergency relief as appropriate (Slovenian MFA 2005:35), followed by provision of technical assistance in form of “sending out skilled people” (support of 71%), with 67% supporting provision of educational opportunities to students from developing countries

(Slovenian MFA 2005:35). Significantly only 33% considered provision of financial assistance as being an appropriate form of assistance (Slovenian MFA 2005:35)

The Eurobarometer polls, on the other hand, conducted in 2004, 2009, and 2010, produced results that were much more positive than those of the national polls. The most positive attitude was expressed in 2004 when 90% of Slovenian respondents answered that it is either “fairly” or “very important” to assist the developing countries; the EU average was 91% (Special Eurobarometer 2005:26). In the 2009 poll, support dropped to 78%, while the EU average dropped only to 88% (Special Eurobarometer 2009:18). In the 2010 poll support increased slightly to 80%, while the EU average increased to 89% (Special Eurobarometer 2010:9).

Figure 14: Importance of helping people in "poor countries" – Slovenia (%)



Sources: “Special Eurobarometer 222: Attitudes towards Development Aid” (2005) *Website of the European Commission*, http://ec.europa.eu/public_opinion/archives/ebs/ebs_222_en.pdf, last viewed on 8 February 2012 – 26; “Special Eurobarometer 318: Development Aid in times of economic turmoil” (2009) *Website of the European Commission*, http://ec.europa.eu/public_opinion/archives/ebs/ebs_318_en.pdf, last viewed on 8 February 2012 – 18; “Special Eurobarometer 352: European, development aid and the Millennium Development Goals” (2010) *Website of the European Commission*, http://ec.europa.eu/public_opinion/archives/ebs/ebs_352_en.pdf, last viewed on 8 February 2012 – 9.

These polls also show an increasing scepticism (choosing the responses “not very important” and “not at all important”) towards assisting developing countries which doubled from 9% in 2004 to 20% in 2009 and dropped to 18% in 2010 (Special Eurobarometer 2005:26; 2010:9). In comparison, the EU average of scepticism towards helping to the developing countries was at

the 7% level in 2004, and it increased to 9% in 2009 and stayed at the same level in 2010 (Special Eurobarometer 2005:26; 2009:18; 2010:9). In general, support for helping people in the developing countries was falling among the Slovenian respondents to a greater extent (from 90% to 80%) than among the EU average (91% to 89%) in the period 2004-2010 and there was a rising trend of scepticism against such help among the Slovenian respondents to a greater extent (9% to 18%) than for the EU average (7% to 9%).

The main drawback of the Eurobarometer polls was the very general question that was asked: “In your opinion, is it very important, fairly important, not very important, or not at all important to help people in poor countries in Africa, Latin America, Asia, etc. to develop?” The question does not ask the Slovenian respondents to evaluate whether their own country should assist developing countries by sharing public resources through provision of foreign aid. It thus does not measure the support to the country’s foreign aid policy per se, but it rather measures respondents’ general view whether the “people in poor countries” should be helped. Therefore I treat the responses of these polls as not indicative of policy resonance, but rather as indicative of what I call a generalised will to assist the developing countries.

Overall, it is very difficult to assess whether Slovenian public opinion was positive towards evolving foreign aid policy due to the shortcomings of the cited polls. It seems that the Slovenian public, generally, agreed that the developing countries should be assisted, as the Eurobarometer polls indicated. In my assessment, the attitudes towards the amounts of Slovenia’s contributions could be used as a proxy measure of the Slovenian public’s attitude towards their country’s foreign aid policy and how ambitious this policy should be. In such a case, it could be inferred that Slovenian public opinion is more positive about giving aid and having a relatively active foreign aid policy which would be in line with the EU average contributions. However, the level of support was very slim – 49% supported giving as much aid as the EU does on average, while 3% wanted Slovenia to contribute even more. A relatively large proportion (40%) wanted Slovenia to contribute less than other EU countries do on average. But it is difficult to draw a firm conclusion whether the cited 40% of respondents were sceptical about foreign aid policy as such because, as I noted above, a large portion of respondents viewed aid giving as a “moral obligation”.

Interviews with my informants are inconclusive when the views of politicians and civil servants were discussed. A former Slovenian Member of Parliament (MP) involved in Slovenian EU policy-making noted that there was a lack of interest among the politicians in development policy (Interview 4), which was an observation made by many other informants, too (Interview 5; 6; 7; 8; 13; 15; 16; 24). As one NGO activist explained, “the problem... is that development co-operation is very low on the political

agenda. It is basically non-existent” (Interview 6). In his view, this was due to the relatively weak NGOs in Slovenia (Interview 6). Another NGO activist was even more pessimistic and claimed that he was not “sure even if they [i.e., the politicians] know what the term means” (Interview 7). Another member of parliament MP, who was involved in foreign policy-making, stressed that, although some MPs showed interest in the development co-operation, their number is very small (Interview 21). The situation was summarised by a high civil servant in the MFA who indicated that the MPs have become increasingly “interested” in development co-operation and some of them even suggested that Slovenia’s military presence in Afghanistan should be substituted by more active development co-operation with this country (Interview 1). At the same time, the civil servant noted that the opposite views have also been articulated by other MPs:

They are pretty open-minded, but until the point when somebody says – which also happens – why are we giving money... to Africa or to any other place when we have rising problems in Slovenia, you know, and people who are really not employed and so on. So those voices you can also hear, but they are not as strong yet... that I must say. But that is going to happen if you are going to accelerate the ODA; it is at certain point going to happen. (Interview 1)

This quote indicates that a small number of the MPs who were involved in foreign policy making were aware of foreign aid policy and very likely they are quite supportive of Slovenia’s foreign aid. But this statement implies that most MPs were predominantly interested in the domestic political agenda which was dominated by economic issues, especially, in the period after 2009 when the economic crisis hit the country.

Many informants also noted that the general public held somewhat mixed views on assisting developing countries – while humanitarian aid was seen more positively, long-term development assistance was viewed more sceptically (Interview 3; 4; 5; 15; 16; 18), which resonates with the findings of the poll conducted by the University of Ljubljana cited above. As one NGO activist noted, the politicians were not persuaded that reaching the EU commitments of 0.17% ODA/GNI by 2010 and 0.33% ODA/GNI by 2015 was politically feasible (Interview 12):

They have been afraid about the volume of the new money they would have to allocate and where to take it from because, if they would like to reach the commitments by 2015, they would need to allocate two additional, annual budgets of the Ministry of Culture, so in this context [it] represents quite a strong debate. (Interview 12)

This quote indicates that the politicians, according to the NGO activist, were wary of increasing the foreign aid budget because such a step might increase a likelihood of strongly negative public reaction. If one reads between the lines, the NGO activist implied that the politicians were concerned about

their re-election prospects, if they were to increase the ODA budget. This interpretation resonates with a MPs observation:

The government, every government knows it is better... to use the money at home than to give it away and... people, I don't know... wouldn't protest against such a behaviour. When you increase... the part of the budget which is going out of the state formally, then, OK... you receive some criticism or something like that... and nobody is so strong in the world that can force you to do it. (Interview 4)

This quote implies that the politicians lacked incentives to support increasing budget allocations for foreign aid because this could result in criticism from the general public and, probably, the political opposition.

In sum, a rather inconclusive picture arises in regard to whether the Slovenian public and politicians perceived foreign aid policy as a “good thing”. While public opinion seems to be divided about how much Slovenia should contribute in comparison to other EU member states, it is difficult to draw any conclusions on whether the public perceived foreign aid policy as a “good thing”. Similarly, the findings on the elite attitudes are inconclusive too. While a small segment of political elite were assessed as positive towards foreign aid, it seems that most of the politicians have low awareness of foreign aid policy issues. While I did not find that the political elites or the public sees foreign aid as clashing with other deeply held opinions or values, it was suggested that the politicians do not have strong incentives to pursue raising the foreign aid budget because it might cause a negative reaction from the general public.

Norm entrepreneurs

Existence of norm entrepreneurs pushing for further adjustments in the foreign aid policy with the EU targets and norms is assessed here on following criteria. First, it has to be established that there were NGDOs lobbying further policy adjustments in Slovenia. There should also be an institutional setting for involvement of NGDOs in policy dialogue with the government. Third, the NGDO activists were asked to assess their relations with the government. Finally, if any “success stories” do exist where the NGDOs succeeded in persuading the government to adjust further Slovenia's foreign aid policy, it would be possible to speak of norm entrepreneurs influencing foreign aid policy evolution. This assessment of whether NGDOs acted as norm entrepreneurs is based on interviews with NGDO activists and the existing literature.

The civil society organisations dealing with the development co-operation issues underwent important changes in the post-accession period and the most important event was the creation of the national platform of non-governmental development organisations (NGDOs) in December 2005. Impetus for the establishment of a national NGDO platform and closer co-

operation between the government and the NGDOs came from external sources, when the Austrian government and its development agency, the Austrian Development Agency (ADA), launched a project to strengthen co-operation among the neighbouring countries in development co-operation. This initiative involved an assistance project facilitating the setting up a national NGDO platform and developing relations between the national governments and the new platforms. As an NGDO representative noted, it was very hard to convince the civil servants within the MFA to engage in and to co-finance this project, but, at the same time, the pan-European NGDO platform CONCORD urged the Slovenian NGDOs to establish a platform. The smaller NGDOs still felt that the government favoured the implementing bodies or large international NGOs (Caritas Slovenia, UNICEF, and the Red Cross) and was not willing to engage in co-operation with a “new interlocutor”. When Slovenia, in 2005, started preparations for its EU Presidency, a representative from the Commission also encouraged the Slovenian MFA to more closely co-operate with NGDOs. Only when the responsible civil servant left the position for a diplomatic post abroad, and when the NGDOs had exerted “huge pressure”, did the breakthrough in the government’s attitude occur and the NGDOs were promised closer co-operation and co-financing of participation in the Austrian government’s project if they would form a national platform. In early 2006, several smaller NGDOs, after long discussions, registered SLOGA, the Slovenian national NGDO platform (Interviews 6; 12; 8; cf. Bučar 2012:87).

When the Act (2006) was adopted, the relations between the government and the NGDOs were still strained and the NGDOs were not formally involved in the drafting of the Act, although they had tried to persuade the civil servants that the NGDOs should also be invited to the consultations:

I remember very good... that when Slovenia was preparing the Law on Development co-operation, the smaller NGDOs were totally fragmented, actually, but, anyway, we wanted to contribute, we wanted to be, at least, informed about the process and the MFA was so successful at playing tricks that, even though we got the unofficial version [of the draft law] for consultation, and we wanted to make comments on that, they did not want to listen. They refused us. We wrote three times to invite us and never got any response. When we got the official version of some of the parliamentarians, the MFA changed the version just couple of minutes, well, coming to the relevant parliamentary committee and saying to NGOs – well, come on, you don’t have the relevant version, at least, get the relevant version and then we can talk further [with you]. The next time, it was the same trick, actually. Then the law was accepted without any participation [from] or consultation with the civil society. (Interview 12)

The statement above illustrates the strained character of relations between the government and the NGOs at that time, and the lack of trust between the government and civil society (Bučar 2012:85). The Act does not mention the role of NGDOs explicitly, but Article 11 defined legal entities of “public or

private law engaged in the non-profit implementation of International Development Cooperation” as one of the implementers of the policy. It could be interpreted as an indirect reference also to NGOs. Still, the Act provided creation of a Council of Experts for International Development Co-operation and SLOGA was invited to nominate a representative to this advisory body (Bučar 2012:88).

The situation changed in the run-up to adoption of the Resolution on International Development Co-operation in 2008. SLOGA was involved in the consultations on the draft resolution and tried to convince the civil servants at the MFA that the NGOs should be explicitly recognised as official aid providers. This lobbying effort was successful and Article 30 of the Resolution asserted that “Slovenia will endeavor as much as possible to include civil society in planning, implementing and evaluating international development cooperation.” As one of the NGO representatives noted, this was a ground on which further co-operation between the government and the civil society could be built (Interview 12). Article 30 provides also that the NGOs should be able to apply for state funding to implement development projects and that special attention will be paid to “small and institutionally weak” NGOs, which was a particular achievement for SLOGA as many of its members were, at that time, small and institutionally weak.

The legal provisions were also translated into practice. SLOGA played a particular role during Slovenia’s EU Presidency in public awareness raising, gathering the European NGOs and playing the role of a civil society partner to the government in the area of development co-operation. As Bučar (2012:88) noted, the MFA agreed to co-finance a conference for all the European national platforms in 2008 and participated in SLOGA’s events. Since then SLOGA has developed an informal contact with the MFA to promote an intensified exchange of information (Bučar 2012:88).

Some more critical NGO representatives perceived SLOGA as being disproportionately unequal as a partner to the government (Interview 6; 8). On the one hand, the alleged dependency was an issue of financing. Some NGOs and SLOGA, to a large extent, were either dependent on government funding for its activities or sought EU funding. It should be noted that government funding of NGO activities through the public calls for proposals has gradually increased since 2008. From 2008 to 2010, three calls for proposals for NGOs were implemented, and the sums devoted to NGOs increased from EUR 100,000 in 2008 to EUR 790,000 in 2010. This means that approximately 7.8% of Slovenia’s bilateral ODA were channelled through the NGOs in 2010; in comparison, 28% were channelled through government bodies and 22% were channelled through public institutions, while 15% through the “providing institutions”, i.e., implementing bodies (Slovenian MFA 2011:29). Nevertheless, Bučar (2012:94), in her assessment

of the Slovenian NGDOs, concluded that “the current relationship, in spite of increased funding, is not one of negative dependency of the NGDOs on the government”. While some NGDOs, indeed, were dependent on government’s funding to survive, other NGDOs used the government funding to expand their activities (Bučar 2012:94).

On the other hand, there was a growing awareness, at least among some NGDO representatives, that the government was the dominant partner in the relations with civil society. While the formal and informal channels for information exchange and policy dialogue were gradually established, until 2010, policy dialogue with the government was dependent on the voluntary work of NGDO representatives involved in various working groups within SLOGA. There were no policy officer posts within SLOGA, which the informants mentioned as a constraining factor for engaging in an active policy lobby or even responding to the government’s calls to comment on various policy documents (Interviews 6; 8; 12). Therefore a more formalised and institutionalised co-operation was demanded (Interview 6; see also Bučar 2012:89). It seems that the underlying motive for formalisation of the partnership was based on the previous experience of strained relations between the government and the NGDOs (Bučar 2012:89) that was described above.

All things considered, while the NGDOs were not involved in the formative phase of Slovenian development co-operation policy in the run-up to the EU accession, the NGDOs did manage to form a national NGDO platform in late 2005 and early 2006, but they were not involved in a structured policy dialogue with the government until Slovenia’s EU Presidency in 2008. Since around 2008, SLOGA has been involved in policy consultations, but it is not seen as a pro-active actor, rather as an unequal partner to the MFA. The share that Slovenia allocated to the NGDOs from 2008 to 2010 was relatively small in comparison to the amount given by other aid providers and it reflected the relatively weak position of the Slovenian NGDOs in relation to the government. In my assessment, the most important policy change that SLOGA and other Slovenian NGDOs achieved in the post-accession period was the involvement of NGDOs in Slovenia’s foreign aid policy through their inclusion in the policy-advisory bodies and their involvement in policy implementation by establishing the public calls for NGDOs. All in all, the Slovenian NGDOs cannot be judged as exerting influence on the policy-making processes as norm entrepreneurs.

Domestic response in Latvia

After the accession, Latvia’s foreign aid policy evolved in a particular foreign policy context. Latvia’s political establishment had to confront the challenge of re-defining policy priorities as they sought membership in the EU and NATO, factors that dominated the foreign policy agenda until 2004.

Doubtlessly, the country's security and relations with Russia still remained as high priorities on its foreign policy agenda (Neretnieks 2006:359; Tromer 2006:373; Galbreath 2006; Galbreath et al. 2008:63). Nevertheless, a "post-existential direction" was discerned in Latvia's foreign policy after its accession to the EU and NATO (Galbreath 2006:457; cf. Mälksoo 2006). Being a fully-fledged member state has enabled Latvia to shift its focus on "maximizing its position inside the EU and NATO" (Galbreath 2006:458; Galbreath et al. 2008:59). Some characterised the post-accession foreign policy of Latvia as moving in the direction of "consolidation, stability and expansion" (Galbreath et al. 2008:59). By "expansion" in this case, it was meant that Latvia intensified its relations with Moldova, Ukraine and Georgia (Galbreath et al. 2008:59, 67; Galbreath & Lamoreaux 2007).

Examining governmental commitment to developing Latvia's foreign aid policy, it can be observed that the policy did not become more salient in the Statements of Government immediately after accession. While the Emsis government was short-lived (lasting for less than one year), the successive government kept the exact wording of the previous Statement of Government, promising to draft the strategy for assisting partner countries and to "appraise the possibilities of participating in international aid projects" (Cabinet 2004b). Only in 2006 did the Statement of Government break the trend of promising to appraise possibilities or to develop a strategy of aiding to its partners. As the sixth priority of the budget policy, the Kalvītis government promised that Latvia, "as the member of International Development Agency, will participate in the international aid projects to the poor and developing countries" (Cabinet 2006). Although this was a much bolder statement of the commitment, it still is peculiar to find this passage under a subject other than foreign policy. An explanation might be that this statement concerned multilateral aid, managed by the MoF. Bilateral aid was mentioned among the tasks to be carried out in the foreign policy area, in its sub-field "Bilateral co-operation":

[We] will continue transfer of Latvia's experience in political and economic reforms to the EU's new neighbour countries and the countries of C[ommonwealth of] I[ndependent] S[tates]. (Cabinet 2006)

This sentence indicated a certain recognition that Latvia had been providing technical assistance and that it aimed at doing that in the future. This Statement of Government can be distinguished as a certain milestone in the discursive adoption of foreign aid policy because the government, finally, had decided that Latvia will both provide multilateral aid and continue technical assistance to a certain, even if rather vaguely defined, geographical area.

In 2007, the Godmanis Government was the first government that dealt with development co-operation as an area of foreign policy exclusively and the policy area was for the first time acknowledged in the text of Statement of Government:

We will promote active foreign policy by assisting to Georgia, Moldavia, Ukraine and other countries neighbouring the EU in the framework of the Latvia's development policy and by promoting economic co-operation with the countries of the region. (Cabinet 2007)

Significantly, the assistance to Latvia's development partner countries was seen here as synonymous with "active foreign policy". This document also spoke of "Latvia's development policy" and named the partner countries explicitly, as well as implied that economic co-operation should be promoted with these countries.

By length, it was exceeded only by the Statement of Government led by Valdis Dombrovskis in 2009 committing to assist to

Georgia, Moldavia, Ukraine, promoting the development in the whole region, actively involving Armenia, Azerbaijan, and Belarus. We will facilitate closer co-operation between the [EU] Eastern Partnership countries and the EU, basing on Latvian reform experience, promoting the improvement of the economy, rule of law, and security in the area of the EU eastern neighbourhood. For this aim we shall use the financing aimed at development co-operation. (Cabinet 2009)

The Dombrovskis Government linked development co-operation with existing EU initiatives – the Eastern Partnership and the European Neighbourhood policy – and it explicitly stated that the government aimed at targeting Latvia's foreign aid at the countries that the EU considers its Eastern neighbours. The Latvian policy was integrated into the EU framework and was aimed at assisting these countries in their development. This task was under the heading of the foreign policy.

In sum, foreign aid policy had an increasingly important role among the governmental priorities since 2004. In the beginning of the post-accession period, foreign aid was, rather vaguely, alluded to and, most importantly, it appeared most often outside the foreign policy area, most commonly under the policies dealing with state finances. However, the situation changed in 2006 when the policy was acknowledged in terms of promise to channel multilateral aid through the World Bank system and continue technical assistance to the EU's new neighbours and the countries of the CIS. This, in my assessment, is an indication of full discursive adoption. The later governments seemed to indicate their growing interest in development co-operation – either as a part of "active foreign policy" or as instrument for Latvia's relations with the Eastern Partnership countries. In my interpretation, these governments had integrated foreign aid policy into

Latvia's foreign policy as it received more attention in the latter documents than ever before. However, analysis of the document indicates that foreign aid policy was not among the top foreign policy priorities. This was confirmed also by the informants who almost in unison stated that foreign aid policy was not and still is not a priority in Latvia.

The institutional dimension of the policy was gradually developed after the accession. Here I consider two aspects of institutional evolution – policy planning documents (including also laws and rules), and organisational evolution. While “Basic Principles” – the most comprehensive policy-planning document – was adopted in February 2003, no policy planning document was adopted for the activities of 2004, which suggests that development co-operation activities were carried out on ad hoc basis in that year. Even if policy planning evolved in 2004 when the Plan for Development Co-operation for 2005 was adopted, there were no policy program documents for operationalising the rather broad policy goals outlined in the Basic Principles into more concrete objectives and targets and link the policy priorities with a concrete state budget line. Moreover, the lack of a programme document prevented development of a specific budget line for development co-operation. As the Plan for Development Co-operation for 2005 (referred here as “the Plan”) noted, there were no means allocated for implementation of the planned activities upon the adoption of the document (Plan 2004). The Plan (2004) also observed that a preliminary budget for implementation should amount to approximately LVL 250,000. In the next year, the Plan for Development Co-operation noted that LVL 150,000 was allocated for implementation. Policy planning on annual basis had not only financial implications (in particular, the volatility of the bilateral development co-operation budget), but also in the geographical focus of the policy. Although the Basic Principles (2004) had defined the Balkan countries and the countries that were members of the Commonwealth of Independent States as the priority countries, the plans slightly shifted in their geographic focus during the period 2004-2006. The Plan for Development Cooperation for 2005 defined Georgia, Moldova, Ukraine, Uzbekistan, and Belarus as the geographic priorities (Plan 2004). The plan for the following year focused mainly on Moldova and Georgia, while including Belarus as the third country in which co-operation could be developed in a limited number of areas such as civil society promotion (Plan 2005).

Although the Program for Latvian development co-operation, 2006-2010 (the Program), adopted in 2006, operationalised and clarified the policy goals, it did not outline the geographic priorities, but left this task to the Cabinet stipulating nine criteria based on which the selection of development co-operation partners should be made (Program 2006). Among them were rather broad political criteria: Latvia's national interests, presence of Latvian

NGOs or entrepreneurs in the country, the country's orientation to the EU or NATO. As well there were more technical criteria: sustainability of development co-operation programs, presence of other donors in the country, degree of the country's capacity to involve in the development co-operation (Program 2006). In other words, the Program left the MFA and the Cabinet a great deal of political discretion to decide on the priority countries within the framework of annual plans for development co-operation. Still, the Program implied that the state budget line "Development Co-operation projects and international aid" was established and in the following year (i.e., in 2007), the state budget provided LVL 450 000 for the implementation of this program (Likums 2006).

There was for a long period of time no legal basis for development co-operation because the Law on International Assistance (henceforth, "the Law"), which defines the instruments of foreign aid policy and the division of competencies, was adopted only in April 2008 after an inter-departmental co-ordination process that began in December 2006. It is not clear whether the co-ordination process can be considered as taking too long. However, it is notable that the Law was adopted almost five years after the adoption of the Basic Principles that called for the development for an appropriate legal basis for the policy already in early 2003. Moreover, it is noteworthy that the main policy instruments (such as the call for proposals) had already been used many times before the Law was adopted, which indicates that the Law just institutionalised the already existing "rules of game".

The novelty in the Law were the provisions (Article 4 Section 2, Article 7, and Article 8) aimed at establishing a special agency for development co-ordination. The Law provides that the agency implements the annual Plans for Development Co-operation, while the MFA, in co-operation with the Consultative Council for Development Co-operation, works out the Plans and also oversees the implementation of development co-operation (Law 2008). Similar structures of foreign aid co-ordination that distinguish between the policy-making and implementation functions can be found in other countries, for instance, in Sweden.

Establishment of the agency, however, was halted in 2008. It can be, at least partly, explained by the devastating financial crisis that hit Latvia in 2008 and the austerity measures taken by the Godmanis government.¹¹² Latvia's bilateral foreign aid was one of the budget lines where the cutbacks were the sharpest – financing for bilateral development co-operation projects dropped from LVL 580 000 in the 2008 budget to LVL 9,000 in the 2009 budget and to LVL 807 in the 2010 budget (Likums 2007; Likums

¹¹² The country's annual GDP growth dropped from 12.0% in 2006 and 10.3% in 2007 to -4.6% in 2008 and -18.0% in 2009 (Latvian MoF 2009). The Godmanis government implemented austerity measures "with an almost revolutionary zeal" to control the quickly unfolding financial crisis in October 2008 (Aslund & Dombrovskis 2011:37).

2008; Likums 2009). According to a civil servant at the MFA, it was planned to establish the agency once the financial crisis was overcome and more resources were allocated to foreign aid (Interview 3), which led to a curious situation when the agency “existed” in the legal text, but not in reality. This means that both policy planning and implementation was still carried out by the MFA.

In the period 2004-2010, provision of Latvia’s bilateral aid was divided into two main aid provision modes. In part, bilateral aid was provided by the government financing specific bilateral development co-operation projects that were implemented by state institutions, civil society organisations and market organisations (enterprises, firms, etc). This mode can be described as planned bilateral aid and it was financed from the state budget. The second mode of bilateral development co-operation – ad hoc bilateral aid – consisted of the line ministries and other state institutions implementing their own development co-operation activities that were financed from their respective institutional budgets.

Looking at the first mode of bilateral aid provision (project-based aid) in the post-accession period and, in particular from 2005 to 2010, it is clear that public sector institutions dominated aid provision, as almost half of all the bilateral aid projects were implemented by ministries, other state institutions or local governments (see Table 13).

Table 13: Latvian planned bilateral assistance projects (2005-2010) sorted by implementing agent

Sectors (no. of actors)	2005	2006	2007	2008	2009	2010	In total	% of the total
State institutions (20)	5	8	22	14	2	3	54	48%
Civil society organisations (20)	4	5	10	14	1	0	34	30%
Private sector organisations (6)	0	3	6	2	0	0	11	10%
Other actors (app. 13)	2	0	4	8	0	0	14	12%
<i>In total (59)</i>	<i>11</i>	<i>16</i>	<i>42</i>	<i>38</i>	<i>3</i>	<i>3</i>	113	100%

Sources: Latvian MFA (not dated) “Latvia’s contribution to development assistance”, *Website of the Latvian MFA*; <http://www.mfa.gov.lv/en/policy/DevelopmentCo-operation/finance/>, last viewed on 14 February 2013.

While the Latvian MFA and its embassies and representatives implemented eleven projects, the Food and Veterinary Service implemented six projects and the State Border Guard accounted for five projects, other 17 state actors, including municipalities and county administrations, participated in one or more (but no more than four) projects each throughout the period. It should be stressed that the primary *raison d`être* of the state institutions being

involved in development assistance was not development co-operation. It seems that the underlying reason why they participated in the development co-operation projects was to convey their specialised knowledge to Latvia's development co-operation partners. But there was no well-defined assistance-oriented agency (as, for instance, the CEF or the ITF in Slovenia) or state institution that could be discerned as playing a leading role in Latvian bilateral development assistance. Engagement fluctuated over the period, for instance, the Food and Veterinary Service implemented four projects in 2007 and two projects in 2008, while it did not implement any projects in the rest of the period. The State Border Guard implemented a single project per year from 2005 to 2007 and two projects in 2008, but it was inactive in the period 2009-2010.

Latvia's civil society implemented approximately one third of all the state-funded projects and even among the NGOs, there was no distinct leading actor that received state funding every year in this period. Most state-funded projects were implemented by the Latvian Association of Local and Regional Governments (eight projects) and the NGDO "GLEN Latvija" (four projects) in the period 2005-2010. Most of the other civil society actors were involved in one project each. Private sector organisations were very little involved in implementing bilateral, state-funded projects. Two firms (Comperio, and ITA Konsultants) implemented three projects each and the Latvian Rural Advisory and Training Centre implemented two projects, while the other firms implemented only single project each. In the category "Other actors", I include foreign NGOs (such as NGOs in the partner countries), state institutions in the development partner countries, and individuals¹¹³ that implemented state-funded, bilateral projects. Implementing agents of this kind conducted mostly single projects throughout the period. Only the Paris-based NGDO Agency for Technical Cooperation and Development (ACTED) implemented two Latvian development assistance projects (in Afghanistan in 2008)¹¹⁴.

Throughout the period 2004-2010, the line ministries and other state institutions implemented several activities that were later classified and reported as development co-operation. Most of these took the form of technical assistance (for instance, seminars or study visits) aimed at transferring the expertise that various Latvian state institutions had accumulated. Surprisingly, these activities were actively run and financed by the line ministries even in the period of deep financial crisis (2009-2010)

¹¹³ The number of actors that belong to this category is somewhat unclear because, in 2005, two projects were implemented by "Latvian experts in the European integration affairs", but no organization or number of the experts was specified. Therefore the number of "other actors" should be treated as an approximation, not as an exact number of actors involved.

¹¹⁴ In 2007, ACTED also implemented one development assistance project in Afghanistan, which was funded by the Latvian government.

when the MFA implemented only three projects a year. For instance, in 2009, the Ministry of Defence financed 14 development co-operation activities with the total budget of LVL 70,452, while the MFA, in cooperation with one NGO and other line ministries, implemented only two projects with the total budget LVL 2960 (the MFA, in co-operation with the Ministry of Justice, implemented a third project that year, but it was fully financed by the CIDA).

In sum, the provision of Latvia's bilateral development aid was mainly in the hands of the state institutions, but bilateral aid provision was decentralised as the line ministries were also involved in organising and financing their own development co-operation activities. The bilateral aid provision was also highly fragmented with many assistance project implementers and no leading actor, with the exception of the MFA, emerged among them during the period 2005-2010. Even if some state institutions and civil society actors implemented more than a few projects in this period, almost none of them, with the exception of three NGOs, were primarily oriented toward development co-operation. This was particularly true in the case of the state institutions. Consequently, no "entrenched interests" or "development co-operation constituency" evolved throughout the period.

Table 14: The financial allocations to foreign aid policy in Latvia before accession, 2004-2009

Aid type	2004	2005	2006	2007	2008	2009	2010
<i>Foreign aid, in total, EUR, million</i>	7	8	9	12	15	15	12
<i>Multilateral aid, as % of the total aid</i>	No data	91.3	92.2	90.4	80.5	90.5	89.6
<i>Bilateral aid, as % of the total aid</i>	No data	8.7	7.8	9.6	19.5	9.5	10.4
<i>Foreign aid/ GNI (%)</i>	0.06	0.07	0.06	0.06	0.07	0.07 ¹¹⁵	0.06

Sources: European Commission, the (2011b) *EU Accountability Report 2011 on Financing for Development. Review of progress of the EU and its Member States*. Brussels, SEC (2011) 500 – 27; Latvian MFA (not dated) "Latvia's contribution to development assistance", *Website of the Latvian MFA*; <http://www.mfa.gov.lv/en/policy/DevelopmentCo-operation/finance/>, last viewed on 14 February 2013. Note: Share of multilateral and bilateral aid was calculated by the author based on the data presented in the aforementioned source (i.e., MFA n.d.).

¹¹⁵ The Latvian MFA (n.d.) contains a table that states 0.08% as Latvia's ODA/GNI proportion in 2009. But the attached response to the OECD DAC questionnaire states that Latvia allocated only 0.07% ODA/GNI in that year. Moreover, the Commission's report also confirms that Latvia achieved only 0.07% ODA/GNI volume (EC 2011b:27). Therefore I have chosen to treat the particular data point of the 2009 foreign aid provided by Latvian MFA (n.d) as a typographical error.

The financial dimension of policy adoption was somewhat disappointing in the post-accession period, although the budgetary allocations to the foreign aid policy doubled in real terms from 2004 to 2009 (see Table 14). The problematic aspect of the financial increase is that it did not translate into an ODA/GNI increase as the ODA/GNI proportion in Latvia is far from the EU-12 targets for 2010 and 2015. As a matter of fact, the ODA/GNI indicator has been stagnating around a volume of 0.06 – 0.07% since 2004.

Moreover, it should be kept in mind that bilateral foreign aid has so far been a relatively small proportion of Latvian development programs (usually around 10% of the total aid, but always less than 20% of the total aid). It means that a large proportion is channelled through multilateral agencies and organisations. Ironically, bilateral foreign aid was at its highest level in 2008 when, according to my calculations, it amounted to around 19.5% of the total aid provided by Latvia, but it was also the year when the government introduced the cutbacks in the ministries and the MFA's budget had to be cut. This implied that the planned bilateral aid almost disappeared due to the financial crisis in the end of 2008. It means that, in the period 2009-2010, Latvian foreign aid amounted to what a rather passive donor paid in obligatory fees, as well as for organising small scale technical assistance events (usually by the line ministries) and making relatively small humanitarian assistance contributions on an ad hoc basis.

This unfortunate development of Latvia's bilateral aid might appear to be a result of the financial crisis that hit the country in 2008. However, an important decision concerning the financing for Latvia's foreign aid was made before the crisis in 2006 when the Concept on Increasing the Budget for Implementation of Latvian Development Co-operation, 2006-2010 was adopted. This document was the basis for the planning of the foreign aid (in particular the bilateral foreign aid) budget in Latvia and discussed how to increase financing for foreign aid in the context of the EU's commitments to increase the financing for development co-operation. It outlined that the most important aspect of increasing the budget for foreign aid was the necessity to increase financing for bilateral assistance and to provide funding for "voluntary contributions to the international organisations" (Konceptija 2006). The document underlined that "for Latvia, it is essential to demonstrate the resolution to gradually increase the financing for development co-operation taking into account the international commitments" (Konceptija 2006). In short, three scenarios for increasing financing were discussed. The first scenario provided that the financing would be increased to 0.17% of Latvia's GNI by 2010, while the second scenario envisioned only the increase to 0.1% of GNI by 2010. The third scenario was a compromise and recommended to increase the ODA to the volume of 0.13% of GNI which would imply that "Latvia would demonstrate

a laudable resolution to comply with the commitments of an EU member state, although not to full extent” (Konceptcija 2006). The Concept proposed that the government would opt for the second scenario – to increase the ODA to 0.1% of GNI by 2010 – because other Baltic countries also had opted for a similar course of action (Konceptcija 2006). Authors of the document argued that Latvia should follow their example and not the example set by the Czech Republic and Slovakia which had announced their plans to reach the 0.17% ODA/GNI target because “these countries have a longer experience of development co-operation than, for instance, the Baltic countries that started establishment of the development co-operation system relatively recently” (Konceptcija 2006). The government adopted the Concept and opted, as recommended, for the second scenario with the most modest increase of financing. In sum, the financial crisis, indeed, posed serious challenges to increasing the Latvian ODA, but the government had already opted not to try to achieve the EU commitments and keeping its bilateral aid budget lean. Keeping this decision in mind, it is not surprising that Latvia’s ODA as share of GNI was stagnating throughout the period 2006-2010.

Explanatory factors

In the following four sub-sections, I present the findings on the main explanatory factors that are suggested by the Europeanisation literature: identification and social influence, policy resonance, norm entrepreneurs, and adjustment costs and veto players. Like in the case of Slovenia, credible conditionality is not included in the analysis of Latvia because the EU did not use conditionality and did not conduct any post-accession monitoring of Latvia after the country became a full-fledged member state in 2004. This stands as a contrast to Romania and Bulgaria which were monitored even after their accession to the EU, and the EU retained certain external incentives to motivate their further adjustment to EU norms.

Veto players and adjustment costs

The existence of veto players (i.e., powerful political actors) which incurs high perceived adjustment costs and therefore block or try to delay further policy adjustment was assessed here on the basis of interviews with decision-makers (politicians and civil servants) and NGDO activists. If the informants identified actors that constrained the policy adjustments, I also traced the alleged effect of the so-called “veto players” and reconstruct, with the help of the interviews, their motives for constraining the policy adjustments.

Generally speaking, no political actors who could be categorised as formal veto players, opposing foreign aid policy as such, were identified in Latvia in this research project. Nevertheless, enough evidence was collected to suggest that there were several actors within the executive branch that constrained the further evolution of foreign aid policy, especially blocking increases in

budgetary allocations from reaching EU commitments – 0.17% ODA/GNI by 2010 and 0.33% ODA/GNI by 2015. These actors and their constraining behaviour emerged as particularly salient during the post-accession phase. The increasing profile of foreign aid in the form of increased financing was a matter dealt with in the budgetary process. I discuss here three somewhat simplified steps within the budgetary process and show how various actors' choices constrained the likelihood of increasing the foreign aid budget during the post-accession years. First, I will discuss the processes within the Ministry of Foreign Affairs (MFA) and the choices made by higher civil servants and foreign ministers. Second, I will discuss the role of the Ministry of Finance (MoF) in the budgetary process with regard to foreign aid policy. Third, the political process in the government will be discussed.

In order to increase financing for foreign aid policy, the MFA, as the responsible institution, has to urge an increase in budgetary allocations for foreign aid in the budgetary bargaining process. But whether the MFA decides to urge that and to what extent increased foreign aid is seen as a priority worth struggling for in the budgetary process depends on the internal processes within the MFA. My informants suggested that there was ongoing competition in priority-setting when budgetary resources and their planning were discussed in the MFA (Interview 27; Interview 28). One of them noted clearly that the volumes of foreign aid were questioned in the internal discussions on the budget within the MFA (Interview 27).

It is worth remembering that one middle-level civil servant stated that other civil servants in the MFA were rather sceptical about the necessity of development co-operation in the early stages of the policy (Interview 11). Most likely, the civil servants were not sceptical of foreign aid policy as such or even of increasing financing for it, but they simply ranked other foreign policy priorities higher. For example, two of the former foreign ministers claimed that the salaries in the MFA were among the lowest in the Latvian civil service and it was a long-standing priority to increase them (Interview 6; 14). One of the foreign ministers noted that expansion of the embassy network was also seen as a priority (Interview 6).

When the financial crisis hit the country in 2008 and the ministries were asked to implement major cutbacks in their respective budgets, it became clear that other priorities were ranked higher than that of retaining the bilateral aid budget at the same levels. The former minister admitted rather frankly that he saw the choice was between two alternatives – either cutting the foreign aid budget or cutting the network of diplomatic missions abroad (Interview 24). In his view, the long-term effects of closing embassies would be detrimental to the overall capacity of Latvian diplomatic service (Interview 24). He chose therefore to cut the planned bilateral aid budget instead (Interview 24).

Defining the MFA's position in the budgetary bargaining was not only about the internal competition. Structurally, according to the former foreign ministers, the MFA had a relatively weak position in the budgetary bargaining (Interview 6; 14). One ex-foreign minister noted that traditionally the foreign policy area as a whole was financially "apbižots" (in Latvian slang, "mistreated" but in this particular context the most appropriate translation would be "underfunded") (Interview 6). He explained that the MFA's activities had a small domestic impact, there were no vocal interest groups that stood behind the MFA to bolster its claims for an increased budget and it was therefore difficult to argue for higher budgetary allocations in the state budget (Interview 6). Another foreign minister expressed doubts about the domestic "absorption capacity" if the budget for bilateral foreign aid was increased:

Why the ministry did not ask six millions, I think we asked something... under one million, eight hundred thousand [lats], I think it was so... because it was clear that you do not have the people who had capacity to implement all those projects. Now, there is no point in asking for money, if you will not be able to use the appropriations. Therefore the sum that we asked for and which we got, it was increased gradually. (Interview 24)

In other words, the minister was concerned that, it would be difficult for the domestic actors (state institutions, NGOs, etc.) to absorb all the appropriations needed to increase the bilateral foreign aid budget – if they, indeed, were allocated according to the MFA's proposal. These were the main motives for the MFA's relatively modest position in the budgetary bargaining process.

The second step in the budgetary process involved the MFA bargaining with the MoF. It is clear that, even if the MFA had asked for a generous increase in the bilateral aid budget, it would have had to argue its case with the MoF. As a former foreign minister noted, the adoption of every new budget was a "big fight with Ministry of Finances and the Prime Minister, everyone has their own interest" (Interview 6). The MoF was identified as an actor constraining increases in budgetary allocations to foreign aid (Interview 2; 6; 7; 24). As noted in the previous chapter, at the very initiation of the foreign aid policy, the MoF voiced its concerns about the costs of the policy. Having a central role in the budgetary process, the MoF took a position that can be described as "fiscal conservatism" (Interview 6; 10; 12; 24). As two former foreign ministers noted, the MoF had a rather general concern of keeping public expenditures low (Interview 6; Interview 24). In other words, it was the organisational *modus operandi* of the MoF characterised by the political goal of fiscal discipline that motivated its cautious attitude towards any increase in public spending. During the

financial crisis the MoF's fiscal conservatism became even more distinct and one of the politicians was very harsh in his critique:

I would like to say that the Ministry of Finances has now turned into some kind of instrument of fiscal policy which scrutinizes the revenues and the expenditures in a very bookkeeper-like manner, they are not specifically interested in or do not try to delve into the questions whether this or that policy will be implemented, they are interested in these policies only as far as these policies cost and they, probably, think less about how these policies will affect the country's development, economic opportunities and the rest. (Interview 12)

As the MoF was also the responsible ministry for co-operation with the multilateral financial institutions (such as the World Bank, IMF, etc.), the MoF's fiscal conservatism had concrete implications on the selection of the main channels of aid provision:

In our ministry, it [the discussion about the foreign aid] was very pragmatic because people in the Ministry of Finances are more oriented to numbers and the fiscal impact. The MFA, which had the policy responsibility over the foreign aid, regarded [the foreign aid] from their narrow, political point of view. Our position was [expressed by] the idea, which I defended actively, that it is not financially worthwhile for us, Latvia, as a small country to develop some kind of our own bilateral foreign aid apparatus. Firstly, the apparatus must be established, it has to be maintained, which implies administrative costs. It is not worth it. (Interview 20)

The MoF's view that Latvia should allocate foreign aid only to the international multilateral development institutions resulted in "small infighting between the MFA and the MoF" (Interview 20). According to the former senior civil servant at the MoF:

[T]he position of the MFA was – oh, come on, why do we have to give away that money to the World Bank or to someone else, maybe you could give a part of that money to us and we will try to set up our own bilateral [foreign aid] agency. Thus we had an ideological incompatibility. Which is fine because it is like that everywhere in the world... it is like that everywhere, right?" (Interview 20)

A general caveat is that this resistance from the side of the MoF should not be misunderstood here as a negative attitude towards foreign aid per se, but rather how foreign should be channelled and to what extent the financing for foreign aid should be increased. The MoF was cautious with regard to the EU's targets of increasing the ODA. As one of the high civil servants at the MoF noted, the MoF viewed the Latvian economy as still "young" and "fragile" in its ability to fulfil the EU commitments (Interview 20). Moreover, neither the political leadership, not the civil servants within the MoF saw foreign aid as a particular policy priority (Interview 10; 20).

In my assessment, the Concept on Increasing the Budget for Implementation of Latvian Development Co-operation, 2006-2010 should

be seen as the result of negotiations between the MFA and the MoF. An interview with a former foreign minister supported this interpretation because, in his view, the Concept was the compromise between the MFA and the MoF which would allow the country to increase the budget for bilateral aid, but not too rapidly (Interview 6). The document, thus, in fact implied that Latvia would strive to reach the ODA/GNI proportion of 0.1 by 2010, instead of complying with the EU commitment to provide 0.17% ODA/GNI by 2010. Moreover, an annex discussing the estimated impact on the budget that the recommended scenario would cause was enclosed to the Concept, which confirms that the administrative elites of the MFA and the MoF were engaged in calculating the acceptable financial costs of adjusting to the EU targets.¹¹⁶

The third step in the budgetary process is the adoption of the draft budget by the government. Both of the interviewed former senior civil servants from the MoF perceived foreign aid as a problematic topic to present to the government. As they put it, it was not possible to “sell” the policy to “the government and the public” (Interview 10; Interview 20). It is likely that the politicians were not persuaded that the adjustment costs of adopting increased bilateral aid budget were worth the political risk, as the public was expected to react negatively to large outflows to developing countries.

The adoption of the draft budget by the government was preceded by strategic interactions with other ministers and civil servants from other ministries. According to a former Foreign Minister, the low budgetary allocations to the policy could be explained by the dynamics within coalition governments where every minister is interested in a larger budget and thus raise their party’s profile (Interview 6). A particular disadvantage for foreign aid was that it has never been on the public agenda because there was no clear “policy constituency” which would personally benefit from the foreign aid and which would protest vocally if the budget were insufficient, as it, allegedly, was in the cases of welfare, healthcare, or education:

In my opinion, the problem is that our thinking is still very provincial in our politics. And it should be acknowledged. And it is evident because the development co-operation policy, European Neighbourhood policy is nothing which resonates among people and that they will say to you, yes, we have to stand for it and we should support it in the Parliament or somewhere else. And let’s face it: not so many parliamentarians

¹¹⁶ It should be added that the Concept (Konceptija 2006) discussed the choice between the alternatives very shortly. The main argument, seemingly, was that Latvia was a relatively “young” and inexperienced donor, at least in comparison to the Czech Republic and Slovakia that, allegedly, had announced that they would reach the ODA target of 0.17% ODA/GNI by 2010. This was contrasted to other Baltic States whose situation, it was argued, was similar to Latvia’s. The other Baltic countries, allegedly, had announced their intention to reach only 0.1% ODA/GNI by 2010. That was the main reason for recommending Latvia to choose the same aspired level as its Baltic counterparts. This reasoning could be understood as implying that Latvia was concerned not to appear to beg the only new member state that did not intend to fully reach the 2010 target for the new member states. In other words, the reasoning here was implicitly framed in terms of reputational *and* financial costs of adjustment.

or politicians when they speak about the state budget will go to the tribune and say that we are for development assistance and that outside, on the streets, there will be people who will demonstrate for, yes we want development... no, we cannot achieve that, therefore it is very difficult to get the level of the awareness so high that people would support it. There is no awareness about these matters; there are some concrete target groups that small NGOs are working with. (Interview 6)

This quote contains references to the low policy resonance, or more precisely the low awareness, of development co-operation issues both among the general public and the politicians (see below). Moreover, this observation resonates with a view expressed by many informants and discussed below that the politicians, generally, were inwards-oriented and not particularly engaged in foreign policy. A former chair of the Committee for European Affairs in the Latvian Parliament explained this lack of interest in the foreign policy referring to the lack of any tangible returns from the foreign aid policy:

The political elite that has been in power, the oligarchs' parties... Well, all of them are oligarchs' parties... The People's Party, [Ainārs] Šlesers, [Aivars] Lembergs... well, they are interested in the internal kitchen, what you can take from it [the foreign policy], how one can take the biggest share of the pie. They are interested in the foreign policy only as far as, well, I do not know... Well, [you] cannot [do] without the foreign policy. But especially little interest about the foreign policy was after we entered the EU. (Interview 13)

Even if we assume that the politicians are guided by their assumption that foreign policy is not interesting because it is impossible to capitalise politically (or economically) from focusing on it, it is not quite clear how these factors alone can constrain foreign aid policy-making. What is needed is to specify the mechanism for “blocking” foreign aid out of the governmental and parliamentary agenda.

In the centre of this mechanism is a political utility calculus and the main assumption is that politicians or civil servants generally aim at maximising their re-election prospects or at retaining their office and status within the bureaucracy. This means that the politicians and bureaucrats act according to a metaphoric “cost-and-benefit calculus” when confronted with a concrete policy proposal, for instance, increasing the bilateral foreign aid budget. If the policy proposal is seen as popular among the electorate, it is very likely that the politician will support the measure proposed by the government or public servants. Similarly, if the top civil servants assess the policy proposal has the support of their “principal” (bureau's chief, minister, MPs, etc.), they will approve and back the proposed measure. If, on the other hand, the policy seems to be causing public or political disenchantment or that public is ignorant of the proposed measure, it is likely that the politicians and civil servants will not support it or will try to constrain its adoption process. I do not postulate here, however, that all politicians and civil servants act

similarly or that they act according to some abstract and universal rationality. Rather, the contrary is true – the politician’s (or civil servant’s) own perceptions and reasoning are what really count.

The evidence from the interview data is not very specific, but it indicates that the proposed mechanism was indeed present in the case of foreign aid policy in Latvia. A senior civil servant from the MFA shed light on the way politicians were thinking about the issue:

Even if it does not look so, the politicians count with both the opposition and public opinion in Latvia and... that situation was slightly peculiar that even those people who perfectly understand what it is and why it is necessary, sometime even a little bit... did not dare to advance it... exactly because they might provoke a backlash from the opposition and the public opinion, from the journalists who are the public opinion. (Interview 28)

A similar narrative was offered by a senior civil servant from the MoF who noted that the higher echelons of the civil service were aware that politicians acted according to a cost-benefit logic with public opinion in mind:

You have to understand that everyone, in that time, were aware that, okay, it is the foreign policy goal, a noble cause, but everyone – both the state secretary and his deputy – everyone were perfectly aware that to sell it politically to the electorate, it is a suicide... especially, in the pre-electoral atmosphere, to release a statement that we will donate 0.2% of GDP to the children in Africa... (Interview 20)

In short, it means that the politicians would be hesitant about the volume of foreign aid, even if they personally espoused increasing the financing for foreign aid and saw it as an important issue. The underlying fear of public disapproval and the possible failure to be re-elected in office seemed to deter both the politicians and civil servants from tackling the issue of increasing financing for foreign aid.

In sum, the evolution of Latvia’s foreign aid policy – in particular, increasing the foreign aid budget – was constrained by various informal veto players within the executive branch. The interview data indicate that the policy was a relatively low priority for the decision-makers within the MFA and also for the political decision-makers. Moreover, the MoF was identified as a “veto player” within the government that acted as a “break” when increased allocation for the foreign aid was discussed. All in all, it is likely that the bureaucratic budgetary process around increasing financing can account for the modest increase of the foreign aid budget in relative terms (ODA/GNI). The sharp cutbacks in the 2009 budget, when bilateral aid was cut by more than 90%, can be explained by the internal bureaucratic processes within the MFA when the Ministry’s higher decision-makers decided to carry out the cutbacks and not to demand any increased allocations for the aid budget. To explain these bureaucratic and political

constraints, I have proposed that the actors within the MFA, MoF and the government acted according to a metaphoric cost-and-benefit calculus which implies that the decision-makers had few incentives to increase the foreign aid budget substantially according to EU expectations because such an initiative could have caused a negative reaction from the general public.

Identification and social influence

In this sub-section I investigate whether the further evolution of Latvia's foreign aid policy can be traced back to the country's identification with the EU and the EU's social influence. In the previous chapter on the pre-accession period, we noted that Latvia's general public identified with the EU, even if support for the country's EU membership was on average lower than in Slovenia. Latvia's elites were also assessed as identifying with the EU as the "in-group" to which they wanted to belong. After becoming an EU member state, Latvia's domestic decision-makers, are not likely to have become EU-sceptics and can thus be expected to be susceptible to the EU's social influence. Social influence is understood here as peer pressure exerted by the EU and its member states and it is traced by interviewing Latvian civil servants and examining the existing literature and documentary sources.

Considering the EU's social influence, I sought evidence as to whether the EU exerted any peer pressure on Latvia to continue adjustments in foreign-aid policy area in the post-accession period. A high civil servant underscored that the EU commitments for financing development was part of "soft acquis", non-binding commitments that did not imply any sanctions from the EU (Interview 27). As noted in the chapter dealing with the pre-accession period, this civil servant perceived peer pressure for Latvia to be in solidarity with the old member states in sharing the burden of foreign aid (Interview 27; also interview 20). This civil servant also noted that there was specific peer pressure targeted at Latvia to increase its foreign aid budget:

Then there was a big discussion, I recall, about this... it was more technical, but political, too. How can that be that a country with such a rapid [economic] growth can be so un-interested to share with others ... There were also reproaches from some member states... it was during one dinner at the ministerial level when I mentioned this problem... and then also... I was told that... [by] some representatives of the old member states that it is so interesting to hear such arguments from you who grow [economically] so fast. (Interview 27)

In this quote, the civil servant recalled how some old member states expressed their opprobrium ("reproaches") towards Latvia as a new member state with high economic growth that did not demonstrate solidarity with other member states by increasing its foreign aid budget. Significantly, this peer pressure, according to the civil servant, was expressed at an informal event (a high level dinner). Similarly, a civil servant from the Ministry of

Finance recalled that the issue of increasing the ODA was discussed, even during official meetings at the EU:

There were many venues where people from the ministries of finance meet with each other... in various committees, working parties that encompass issues related with the International Monetary Fund and the World Bank or in working parties and committees at the level of European Commission, in Brussels. These questions are simply included in the agenda... and, objectively, having in mind, that representatives from very many states are sitting around the table... it is attempted to reach some kind of solution that could be appropriate for everyone, but having in mind the gap between those who sit around the table, it is rather difficult to reach some kind of compromise because that what one sees as peanuts is a very huge [sum of] money. (Interview 20)

Moreover, a lower-level civil servant noted the existence of such peer pressure and suggested that the Commission's annual reports (the Monterrey reports) constitute an important part of this pressure (Interview 3). Moreover, this civil servant noted that it was important for the Commission that the member states reach the EU commitments in order to keep the EU's credibility intact (Interview 3). In addition, other informants noted the existence of what can be considered to be peer pressure from the EU (Interview 10; 11; 28).

While the existence of peer pressure can be established based on the interviews quoted above, a more important issue is whether the political elite perceived the EU's signals. As a former foreign minister recalled:

Also other governments in the European Union understand what it means to a new, small EU member state to, let's say, back something financially. Now, we do not have unlimited resources, so I do not remember any case when we would have got any substantial criticism" (Interview 6).

This quote is somewhat ambiguous because it is not clear whether the minister meant that he did not face any criticism or that he did not face any "substantial" criticism. Having in mind that the Commission often criticised the performance of old EU member states in regard to their foreign aid volumes, my interpretation is that the foreign minister, most likely, implied here that Latvia did not face any strong peer pressure from the EU.

If the politicians did not perceive as strong peer pressure as the quoted civil servants, why did Latvia not discontinue its foreign aid policy after the accession? I argue that this did not happen due to the relatively low involvement of politicians in foreign aid policy making. Similarly to Slovenia (at least in the period of 2004-2008), Latvia's foreign aid policy, most likely, was most often dealt with by the civil servants, involving foreign ministers in the decision-making process only sporadically. I draw this inference based on the interview with a high civil servant at the MFA who complained that Latvia's foreign aid policy was a "policy made by civil servants" with little participation from politicians, society or academics (Interview 28). I argue

further that the policy was not discontinued due to the role of leading civil servants in the MFA and the MoF who most likely did not want any abrupt policy discontinuation because they represented Latvia in the EU meetings on development co-operation policy and had to engage in discussions with their colleagues on foreign aid policy. Such an abrupt step of discontinuing the policy would most likely result in opprobrium from other EU member states and they were not prepared to take such a step.

Some support for this argument is provided by a close analysis of the “Concept on Increasing the Budget for Implementation of Latvian Development Co-operation, 2006-2010”, which together with the government’s decree provided that Latvia would increase its foreign aid budget to 0.1% of GNI by 2010. Although these documents, strictly speaking, represented a break with the EU commitment to increase ODA to the level of 0.17% of the new member state’s GNI by 2010, some passages in the Concept can be read as indicating that Latvia was aware of its international commitments, for instance: “For Latvia, it is essential to demonstrate the resolution to gradually increase the financing for development co-operation taking into account the international commitments” (Konceptcija 2006). In other words, the Concept did not consider that Latvia would discontinue its foreign aid policy altogether; it was a non-option. The language and substance of the Concept seems to indicate that increasing financing was an appropriate action because the Concept argued for an increased budget for bilateral development co-operation. The essential question, which was posed in the document, was to what extent the government should opt to fulfil its international commitments – fully or partially. The civil servants who prepared the Concept recommended the government to follow the path of other Baltic countries that, according to the document’s authors, had indicated that they would strive to achieve the ODA level of 0.1% of GNI. The government’s decree no. 77, adopted on 22 February 2006, followed the recommendation of the Concept’s author that Latvia should opt to fulfil its commitments in part. In sum, the Latvian elites, most likely, were aware that a complete break with the EU commitments would result in opprobrium from its peers in the EU. While Latvia considered fulfilling its international commitments to the full extent which would, most likely have resulted in what the Constructivist scholar Alastair Iain Johnston (2001:500) called “back-patting” from Latvia’s peers in the EU, Latvia’s government chose to implement its commitments only partially in order to avoid what Johnston (2001:500) called “opprobrium” from the EU peers.

Another reason why the foreign aid policy was not discontinued might be that bilateral foreign aid was used as an instrument for implementing Latvia’s foreign policy towards the countries of the eastern neighbourhood i.e., Moldova, Ukraine, Georgia and other Central Asian countries after Latvia’s accession to the EU. Having in mind that Latvia had achieved its

foreign policy priority of joining the EU and NATO, the most pressing question of the post-accession foreign policy was how to re-define Latvia's national interest to fit its new status of the EU member state (Interview 6). A former foreign minister described the situation by pointing to his observation that the EU engaged with the Eastern European (non-EU) and Central Asian countries through widening its European Neighbourhood Policy (ENP) (Interview 6). The minister saw this development within the EU as a window of opportunity both to engage in development co-operation (thus also intensifying the bilateral relations) with the Eastern European and Central Asian countries that were part of the ENP and to strengthen the role of Latvia within the EU by "specialising" in this region (Interview 6). The main aim of his foreign policy strategy was "to increase the influence and prestige of the state of Latvia" and he saw the ENP and Latvia's emerging foreign aid policy as instruments to achieve this goal (Interview 6; see also Galbreath 2006:458; cf. Galbreath & Lamoreaux 2007:128; cf. Lamoreaux & Galbreath 2008:10). Significantly, two former foreign ministers noted that Latvia was seen as a reliable partner by politicians with its new development partner countries and was often relied upon as a mediator between the ENP countries and Brussels (Interview 6; 14).

This observation is supported by Galbreath and Lamoreaux (2007:116) who argued that the Baltic States, during the post-accession period, assumed the role of "bridge" between the EU and the eastern neighbourhood countries. The aim of this strategy is to support the eastern neighbourhood countries in their efforts to convince the EU that they too should be considered as prospective EU member states¹¹⁷ (Galbreath & Lamoreaux 2007:116). Galbreath and Lamoreaux (2007:116-7, 128) also noted an important implication, which the former foreign minister did not explicitly mention in my interviews, namely, that such a strategy would in a long-term perspective imply changes in the geo-political situation in a region that was dominated by Russia and thus increase the security of Latvia and other Baltic countries. At the same time, one should not overestimate these implications on Latvia's security policy. Some informants stressed that Latvia's foreign aid policy was an instrument to cast it as a "modern" country (Interview 11; 27). This most likely was an important reason why the countries were involved in development co-operation.¹¹⁸

¹¹⁷ On the other hand, Marko Lehti (2007:143) viewed the provided assistance to the Eastern Neighbourhood countries as a demonstration of "how to behave and act 'Western', which is a prerequisite for acceptance to the European Union and NATO".

¹¹⁸ Lehti (2007) has examined how the Baltic countries constructed their image in the European and Trans-Atlantic context and his findings indicates that the Baltic States tried to fashion its image and identity as based on their "economic miracle". In his view, Baltic politicians have often stressed the high growth rates of their economies and have "depicted themselves as quick learners in the sphere of market economy" (Lehti 2007:139).

In sum, the Latvian civil servants perceived peer pressure from the EU to further adjust foreign aid volumes, while it seems that the politicians did so to a significantly lesser extent. In my assessment, social influence can account for why Latvia continued adjustments in the foreign-aid policy area because the high-level civil servants who perceived the peer pressure were most likely more involved in policy-making than the politicians. Another reason for further adjustments can be that, despite the low aid volumes, bilateral foreign aid was used as an instrument to increase Latvia's prestige and influence in the Eastern European region and to promote Latvia's image as a "modern country".

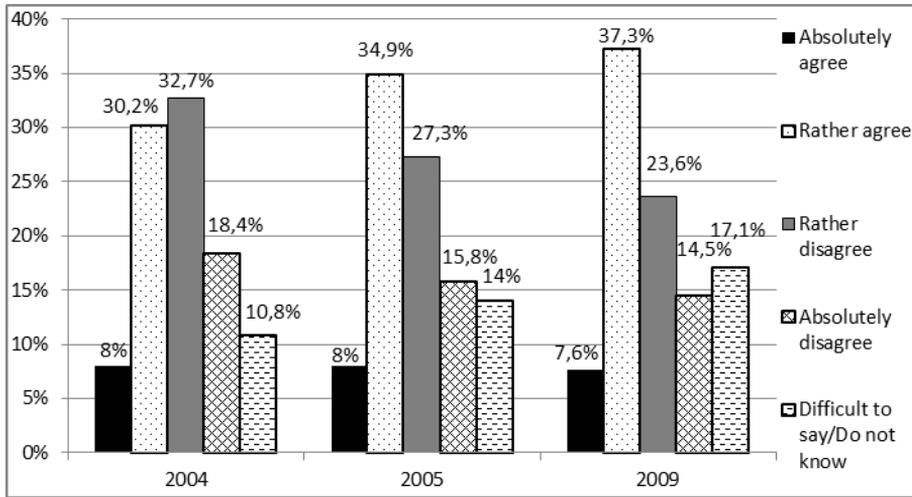
Policy resonance

Policy resonance will be measured along two main dimensions – examining whether public opinion supported foreign aid policy (by assessing the public opinion polls on the subject) and whether political elite perceived foreign aid policy as a "good thing". Public opinion on foreign aid has been measured both by a Latvian pollster SKDS (at the request of the Latvian MFA) and by the EU-wide Eurobarometer polls, while the elite perceptions are assessed on the basis of in-depth interviews with the Latvian decision-makers and NGO activists.

As Figure 15 indicates, the national opinion polls show that the public is split on whether Latvia should conduct foreign aid policy¹¹⁹. The share of those who rather agreed or agreed that Latvia should assist developing countries increased from 38.2% in 2004 to 44.9% in 2009 (SKDS 2009:12). It should be mentioned however that the share of those who are more inclined to agree is rather small – only 8% and 7.6% in 2004 and 2009 respectively (SKDS 2009:12). Those who disagreed or rather disagreed with the statement that Latvia should provide assistance was comparatively higher in 2004 – 51.1%, but this proportion declined to 38.1% in 2009 (SKDS 2009:12). The proportion of the respondents who have difficulties formulating an opinion on this matter has almost doubled from 10.8% in 2004 to 17.1% in 2009 (SKDS 2009:12).

¹¹⁹ In 2009, respondents were asked the following question: "Generally speaking, to what extent do you agree with the statement "Latvia should assist the poorer countries with lower development indicators"?" In 2004 and 2005, the question was slightly different: "Generally speaking, to what extent do you agree with the statement "Latvia should assist to poorer and lesser developed countries"?" (SKDS 2009:12)

Figure 15: Attitudes to assisting to developing countries - Latvia, (%)



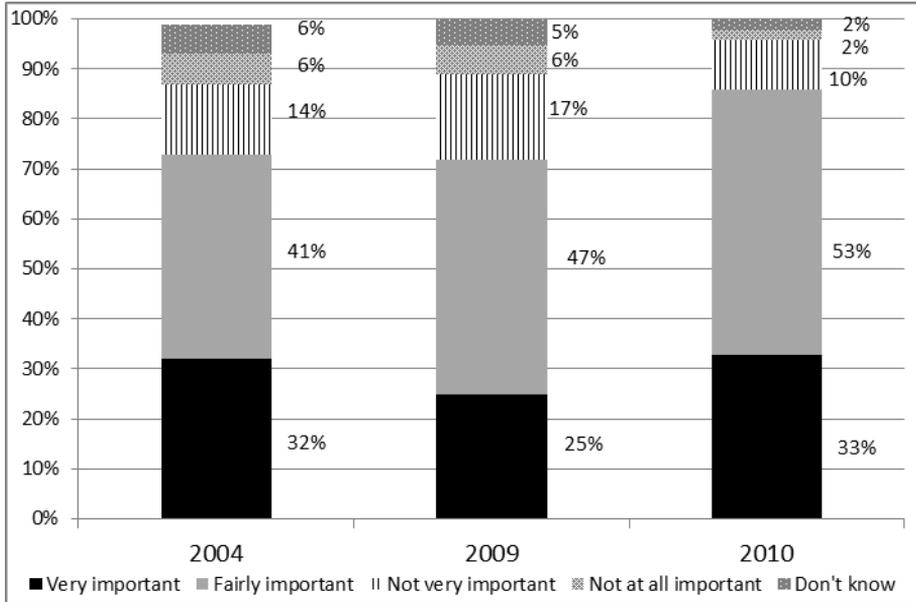
Sources: SKDS (2009) "Attieksme pret attīstības sadarbību. Latvijas iedzīvotāju aptauja. 2009. gada februāris" [Attitude towards development co-operation. Survey of inhabitants of Latvia. February 2009], Website of the Latvian MFA, http://www.mfa.gov.lv/data/file/petijumi/sadarbiba_02_2009.pdf, last viewed on 14 February 2013 - 12.

In sum, public opinion was slowly becoming more positive towards Latvia providing assistance, but provision of aid, still, was a fairly divisive issue. The SKDS polls also gave an indication of the underlying motivations for the respondents' views. In 2009, 22.4% of those who held a positive attitude ("agree" or "rather agree") stated that "it is a moral, ethical obligation" to assist the developing countries (SKDS 2009:16). The same view was espoused by 18% and 27.8% in 2004 and 2005 respectively (SKDS 2009:16). From those who held the sceptical attitude in 2009, 64.8% argued that Latvia was a poor country itself (SKDS 2009:17). In 2004, this response was given by 55.3%, and it was mentioned by 66.2% in 2005 (SKDS 2009:17). It seems that foreign aid policy did not resonate with these respondents because the imperative of aid giving clashed with their perception of Latvia as a poor country that cannot afford to assist other countries.

The Eurobarometer polls were conducted in 2004, 2009, and 2010 and the results showed surprisingly more positive results than the national polls (see Figure 16). 73% of Latvian respondents answered that it is either fairly or very important to assist the developing countries in 2004 (Special Eurobarometer 2005:26). Even if the support slightly dropped to 72% in 2009 (Special Eurobarometer 2009:18), the 2010 poll indicated that the support to helping developing countries was still very large, amounting to 86% (Special Eurobarometer 2010:9). These polls also show a diminishing scepticism ("not very important" and "not at all important") towards

assisting to developing countries, which fell from 20% in 2004 to 12% in 2010 (Special Eurobarometer 2005:26; 2010:9).

Figure 16: Importance of helping to "poor countries" - Latvia, (%)



Sources: "Special Eurobarometer 222: Attitudes towards Development Aid" (2005) *Website of the European Commission*, http://ec.europa.eu/public_opinion/archives/ebs/ebs_222_en.pdf, last viewed on 8 February 2012 – 26; "Special Eurobarometer 318: Development Aid in times of economic turmoil" (2009) *Website of the European Commission*, http://ec.europa.eu/public_opinion/archives/ebs/ebs_318_en.pdf, last viewed on 8 February 2012 – 18; "Special Eurobarometer 352: European, development aid and the Millennium Development Goals" (2010) *Website of the European Commission*, http://ec.europa.eu/public_opinion/archives/ebs/ebs_352_en.pdf, last viewed on 8 February 2012 – 9.

As I mentioned in the sub-section on the policy resonance in Slovenia, the Eurobarometer polls should not be taken as evidence that the respondents are asked to state their opinion on whether their country should conduct foreign aid policy, but rather to take a position on how important it is to assist to developing countries.

Overall, Latvian public opinion, generally, seems to consider it important to help the developing countries, as the Eurobarometer polls indicate. Nevertheless, when it comes to assessing whether Latvia should assist the developing countries, public opinion seems to be divided, as the national polls suggest. It is striking that, even among the respondents who viewed aid positively, less than one third thought that aid giving was a "moral obligation". Among those who viewed aid negatively, the overwhelmingly most important reason (mentioned by more than 60%) for their position was the belief that Latvia was still a poor country. It seems that, although the

support for aid giving rose slightly from 2004 to 2009, many people who held negative views considered that the aid giving was in conflict with the perceived needs of Latvia.

Results from the interviews with the civil servants and politicians suggest that foreign aid provision was a divisive issue also among the political and administrative elites. A senior civil servant from the MFA noted that the operating “philosophy” of Latvia’s government was oriented towards how to maximise the benefits from EU membership, particularly, the EU’s Cohesion Fund and the Structural Funds to increase the country’s welfare (Interview 27). Moreover, the civil servant implied that the identity of Latvia still lagged, linked to the transitional (pre-accession) period when it received substantial assistance and aid from international donors even after the accession (Interview 27). This state of a country’s identity being strongly associated with (or/ and affected by) the pre-accession and transition period could be described as “liminal” (as being “on threshold” of becoming a “normal” European country) identity.¹²⁰ According to this interviewee, this liminal identity caused an incompatibility between the “philosophy” according to which the Latvian politicians and civil servants operated and the “philosophy” of an EU member state as a rich country that is obliged to assist the developing countries:

I assume that these philosophies are even conflicting, they do not co-exist very easily side by side... either you have to have already a small proportion of what you receive and then it does not appear to you that you are a recipient... but we all receive a rather large proportion, we are still a typical recipient country in net, although, as I mentioned, we lost the status [of being a recipient country] externally... let us say, *vis-à-vis* some kind of poor countries, we do not count as belonging to the group of the recipient states anymore, we are in the EU, but while being in the EU, the process of receiving continued, it even accelerated... at the time when the structural funds started flowing in. And, if the philosophy is oriented towards that we take from someone and try to develop us, then that function that we should give away to someone will always be of a sort of secondary role and it will be always subordinated because it, philosophically, is contradictory. And, yes it is unequivocal that all of the politicians looked at the obtaining the structural fund, these things... well, then you cannot switch to the other philosophy so easy. (Interview 27)

This self-image of still being a poor country created resistance from the decision-makers in Latvia to the international pressure to increase foreign aid. As the former civil servant at the Ministry of Finances explained:

¹²⁰ In an article on the Baltic foreign policies, Maria Mäklsoo (2006) argued that the Baltic States articulated a liminal identity of being “Europe But Not Europe” in the post-accession period. She particularly pointed out that becoming an EU member state (what she called “existential politics of becoming European”) is a long-term process and that the Baltic countries, including Latvia, were just at another “level” of “becoming European” (Mäklsoo 2006:288-9). While her work approaches the subject from the discourse-theoretic methodology, the findings of Mäklsoo (2006) resonated with what I call here the liminality of self-identity of Latvia.

Very often, we had a feeling that people there... not only from Brussels, also our colleagues in the Scandinavian countries... well, they are not capable of grasping our reality, that we are a young, fragile economy... that we just have gone out in the world and we try to do something on our own and then to try at once... to give away money as a donor to somewhere else, well, that is... a bit early, we have to wait a little bit. That was the problem and... maybe sometimes, having in mind the pressure from the West that, now, you as a donor have to pay and assist the poorer countries – maybe sometime, at least, I have this impression, having in mind that the pressure from the West, that those people do not understand our reality. It created a defence reaction from the side of our decision-makers, that you just do not understand what happens here, you and your ODA can... wait. (Interview 20)

When politicians and civil servants were confronted with the pressure to increase the foreign aid budget, the defence mechanism of resistance and denial shaped their response: foreign aid policy, implicitly, was not seen as “good practice”, but rather as a financial burden which Latvia assumed when entered the EU. It is significant that this civil servant stressed the fragility of Latvia’s economy because it resonates with the seemingly widespread perception that the country’s welfare is not sufficiently high enough to take up its international obligations (see, for instance, the SKDS polls cited above).

Here I return to what I called the “inwards-orientation” of the politicians and civil servants in Latvia. While the domestic concerns usually dominate the decision-makers agenda, the observation of inwards-orientation that led to lack of interest in foreign policy matters was noted by many other Latvian informants (Interview 14; 6; 13; 26; 27). It is likely that this inwards-orientation led to the perception, allegedly, shared by many politicians and civil servants that foreign aid policy was not an important policy area (Interview 12; 13; 19; 24; 26). As an NGO activist put it:

What laurels can a politician reap with [supporting] the development co-operation? [If] he builds a hospital, he is in every newspaper. Excellent. If he makes a bicycle path, he is popular... he is asked for interviews, etc. If he makes a development co-operation project in Africa or Georgia, everyone tells him – is he a freak? Does not he understand that our pensioners need [the money] more? So it is... The politician, quite logically, is not very motivated to work with these themes. In other words, it is hard for him to sell that to his voters. (Interview 24)

In other words, the informant perceived that the inwards-orientation was rewarded by the electorate and public opinion in general. A former senior civil servant from the MoF shared a similar observation and argued that the public’s negative attitude stemmed from a lack of awareness on development co-operation:

First of all, there is a lack of understanding what it, generally, is, what kind of policy it is. I can tell about how the press is reacting to that at those few times when some decisions has been taken on these issues. A typical reaction of the press is: “Latvia dies in hunger, but we give away the money to Africa!” That will be the typical reaction

which you can read in Delfi¹²¹ and also some two days after the decision has been taken. If it [the decision] is supported by the finances of the budget, I guarantee that it [the public reaction] will be exactly like that. (Interview 10)

In other words, the two previous quotes suggest that there are few, if any, incentives for politicians to actively work with development co-operation issues, as it does not translate into a positive response from the public. While the civil servant might be right that a negative attitude to foreign aid policy stems from the lack of knowledge, some informants pointed out that the politicians did not seem to have the political savvy and skills to persuade the public of the need of the policy (Interview 1; also interview 4).

This situation was often summarised in the expression: “It is not possible to ‘sell’ the policy to the public” (Interview 13; 10; 20; 26). One informant named examples of individual politicians who act as advocates of the policy within the parliamentary arena, but even they admitted that the majority of politicians have a rather “diffuse understanding” of the subject (Interview 12).

In sum, there are many reasons to believe that foreign aid policy was not seen as a “good policy” in Latvia. First, public opinion was divided on whether Latvia should assist developing countries, as the main reason for not providing aid was the perception that Latvia was itself a poor country. Second, civil servants similarly argued that the government prioritised improvement of domestic welfare over aid provision because the country’s economy was seen as still too “fragile”. Moreover, it was suggested that politicians were inwards-oriented and that they lacked incentives to promote increasing the foreign aid budget because they feared that the public would react negatively to such a move. As was often repeated – it was impossible to “sell” the foreign aid policy to the public.

Norm entrepreneurs

As I noted before, Kāle (2007:49-50) described the Latvian national NGDO platform LAPAS (together with GLEN-Latvija) as “notable norm entrepreneurs”. In the previous chapter, I expressed reservations about this description of the organisations in the pre-accession period. Here I review the role of NGDOs in foreign aid policy making after the accession. The effort here is to establish whether NGDOs succeeded in lobbying for further adjustment of the policy, as well as to assess NGDO relations with the government. This assessment is based on interviews with NGDO activists and their self-reported “success stories” – cases where they succeeded in persuading the government to further adjust Latvia’s foreign aid policy toward EU targets.

¹²¹ <http://www.delfi.lv> is a popular Latvian website of current news where the readers are able to comment on the news stories.

After 2004, the role of NGOs in the phase of policy implementation was apparently growing. As indicated in Table 13, the NGO sector played an increasingly important role in the period 2005-2008. The civil society sector was the most active in 2008 when it carried out 14 out of 38 projects. While this data can be interpreted as indicating a growing interest in development co-operation by the NGOs, it can also be interpreted as pointing to the NGOs' financial dependence on the state and other donors. As one of the NGO activists pointed out, the trend in funding civil society was not favourable to the NGOs because international donors gradually left Latvia after 2004, while the Soros Foundational Latvia diminished its share of funding the NGOs (Interview 22). At the same time, Latvian civil society organisations did not have a positive project "credit history" and their budgets tended to be relatively small, therefore they could not qualify for EU financial support (Interview 22). This aspect is particularly striking because the EU is known as a source for funding for the European NGOs carrying out either development co-operation projects or development awareness projects (Carbone 2008b). The informant added that this short "credit history" implied that even LAPAS could not apply for the EU financial grants (Interview 22). Therefore LAPAS crafted a shrewd strategy of co-operation with other European national NGO platforms and larger NGOs to obtain a share of funding through their larger international projects (Interview 22). The obtained project funding was a source of tensions between LAPAS and its member organisations that held the view that LAPAS itself should not carry out any projects, but serve instead as an umbrella organisation for its members (Interview 22; 9).

The scarcity of financial resources was one of the main problems that Latvian NGOs had to confront especially after 2008 when the bilateral foreign aid budget was cut. Still, GLEN-Latvija, which is one of the oldest NGOs, succeeded in obtaining a financial grant from the Commission to conduct a project on development awareness in Latvia in 2010 (Interview 9).

One of the aims of creating LAPAS was that it could serve as an "ideational advocate" or "norm entrepreneur" for promoting the idea of development co-operation in Latvia (Interview 22). Although LAPAS and GLEN-Latvija were active in raising public awareness of development co-operation, when it comes to EU commitments, none of these organisations can be considered as successful norm advocates. Neither LAPAS, nor GLEN-Latvija succeeded in persuading the key politicians of the necessity and appropriateness of reaching the financial targets set out by the EU. The Concept of Increasing the Budget for Implementation of Latvian Development Co-operation, 2006-2010, which the government adopted in 2006, clearly states that Latvia had no intention of increasing funding levels in accordance with its international commitments. When the financial crisis reached Latvia in 2008, LAPAS lobbied decision-makers in the MFA not to diminish the budget line for the

foreign aid, or at least not to diminish it dramatically, but this effort failed (Interview 26).

The informants from the Latvian NGOs mentioned two other episodes that indicate that the organisations tried to persuade politicians and other decision-makers about the appropriateness of development co-operation. The first episode relates to the budgetary process in 2007 when the initial version of the draft budget for 2008 did not contain any financial resources for the open call for proposals for the NGOs, which had been the practice in 2005, 2006 and 2007. Both LAPAS and its members made contact with the parliamentarians and organised a special event in the Latvian Parliament which was aimed at increasing the awareness about the needs of the NGOs for development co-operation. This highly publicised event and contacts with the then Chair of the Committee for Foreign Policy persuaded him to write a support letter to the Prime Minister and, as a result, the Cabinet allocated LVL 100,000 to the open call for proposals where the NGOs could participate. This episode was cited as a success (Interview 26). However, it seems that the issue here was not about persuading the politicians about the appropriateness of the increased levels of the financing for development co-operation. It was rather about persuading them not abandon state support for the NGOs, i.e., maintaining the status quo.

As another success, the informants mentioned the creation of the Basic Principles for Education for Development 2008-2015. It was worked out by the NGOs as a draft policy planning document intended to be adopted as an official state policy for promoting the integration of development-related issues and a holistic approach to the developmental problems in the education system (LAPAS n.d.). Although informants observed that the document was praised by the MFA and the Latvian Ministry for Education and Science (MES), it was never adopted as an official state policy document. Although the document certainly was a source of action and inspiration for NGOs, the MES refused to integrate this document or the concept of development education into its policy framework (Interview 19). Although two conferences were devoted to the issue of the education for development and GLEN-Latvija organised projects devoted to the subject of education for development, there was no significant response from the two ministries. One of the informants characterised the ministries' attitude as "positively interested" by saying, for instance, that "it is cool that you do something about it" (Interview 18). However, this supportive attitude did not translate into more tangible support or policy output (Interview 18).

The relations between the government and the NGOs were generally described as those of partnership. The former Chair of the Board of LAPAS described co-operation with the MFA as "very good", while acknowledging that the actual influence of LAPAS was not very large (Interview 1). It seems that she meant that LAPAS was involved in the official consultation process

and that the MFA and the foreign ministers in particular were accessible to it¹²². While the former Chair of the Board for LAPAS affirmed in the interview that she had a good working relation with the Foreign Ministers, she had no illusions about the size of the budget for foreign policy and the low priority of the “soft issue” of development co-operation (Interview 1).

No doubts, LAPAS was an active agent in trying to influence the politicians and the public, as demonstrated by the seminars and other educational activities on development co-operation, but it is hard to describe LAPAS as an active norm entrepreneur that mobilised the public opinion or succeeded in changing the preferences of the policy-makers through normative pressure – something acknowledged implicitly by the activists themselves (Interview 1; Interview 18; Interview 19; Interview 25). As one NGDO activist noted, LAPAS could be considered as a reactive player in the foreign aid policy arena, rather than a pro-active shaper of the public agenda (Interview 25).

Moreover, the activists from both LAPAS and GLEN-Latvija did not see the EU commitments, and, more specifically, reaching the financial targets for new member states, as a norm; quite the contrary, some of them questioned whether the focus should be put on funding development assistance (Interview 9). One of its activists explained that GLEN-Latvija saw its role as promoting a more global and holistic approach to development problems and the financial aspects of Latvian foreign aid policy were secondary (Interview 25; also interview 9).

In sum, the NGDO sector in Latvia is not large and has limited financial resources. Thus it cannot be considered a strong, popular movement, and should not be considered a vocal policy constituency for social mobilisation. I thus dispute Kāle’s assessment that some of the NGOs, namely LAPAS and GLEN Latvija, could be classified as effective norm entrepreneurs. While these organisations established political contacts and were themselves a part of larger international networks, there is little evidence that their actions have had any strong effect on policy-makers, notably the foreign ministers or high-level civil servants within the MFA. Their effect on the MFA in persuading it that Latvia should attain the EU commitments was minimal.

Intermediate conclusions

Summing up the empirical findings about the evolution of foreign aid policy in Latvia and Slovenia in the post-accession period, one can distinguish the different paths that policy development took in the two countries after 2004. After the accession, the Latvian government’s commitment to aid provision evolved from loose promises in 2004 to a firmer commitment in 2006. Later

¹²² It was also noticeable when talking about her meetings with the Foreign Ministers she referred to them by using their first names.

governments were even more specific in their choice of development partners. In Slovenia, the government was implicitly committed to providing aid, but saw it as an instrument for promoting Slovenia's interests. The 2008 Coalition Agreement articulated the government's commitment to foreign aid policy as an integral part of Slovenia's foreign policy. In other words, Latvia "talked the EU talk" earlier than Slovenia.

One of the main differences between the countries can be seen in how they chose to build the institutional framework of aid provision. Slovenia continued its practice of the pre-accession period, creating specialised implementing agencies and thus "locking in" existing aid initiatives. Slovenia also involved the NGOs in the implementation of foreign aid policy in 2008, which happened somewhat later than in Latvia. In the later period, the MFA made an effort to centralise the foreign aid policy and thus reduce the fragmentation of Slovenia's foreign aid architecture. This was successful only partially because the MFA did not succeed in centralising the foreign aid that was carried out by the line ministries. As a result, Slovenia's aid was provided in a partially decentralised and to some extent fragmented manner.

In Latvia, on the other hand, foreign aid was provided in an even more fragmented and decentralised way by the line ministries and the MFA than in Slovenia. The bilateral aid was implemented in two main modes. First, the Latvian MFA created the system of open calls for proposals targeted at the state sector, NGOs and the private sector, and this planned bilateral aid policy implementation was similar to that of Slovenia's open calls. But the Latvian line ministries and the state institutions overseen by the line ministries also continued their development co-operation activities independently of the MFA. The Latvian government intended to set up a single aid implementing agency that would manage the country's bilateral aid, but until 2010 this agency was not established, at least in part due to the financial crisis that began in 2008. In sharp contrast to Slovenia, the Latvian government did not establish any specialised agencies which would "lock in" existing aid initiatives. Most likely, therefore, it was much easier for the domestic decision-makers to cut the budget of Latvia's bilateral aid policy. Still, even after the financial crisis began, the development co-operation activities were continued by the line ministries and other state institutions providing the technical assistance. This assistance was mainly in form of transferring the expertise that the Latvian state institutions had accumulated during the transition period and it was later assessed by the Latvian MFA and categorised as bilateral foreign aid.

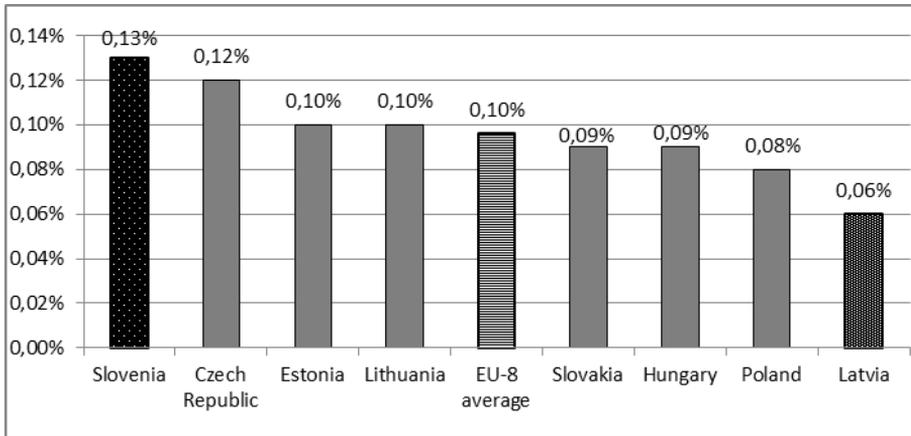
In addition, the policy framework was developed differently in the two countries. Latvia adopted its main policy document in 2003 and the aid was carried out on the basis of annual plans. The existing policy framework was institutionalised by adopting the Act on International Development in 2008.

Slovenia, on the other hand, engaged in more extensive policy planning, first adopting a legislative act in 2006, followed up by a comprehensive policy document in 2008.

The most striking difference was in regard the financial allocations for foreign aid in the two countries. In general, Slovenia seemed to have adopted a somewhat gradual approach to increasing from 0.1% ODA/GNI in 2004 (or, in absolute numbers, EUR 25 million) to 0.15% in 2009 (in absolute numbers EUR 57 million), but when the financial crisis hit the country in late 2009, Slovenia missed the EU target for the new member states in 2010 when its aid volume dropped to 0.13% ODA/GNI (EUR 48 million in absolute numbers). Still, Slovenia had politically committed itself to reach the target of 0.17% ODA/GNI by 2010 in Slovenia's comprehensive policy document – the Resolution – adopted by the Parliament in 2008. Latvia, on the other hand, did not even commit itself to achieving the EU target. In fact, the government stated its intention to reach the volume of only 0.1% ODA/GNI by 2010 when it adopted a policy document outlining the projected financial increase of Latvia's aid budget in 2006. Still, the Latvian government failed to attain even this modest target. Latvia's foreign aid levels fluctuated around 0.06-0.07% ODA/GNI throughout the period of 2004-2010 and Latvia's aid volumes, in 2010, were at the same relative level as in 2004 – 0.06% ODA/GNI. Still, Latvia did increase its aid in absolute numbers from EUR 7 million in 2004 to EUR 12 million in 2010.

Even if the aid provided by Slovenia and Latvia was small in comparison to the old EU member states, in a relative perspective, Slovenia's performance was still the strongest among the eight new EU members in the Central and Eastern Europe in 2010 (see Figure 17). Although none of the EU-8 countries reached the 2010 EU target 0.17% ODA/GNI in funds for development, there were relatively wide differences among them. Slovenia and the Czech Republic were those countries that were closest to implementing the agreed target. Another cluster of countries whose ODA/GNI proportion was close to the EU-8 average (0.096%) consisted of Estonia, Lithuania, Slovakia and Hungary; their ODA/GNI proportion was around 0.9-0.1%. Poland and Latvia had the smallest ODA/GNI proportions – 0.08% and 0.06% respectively. In other words, the Slovenian ODA/GNI proportion (0.13%) was double that of Latvia (0.06%) in 2010.

Figure 17: Foreign aid (ODA/GNI, %) in the EU-8, 2010



Source: European Commission, the (2011b) *EU Accountability Report 2011 on Financing for Development. Review of progress of the EU and its Member States*. Brussels, SEC (2011) 500 – 27.

In sum, when contrasting Slovenia to Latvia, Slovenia appears to have been preoccupied with institutionalising its aid policy to a greater extent than Latvia (see Table 15 for a summary). “Locking in” aid initiatives by creating specialised aid implementing bodies seems to be a particular hallmark of Slovenia. Even if its aid was still to a large extent decentralised, the Slovenian MFA had succeeded in taking control over approximately 50% of the country’s bilateral aid. This institutional development was apparently backed up by an increase in financial allocations to the policy implementation. Latvia, on the other hand, started “talking EU talk” earlier than Slovenia, but its aid provision accelerated very slowly and the bilateral aid was implemented in an even more decentralised manner by various line ministries and state institutions. The Latvian government did not “lock in” its existing aid initiatives, as no specialised aid agencies were created throughout the period, even if the establishment of a single aid-implementing agency was envisioned by the legislation. This can explain why it was relatively easy for the domestic decision-makers to cut Latvia’s bilateral aid in late 2008 when the country faced financial crisis. Moreover, the countries differ strongly in their ambitions to achieve the EU targets for the new member states in 2010. While Slovenia committed itself in a comprehensive policy statement adopted by the Parliament in 2008, the Latvian government decided to raise foreign aid only to achieve the level of 0.1% by 2010, which indicated that Latvia did not in fact intend to align itself with the EU target. This was reflected in the actual allocations: while Slovenia’s ODA was steadily rising, Latvia’s foreign aid volume was stagnating through the same period of time.

Table 15: Policy adoption in Slovenia and Latvia, 2004-2010

Countries	Discursive adoption	Institutional adoption	Behavioural adoption
Slovenia	Explicit governmental commitment to providing foreign aid as “integral part” of Slovenia’s foreign policy since 2008	<ul style="list-style-type: none"> • More implementing agencies created • Adopted legislation on foreign aid (the Act, 2008), a comprehensive policy statement (the Resolution, 2008) and a strategic policy planning document (the Strategy, 2007) • Efforts to centralise Slovenia’s decentralised aid provision 	<ul style="list-style-type: none"> • Aid volumes were steadily rising; the highest aid volumes in 2009 – 0.15% ODA/GNI • Committed to raise the aid volumes to 0.17% ODA/GNI in 2008 • Did not achieve the EU target for 2010
Latvia	Governmental commitment to providing foreign aid since 2006	<ul style="list-style-type: none"> • No implementing agencies created, although the Act (2008) provided creation of a single implementing agency • Adopted legislation on foreign aid (the Act, 2008) and a strategic policy planning document (the Program, 2006) • Decentralised and fragmented aid provision, no efforts to centralise it 	<ul style="list-style-type: none"> • Aid volumes were stagnating; the highest aid volumes in 2008 and 2009 – 0.07% ODA/GNI • Planned to raise the aid volumes to 0.1% ODA/GNI in 2006 • Did not achieve the EU target for 2010

The explanatory factors also show some differences (for a summary, see Table 16). In assessing the factor of identification and social influence, I suggest that, even though both countries identified with the EU as its reference group after the accession, Slovenia was more sensitive to the EU’s social influence than Latvia. In part, this higher susceptibility to the EU’s peer pressure can be explained by the fact that Slovenia, as the first CEEC, held the EU Presidency in 2008 and its elites were concerned about maintaining the country’s image as one of the most developed CEECs and being a role-model for the CEECs and the Western Balkan countries, whose accession to the EU was supported by Slovenia. Latvia, on the other hand, was not exposed to similar peer pressure. It did however make an effort to present itself as a “modern” country through its development co-operation and chose to act as a “bridge” between its development co-operation partners (Georgia and Moldova) and the EU, thus encouraging discussion on further enlargement eastwards.

In reviewing the role of policy resonance, I found that the common aspect in both countries was that the politicians lacked incentives to tackle the issue of increasing foreign aid because of fears that the general public might react negatively to such a move, in particular, if the country was in the midst of managing the financial crisis. The main difference between the countries was the greater strength of this perception in Latvia where NGO activists and even high-level civil servants echoed the view that it is impossible to “sell”

the policy to the general public. The reason for this perceived lack of support for the policy in Latvia can be explained by the clash between the policy goal of providing aid to developing countries, on the one hand, and the perception that Latvia was still a country in need of international assistance itself, on the other. This contradiction between the self-perception and the foreign-aid policy goals stands in strong contrast to Slovenia where I did not find a similar perception among the political and administrative elites.

Two factors can be assessed as being similar in both countries. First, norm entrepreneurs were causally important neither in Latvia nor in Slovenia. While the Latvian NGDO platform was established earlier than its Slovenian counterpart, both NGDO platforms made efforts to establish themselves as financially sustainable and politically influential civil society actors. While the Slovenian NGDO platform seems to have influenced the Slovenian government to establish a partnership with the NGDO sector in foreign aid implementation, there is little support for the claim that it succeeded in exerting normative pressure on the government. To a certain extent, this is a surprising finding because it could be expected that, after the pre-accession period which was dominated by the EU and the state institutions as main motors of change, the societal actors would increase in salience.

Second, veto players and adjustment costs seem to be present in both cases. In Slovenia, there is evidence that the line ministries acted as veto players in resisting the centralisation of foreign aid in the hands of the MFA. Furthermore, the budgetary bargaining was characterised by lack of political will to support increasing financing for foreign aid. In the case of Latvia, the actors that constrained increasing the financing were distinguished in three levels – within the MFA, the MoF the government level. While, in the MFA, the struggle revolved around the priority-setting in the budgetary process, the MoF can be distinguished as representing a viewpoint of what can be described as “fiscal conservatism” and cautiousness against increasing the financing of the newly created program of foreign aid. At the governmental level, it seems that the budgetary bargaining was constrained by the political dynamics of ministerial competition inherent in coalitional governments in Latvia, but even more importantly by lack of political will. But even this factor reveals at least one difference between the countries. While the lack of political will was to certain extent also observed in Slovenia, the Latvian politicians and high civil servants argued that foreign aid was a policy area where increasing financing was politically inopportune and might result in political backlash. In other words, Latvian civil servants – and, most likely, also politicians – assessed adjustment costs of increasing the foreign aid budget as too high because it might provoke negative reactions from the general public (see the discussion on policy resonance in Latvia above).

In sum, I argue here that identification and social influence was the foremost important factor which could account for why the countries did not

halt their newly adopted foreign aid policies after the accession and which, most likely, was the main factor driving the policy evolution forward. Even if the ODA/GNI figures of Latvia’s foreign aid were stagnating throughout the period, it should be noted that the funding grew considerably in absolute terms. Civil servants in both countries experienced the EU’s peer pressure to perform to meet the EU financial targets. Nevertheless, the countries had different ambitions regarding their foreign aid policy. For Latvia it was an instrument for assisting the Eastern European countries who aspired to imitate Latvia’s integration in the EU, but for Slovenia it was a chance to play a more active role in the Western Balkans and thus increase the country’s prestige.

Table 16: Explanatory factors

Countries	Veto players and adjustment costs	Identification and social influence	Policy resonance	Norm entrepreneurs
Slovenia	<ul style="list-style-type: none"> Line ministries and other aid providing agencies as “entrenched interests” resisted the centralisation of aid provision Difficulties in persuading other line ministries to increase the ODA 	<ul style="list-style-type: none"> Identified with EU Perceived the EU’s “peer pressure” Holding EU Presidency strengthened the EU’s “peer pressure” Foreign aid as instrument to play a more active role in the region (prestige) 	<ul style="list-style-type: none"> Low policy resonance Lack of incentives for politicians to increase the financing for the policy 	NGDOs are present in the decision-making processes, but they have minor or no influence on the governmental policy
Latvia	<ul style="list-style-type: none"> Internal divisions over the priority of increasing the ODA Line ministries and MoF constraining the increase of the ODA Fears of public backlash if the ODA would be increased 	<ul style="list-style-type: none"> Identified with EU Perceived the EU’s “peer pressure” Foreign aid as instrument of changing the geopolitical balance in the region (security) 	<ul style="list-style-type: none"> Low policy resonance and self-perception of being a “poor country” Lack of incentives for politicians to increase the financing for the policy Impossible to “sell” the policy to the public 	NGDOs are present in the decision-making processes, but they have minor or no influence on the governmental policy

During this time, the countries had to deal with similar domestic “forces” that held their ambitions back. In Slovenia, the domestic constraints consisted of veto players – the “entrenched interests” resisting centralisation efforts and other governmental actors constraining the efforts to raise the financing for foreign aid. In Latvia, on the other hand, the increase of financing was largely constrained by a combination of low policy resonance (in particular, the self-perception of being a “poor country” or “fragile

economy”) and veto players that deemed the adjustment costs as too high, fearing potentially negative reactions from the general public if the allocations for foreign aid were increased.

Chapter Seven: Conclusions

Introduction

In this chapter, I first present a summary of main findings and compare the two cases of foreign-aid policy adoption processes in Slovenia and Latvia. I begin by reviewing the main findings concerning the explanatory conditions and comparing their influence on foreign-aid policy adoption across the two cases. In the following section, I answer the research questions that were outlined in the introductory chapter and discuss the main implications of my findings on the theoretical literature of Europeanisation East, in particular, on the approach used by Schimmelfennig and Sedelmeier (2005a, b). The final section proposes an agenda for further research.

Comparison of the foreign-aid policy adoption in Slovenia and Latvia

In this section, I sum up the main findings concerning the foreign-aid policy adoption in Slovenia and Latvia paying particular attention to the commonalities and differences between the two cases. I distinguish here three common features of the adoption process relating to aid policy.

First, the aid policies were initiated in the context of Slovenia and Latvia acceding to the EU. While the adoption process evolved differently in the two countries, the process as such was initiated during the pre-accession phase (around 1999) and it, most likely, was a response to the EU adaptational pressures. This is supported by the fact that the adoption process was accelerated in both countries after their accession to the EU.

Second, throughout the period of 2000-2010, both of the countries budgeted for relatively small contributions to foreign aid. This becomes obvious in particular if Slovenia's and Latvia's aid budgets are compared to those of earlier new member states or other old donors. Moreover, none of the countries achieved the EU financial target agreed to in 2005 that stipulated that the new member states would increase their foreign aid to the volume of 0.17% ODA/GNI by 2010. However, in respect to the relatively low aid volumes and their failure to achieve the EU targets, Slovenia and Latvia were similar also to other new member states from the Central and Eastern Europe.

Third, for both Slovenia and Latvia it took a long time to build and institutionalise the foreign aid provision; both countries were examples of aid provision structures being more-or-less decentralised. The policy adoption process, in respect to building and improving aid providing institutions, was not over by 2010 in either country. Furthermore, it was only after their accession to the EU that the governments in these two countries

articulated an explicit commitment to foreign aid policy as a part of their foreign policy.

To sum up all the three common features, it can be concluded that both Slovenia and Latvia still can be considered new donors having a relatively short record of providing aid, a relatively small amount of aid contributions and still in a state of evolving institutional structures. These findings do not provide support for the policy reversal or backsliding thesis that predicted that the policies adopted during the pre-accession period would be reversed or discontinued after the accession (Goetz 2005:262; cf. Goetz 2006:13; cf. Schimmelfennig & Sedelmeier 2005b:226). On the contrary, the policy adoption process continued as well after the accession, even if the outcomes varied in the two countries. This finding resonates with the existing literature on other policy areas (e.g., Sedelmeier 2009a, b; Knill & Tosun 2009; Trauner 2009; Schimmelfennig & Trauner 2009; Levitz & Pop-Eleches 2010) that also found that compliance with the EU norms and policies in other areas did not deteriorate after the accession. Advocates of the policy reversal thesis could argue that Latvia almost dismantled its bilateral aid policy as a response to the 2008-2010 financial crisis and that this step amounts to a policy reversal. In my assessment, such an interpretation is contradicted by evidence that Latvia continued providing bilateral aid, albeit on an ad hoc basis and with diminished financing, even during the crisis. Moreover, how would the advocates of the policy reversal thesis account for continued policy evolution after the accession, until the crisis struck the country?

Despite the apparent commonalities, there are many important differences between the policy-adoption processes in the two countries and they should be discussed at greater length here. First, there are differences in sequencing of the policy initiation process. Disregarding the small, ad hoc aid contributions in the period 1998-2002, Latvia started the policy initiation process first by the government promising to adopt foreign aid policy and adopting a policy framework document in 2003, whereas Slovenia started the process first by engaging in the Stability Pact for South Eastern Europe as a donor country and making contributions to the reconstruction of the Western Balkan countries. Latvia's government was quick to "talk the EU talk" by promising in the government statements to appraise the possibilities to provide aid, while Slovenia's government did not mention explicitly foreign aid as a subject of the coalition agreements until 2008. In sum, Latvia first worked out a policy structure and later started filling the structures with content in a top-down manner, while Slovenia approached the policy adoption from a bottom-up direction, first involving concrete initiatives and later making an effort to systematise the efforts within a policy framework.

Second, the differential sequencing led to differences in the level of institutionalisation. While Latvia put emphasis on creating policy framework, it did not succeed in creating even one aid-implementing agency in the period 2000-2010. Slovenia, on the other hand, had already created three aid-providing institutions in the pre-accession period and continued the institution-building even in the post-accession phase. Both the Slovenian and Latvian aid provision systems were decentralised with their ministries of foreign affairs (MFAs) as policy co-ordinators through the larger part of the period. But Slovenia made an effort to centralise its aid system by bringing the control over the aid budget in the hands of one institution (MFA) and the level of policy decentralisation was diminishing. This process of centralisation was preceded by internal discussions on how the aid system should be shaped and involvement of academics in the strategic planning of the aid policy.

Third, there was differential commitment to increasing the aid budget in Slovenia and Latvia, even if the foreign aid policy was not among the governmental top priorities in any of the two countries. The Slovenian Parliament formally committed the country to achieving the EU target, while Latvia did not even make such a commitment and planned to reach much lower financial target. While none of the countries reached the EU financial targets, both countries increased their aid budgets in absolute terms albeit at different pace. In relative terms, Slovenia was gradually increasing its aid volumes and was much closer to reaching the 2010 ODA/GNI target of 0.17% than Latvia. Even facing the financial crisis, the two countries chose differential strategies that accordingly reflected their differential commitment to aid policies – Slovenia cut its bilateral aid by approximately 25%, while Latvia cut it by more than 90%.

Summarising the differences between the two countries, I find that Slovenia adopted its policy in a more bottom-up, than top-down, manner and at a more gradual pace than Latvia. Moreover, the Slovenian aid system, with its many aid implementing agencies and higher level of centralisation, can be assessed as deeper institutionalised than Latvia's aid policy. Evaluating the processes in both countries, it also appears that Slovenia had a stronger commitment to foreign-aid policy adoption than Latvia, which was reflected in significantly higher ODA volumes allocated in Slovenia. These findings do resonate with what Schimmelfennig and Trauner (2009) had earlier noted that there is variation in compliance with the EU policies and norms across the countries. That Slovenia performed relatively better than Latvia in implementing its foreign aid policy (higher aid volumes, higher level of institutionalisation and higher commitment to foreign aid) resonates with the findings of Knill and Tosun (2009) who had earlier found that the countries that performed relatively worse in transposing the EU rules in pre-accession period have continued this trend after the accession.

In this context, Slovenia was considered to be adjusting to the acquis more successfully than Latvia in various policy areas and it seems that this trend continued also after the accession.

The next section will address the question of how and to what extent the explanatory factors can account for the differential trajectories of foreign-aid policy adoption in Slovenia and Latvia.

Explanatory factors

This section reviews and compares the explanatory conditions that can account for initiation of foreign aid policy in the pre-accession phase and for differential trajectories of foreign-aid policy adoption in Slovenia and Latvia. In Table 17, I illustrate the main outlines of the discussion that follows below.

Table 17 - Explanatory factors

Periods	Countries	Credible conditionality	Veto players and adjustment costs	Identification and social influence	Policy resonance	Norm entrepreneurs
Pre-accession period	Slovenia	Present, but vague	<ul style="list-style-type: none"> Fragmentation of aid provision and emergence of entrenched interests resisting the centralisation of aid provision 	<ul style="list-style-type: none"> Identified with EU Foreign aid as part of being a "model" new member state 	<ul style="list-style-type: none"> No policy legacies Low policy resonance 	Not present
	Latvia	Present, but vague	<ul style="list-style-type: none"> MoF as a constraining actor 	<ul style="list-style-type: none"> Identified with EU Foreign aid as part of being a "modern" country 	<ul style="list-style-type: none"> No policy legacies Low policy resonance 	Not present
Post-accession period	Slovenia	Not present	<ul style="list-style-type: none"> Line ministries and other aid providing agencies as entrenched interests resisted the centralisation of aid provision Difficulties in persuading other line ministries to increase the ODA 	<ul style="list-style-type: none"> Identified with EU Perceived the EU's peer pressure Holding EU Presidency strengthened the EU's peer pressure Foreign aid as instrument to play a more active role in the region (prestige) 	<ul style="list-style-type: none"> Low policy resonance Lack of incentives for politicians to increase the financing for the policy 	NGDOs are present in the decision-making processes, but they have minor or no influence on the governmental policy
	Latvia	Not present	<ul style="list-style-type: none"> Internal divisions over the priority of increasing the ODA Line ministries and MoF constraining the increase of the ODA Fears of public backlash if the ODA would be increased 	<ul style="list-style-type: none"> Identified with EU, but considerably lower support to the EU membership than in Slovenia Perceived the EU's "peer pressure" Foreign aid as instrument of changing the geopolitical balance in the region (security) 	<ul style="list-style-type: none"> Low policy resonance and self-perception of being a "poor country" Lack of incentives for politicians to increase the financing for the policy Impossible to "sell" the policy to the public 	NGDOs are present in the decision-making processes, but they have minor or no influence on the governmental policy

Credible conditionality

The main conclusion of the study by Schimmelfennig and Sedelmeier (2005b:215) was that the credibility of the EU conditions was “the most important factor influencing the cost-benefit calculations of CEEC governments”. In their view the *acquis* conditionality does not threaten changes in the political system (something that the political conditionality was perceived to do) and thus, they maintain, we should not expect adoption costs to be perceived as prohibitively high (Schimmelfennig & Sedelmeier 2005b:215). While they suggest that veto players and adoption costs might constrain the policy adoption processes and thereby result in delays in the adoption process, these factors in themselves do not determine the likelihood of policy adoption (Schimmelfennig and Sedelmeier 2005b:216).

My research on foreign-aid policy adoption in the two CEECs – Slovenia and Latvia – confirms that the credibility of EU conditionality does indeed provide a strong explanation for initiation of the policy adoption processes and the likelihood of policy adoption. Development co-operation issues were part of the *acquis* and, even though there was no explicit rule that obliged the acceding countries to adopt a foreign policy, both Slovenia and Latvia interpreted the foreign-aid policy adoption as one of the EU conditions for the accession. This is particularly surprising because, during the pre-accession phase the adaptational pressures were not very strong given that foreign aid policy was not seen as having the same relevance as the EU core policies such as the internal market, environmental or competition policies. Nevertheless, the domestic decision-makers perceived that they did not have a choice, but to adopt the policy.

In my assessment this conditionality factor is one of the most influential conditions explaining the initiation of foreign aid policy both in Slovenia and Latvia. But it is not the only thing that mattered. First, the EU conditionality was very vague in the foreign-aid policy area and, as previously mentioned, there was no explicit prescriptive rule obliging the acceding countries to adopt the policy. Second, and more importantly, there were no direct incentives tied to the policy adoption. My explanation for their willingness to adopt this policy, despite the lack of coercive policies, is that the domestic decision-makers likely perceived foreign-aid policy adoption as a part of the larger *acquis* conditionality and concluded that such policy adoption would signal the country’s readiness to be involved in the EU development policy after the accession. As Slovenia, during the accession process, was perceived as performing better in most of the *acquis* areas, its decision-makers probably were not concerned about adopting the policy statement before the accession, given that Slovenia was already part of the Stability Pact and had been contributing to the reconstruction of the West Balkan countries since 1999. Consequently, the policy adoption process was more gradual and

reflective. On the other hand, Latvia was probably pressed to signal its readiness by adopting the formal policy statement because it did not have an equally good acquis implementation record and its aid contributions were at very low levels.

Veto players and adjustment costs

Moving on to the other factors, the explanatory weight of veto players and adjustment costs differed throughout the period of 2000-2010. I find that veto players and adjustment costs were less salient during the pre-accession period and they emerged only after the accession. This factor mattered most in regard to the financing of foreign aid policy.

Still, there were differences in type of veto players and adjustment costs among the countries before and after the accession. In Latvia, the Ministry of Finance (MoF) acted as a de facto informal veto player questioning the financial implications of policy adoption in the pre-accession period and this can explain why the financing was substantially increased only in 2004. Also after the accession, Latvia's MoF continued taking a fiscally conservative position on foreign aid spending and constrained its efforts to increase the foreign aid. Similar intra-governmental dynamics were not found in Slovenia. Indeed, while the MoF was described as a constraining actor, it was mainly in regard to the MFA's ambition to centralise control over the fragmented aid system. Slovenia created some aid initiatives, which it locked in by creating three implementing agencies before the accession, and similar institution-building took place after 2004. In this context, the MFA had hardships in centralising the aid initiatives and assuring a control over the existing assistance because many line ministries and implementing agencies were not willing to give up control over their budgets to the MFA. These line ministries and implementing bodies acted as "entrenched interests" guarding their aid budgets. This resistance to the MFA's centralising tendencies continued as well after accession.

One striking commonality with regard to veto players and adjustment costs in the budgetary process at a higher governmental level was that in both countries, the political and administrative elites did not perceive foreign aid policy and its budget as priorities and they lacked "political will" to increase the foreign aid budget. For example, in Slovenia the MFA had difficulties in persuading other ministries to agree on increasing the foreign aid budget during the budgetary preparation process. Having said that, the problem of low political will was more acute in Latvia than in Slovenia. The Latvian politicians and civil servants perceived foreign aid as a field in which there were difficulties to persuade the politicians and the general public that the financing for the policy should be increased. Therefore the Latvian civil servants and politicians engaged in what can be metaphorically called "strategic calculus of policy adoption costs". They likely, deemed the foreign

aid policy a “hot potato”; on one hand, their peers in the EU expected Latvia to implement it, on the other hand, the domestic decision-makers feared such implementation could create negative public reaction. In other words, there was a lack of political will to propose a substantial increase in financing, particularly when this increase was weighed against other, domestic political priorities.

Identification and social influence

Identification and social influence was an important explanatory condition throughout the whole period that is examined in this thesis. Both countries identified with the EU and the political elites were staunchly pro-EU, but the public support was considerably higher in Slovenia than in Latvia. Moreover, even if some civil servants and politicians, probably, were not reassured that foreign-aid policy adoption was a condition for the EU membership, there were influential decision-makers who experienced peer pressure from their EU counterparts. In particular, the Slovenian civil servants were persuaded by the EU that their country, in the role of a donor, should participate in the EU-US common initiative (i.e., the Stability Pact for South Eastern Europe) directed at reconstructing the war-torn Balkan countries. This new role seemingly appealed to Slovenia who saw itself as both a “translator” of the situation in the Western Balkans to its European partners and as a “role model” for other CEECs, especially the Western Balkan countries. By persuading the Slovenian diplomats to be a part of the Stability Pact, the EU thus provided concrete guidance to Slovenia about how to act as a donor country and thus how to adjust to the vague EU conditions. Even Latvia considered foreign-aid policy adoption as a chance to demonstrate that it was a “modern” country assisting other countries with similar reforms that it had implemented in the transition period.

This factor, in my assessment, is the foremost explanation for why both countries continued with policy adoption processes after their accession to the EU. As the countries were already part of the EU, different identification levels were used here to assess the difference in the likelihood of the political and administrative elites to be susceptible to the EU’s peer pressure. Even if both Slovenian and Latvian civil servants perceived the subtle social influence in form of EU’s peer pressure, they likely were predisposed to react differently, with the Slovenian civil servants being more pro-EU in their attitudes. It could be argued that this led to slight differential policy choices. Slovenia, as the most developed CEEC, had a self-conception of serving as a role model for the Western Balkans and the new member states, and it chose to use foreign aid to play a more active role in its close neighbourhood by posing as a donor country and, in that way, to increase the country’s prestige. This resolution was strengthened by Slovenia’s successful EU Presidency in 2008 when it chose as one of its Presidency priorities to focus on the

prospective EU membership of the Western Balkan countries. Slovenia's EU Presidency was also during the time when Slovenia experienced probably the highest pressure to demonstrate that it had become a "true" European and the most successful new member state. This could explain, for instance, why the Slovenian Parliament adopted a resolution in 2008 that committed Slovenia to reaching the 2010 target of 0.17% ODA/GNI. Only when the financial crisis struck the country in 2009 did Slovenia cut its bilateral aid, but it still kept it at a high level.

In contrast to Slovenia, Latvia did set for itself equally high-reaching ambitions. Together with other Baltic countries, Latvia assisted Georgia and Moldova by guiding them and tried to advance those countries prospects for EU membership by playing the role of a "bridge" between the Eastern Neighbourhood countries. Moreover, Latvia advocated on their behalf to help them on the path to being integrated into the European security and economic organisations. We should acknowledge as well that the motivation behind the policy conduct was Latvia's own prestige and security because it is likely that the Baltic countries sought to reduce the influence of Russia by promoting Georgia and Ukraine as prospective EU member states. While the security motive was a long-term goal, the historical context was not equally encouraging. As in the case of Slovenia, Latvia probably did not experience as equally high pressure to demonstrate its "Europeanness" as did Slovenia since Latvia was not the holder of the EU Presidency during the post-accession period under scrutiny. Moreover, the accession negotiations with Ukraine and Georgia were far more elusive goal than that of Croatia, for example. The EU's European Neighbourhood Policy did not foresee any EU membership prospect for Latvia's development co-operation partners either. Also, the war between Russia and Georgia in 2008, the internal political turbulence in Ukraine after the "Orange Revolution" and Latvia's financial crisis likely weakened Latvia's resolve to play an active role as a donor.

Policy resonance

Policy resonance was a constraining factor in both countries, but, as far as I could establish, it emerged in salience only after the accession. Neither Slovenia nor Latvia had any foreign aid policy legacies from the past, but this absence of legacies does not automatically translate in negative effects because the fewer "prior, ingrained beliefs that are inconsistent with the socialising agency's message" domestic decision-makers hold, the more likely policy adoption is (Checkel 2005:813). In other words, did domestic decision-makers and the general public perceive foreign aid policy as a "good thing"? My findings indicate that both in Latvia and in Slovenia the general public held mixed views on the "goodness" of foreign aid policy. Among the political elites there was a general lack of interest about foreign aid policy in both countries. Also it was suggested that both in Latvia and in Slovenia

politicians lacked incentives to tackle the issue of increasing the foreign aid because of fears that the general public might react negatively to such a move, especially if the country was in the middle of solving the financial crisis.

Still, there is one distinctive difference between the countries despite the mixed public attitudes that apparently were present in both Slovenia and Latvia. I found that in Latvia the policy goal of providing aid to the developing countries clashed with a broadly held view that Latvia itself was a country in need for international assistance. (While it is difficult to assess the policy resonance in Slovenia due to the lack of detailed and nuanced public opinion polls, I did not find a similar view of still being a poor country in Slovenia.) This self-perception of being a poor country (or “fragile economy”) was articulated by both Latvian civil servants and the general public. This reason was often cited by the NGO activists and civil servants as an argument for why it is impossible to “sell” the policy to the general public and to carry out a larger increase of the foreign aid budget. In other words, both Latvian decision-makers and the general public, most likely, held views that were “inconsistent with the socialising agency’s message”.

Norm entrepreneurs

This study has shown that there is little support for the expectation that norm entrepreneurs exerted a normative pressure on the domestic decision-makers and succeeded in persuading them to adopt foreign aid policy throughout the period under scrutiny. Latvian NGDOs as political actors emerged very late in the pre-accession period and their emergence, to a large extent, was induced by a government that was interested in having partners within civil society sector. From 2003 until 2010, the Latvian NGDOs was coming more to the forefront and they started playing an increasingly active role in aid provision and were become more involved in policy-making processes. Still, the NGDOs were relatively small and weak and, in my assessment, they did not succeed in persuading the government to expand the foreign aid policy in order to meet the EU financial targets for the new member states. Similar processes of a gradual emergence of NGDOs took place also in Slovenia although, unlike in Latvia, Slovenian NGDOs had to conquer their place in the sun because in the beginning the government held a rather sceptical view on co-operation with the NGDOs. Although the national NGDO platform became an increasingly important partner with the government after Slovenia’s EU Presidency in 2008, the partnership hardly can be described as equal. Consequently, I argue that neither the Slovenian NGDOs nor their national platforms were successful norm entrepreneurs.

Theoretically, the absence of norm entrepreneurs in foreign-aid policy adoption processes in Slovenia and Latvia is an important finding because it confirms and illustrates a major difference between the Europeanisation

processes in Western Europe and the same processes in Eastern Europe, which Héritier (2005) had previously suggested. In the West European member states, norm entrepreneurs are identified as among the facilitating factors in policy adoption process (e.g., Börzel & Risse 2003), while in CEECs the civil society is still (even after the accession) too weak to influence the policy-making processes (see also Börzel 2010; Sissenich 2010).

Summary: Which factors were the most important?

When considering which factors account for initiation of policy adoption, it seems that the EU conditionality certainly provided an important incentive for both of the candidate countries to adopt foreign aid policy. The conditions provided a “to-do list” of what Slovenia and Latvia were expected to implement in order to be accepted as ready to join the EU. In agreement with Schimmelfennig and Sedelmeier (2005b:215-6) I find that veto players and adjustment costs could not stop initiation of foreign-aid policy adoption processes. Although in the case of Latvia, where there were actors who warned of adjustment costs, the policy adoption was launched after some delay. Interestingly, in the case of Slovenia the fragmented aid system and lack of political will could not stop the policy adoption process either.

However, in contrast to Schimmelfennig and Sedelmeier (2005b), my argument does not stop here. Even though I might maintain that the EU conditionality in area of foreign aid policy was perceived as credible, I see its “to-do list” as being very vague. The countries did not respond in the same way – Slovenia did not initiate a top-down drafting of policy statement in the same way as the policy adoption processes evolved in Latvia. Neither did Latvia join any regional assistance program to launch its aid programs in the same way as Slovenia did when it joined the Stability Pact as a donor country. Furthermore, the conditionality does not provide an explanation about why the countries decided to launch their assistance activities at their exact point in time. I conclude that these differences can be explained only if one pays a close attention to the historical context and the differential ways how Slovenia and Latvia identified with the EU and what kind of guidance they received from external actors. It was the relatively higher identification with the EU, the wish to be perceived as a role model for other countries in the close region and the diplomatic appeal (i.e., social influence exercises) from the EU and the USA that facilitated Slovenia’s involvement in the Stability Pact, despite the initial domestic resistance to be engaged in the “Balkan affairs”. Hence, Slovenia started allocating foreign aid even before a comprehensive foreign-aid policy statement was drafted. Probably it was seen only as a temporary measure that gradually evolved due to EU adaptational pressures and EU conditionality into a permanent policy.

Also in case of Latvia the decision-makers who identified with the EU were exposed to some degree of social influence, or at least they perceived

that foreign-aid policy adoption was expected from them since Latvia was acceding to the EU. However, the population was relatively more neutral to the EU in Latvia. Hence the arguments for bettering the state image (i.e., the wish to appear as a “modern country”) were employed when the policy statement was drafted, along with other arguments signalling to the EU conditions. For these reasons Latvia opted first to adopt a policy statement that allowed the country to appear as a modern country with an ambition to become a donor and only later to involve in aid-giving. In sum, I argue that it was the combination of EU conditionality and identification as well as social influence that triggered the adoption processes of foreign-aid policy in Slovenia and Latvia during the pre-accession period.

EU conditionality was no more influential in the period after the accession than before. This is because the conditions that the EU had imposed on the candidate states during the pre-accession period ceased to be in force when the CEECs became fully fledged member states. Yet even though the EU did not have any formal and binding ways to influence the policy adoption processes, no backsliding occurred. I explain this lack of backsliding as a result of continued EU adaptational pressures that were mediated by several domestic factors, most importantly by the factor of identification and social influence. This offers an explanation of why all the CEECs, including Slovenia and Latvia, continued with their institution-building processes and increased their financing to foreign aid in the post-accession phase. It also explains why Slovenia increased its attention to the foreign aid policy during its EU Presidency and why Latvia, when the bilateral aid was cut in 2008, did not cut it completely but rather conducted ad hoc bilateral assistance initiatives even during the crisis.

Concerning my findings on the condition of identification and social influence, a caveat should be issued. Some might probably interpret my findings as if the CEECs, after the accession, “switched” from the logic of consequentiality to the logic of appropriateness. I do not agree with such an “either/or” interpretation. It cannot be emphasised too strongly that Johnston (2001:502) writing about the factor of identification and social influence did not mean that it is based on the logic of appropriateness. States that identify with a certain in-group or are exposed to and perceive peer pressure to implement certain policy changes do not necessarily act upon a belief that it is the appropriate way to act. They implement a policy change rather because they are concerned about their status, reputation, and reputational costs and benefits. Such actions are not motivated by material incentives (as in case of EU conditionality), but rather by peer pressure to conform. Instead of speaking of a “switch” from the logic of consequentiality to that of appropriateness after the accession, it might be more useful to see these logics as working along and overlapping with each other both in the pre-accession and post-accession period.

While identification and social influence can explain the broad outlines of policy evolution in both countries, I claim that this alone cannot explain the differential evolution of foreign aid policies in the two countries. I argue that such domestic factors as veto players and adjustment costs and policy resonance also played role in the post-accession period, in contrast to the pre-accession phase. Veto players and adjustment costs are particularly important in explaining the slow centralisation of Slovenia's aid system and the gradual approach towards increasing the finances to foreign aid in both countries. In case of Latvia, the factor of veto players and adjustment costs acted together with the factor of policy resonance and produced a formidable constraint to increasing the foreign aid budget according to the EU targets.

This latter claim should be explained here in greater detail. As I discussed above, the Latvian politicians and higher-ranking civil servants saw foreign aid policy as contradicting their perception of Latvia still being a fragile economy and poor country in need of mobilising the resources to achieve a domestic welfare first. This perception was shared by large segments of the (divided) public opinion and it is likely that the decision-makers were aware of it. This fact provided little, if any, incentive for the Latvian political and administrative elites to argue for a more ambitious increase in the foreign aid budget since they feared receiving negative public reactions if they supported such a proposal. Therefore the budget increases from 2004 to 2008 were gradual but insufficient to reach the EU targets. When the financial crisis hit the country this reappraisal of policy priorities became even more parsimonious and the bilateral aid policy was among the first budget items in the foreign policy apparatus to be cut.

In sum, identification and social influence along with veto players and adjustment costs are factors that accounted for the evolution of Slovenia's foreign aid policy in the post-accession phase. The case of Latvia's foreign aid policy was slightly more complicated. While identification and social influence facilitated further policy evolution, veto players and adjustment costs coupled with policy resonance constituted formidable constraints that allowed only very gradual adjustments and, during the financial crisis, almost stopped the evolution of the bilateral foreign aid.

Answering the research questions

In this section I will provide answers to the research questions that were posed in the introduction of the thesis (Chapter 1). The thesis is based on two in-depth cases studies of Slovenia and Latvia that I selected not only for empirical but also for theoretical reasons as outlined in the methodology chapter (Chapter 3). I will therefore discuss the answers to the research questions in relation to my initial expectations.

This work involved a dialogue with Schimmelfennig and Sedelmeier (2005a, b) and in particular their finding that the RCI model of external

incentives (conditionality and veto players) can best explain policy adoption in the pre-accession phase (Schimmelfennig and Sedelmeier 2005b:225). Therefore, my first research question was: *to what extent are the conclusions of Schimmelfennig and Sedelmeier true in the area of foreign aid policy?*

In response to the question, I acknowledge that Schimmelfennig and Sedelmeier (2005b) are partially correct, given that EU conditionality in field of foreign aid policy did indeed have a strong effect on the likelihood of the adoption of foreign aid policy, even if the policy area was not a salient one and the EU adaptational pressures were relatively weak. Moreover, veto players and adjustment costs, as suggested by Schimmelfennig and Sedelmeier (2005b:225), can only explain the differential timing, but they cannot account for policy adoption as such.

But there is at least one point on which I disagree with Schimmelfennig and Sedelmeier (2005b:225). Even if their external incentives model sums up elegantly the policy adoption processes in the pre-accession phase, my empirical findings do not show that foreign-aid policy adoption was connected with specific rewards (with the notable exception of granting the EU membership). Therefore, it seems to me that Schimmelfennig and Sedelmeier (2005b) have downplayed the role played by identification and social influence – the causal factor suggested by the Constructivist scholars – and that this also can explain foreign-aid policy adoption and the variations in policy adoption processes. It seems that they perceived the identification to be equally high in all the CEECs (e.g., Schimmelfennig & Sedelmeier 2005b:220). But in my assessment, identification with the EU as an “in-group” can vary across the countries and across the time (in particular, the support to the country’s EU membership and the social influence as exerted by persuasion or peer pressure). The level of identification and social influence can also be influenced by how the country perceives its role in the international politics, for instance, by striving to be either a regional “role model” or striving to be just a “modern country”. In other words, I propose to complement the explanation of policy adoption in the pre-accession period proposed by Schimmelfennig and Sedelmeier (2005b) with a much stronger emphasis on the condition of identification and social influence.

One objection to identification and social influence as a valid explanation has been that it works only in the context characterised by the absence of coercion and material incentives (Johnston 2001:496). Opponents to my findings would thus argue that the whole accession period was characterised by various material incentives (with the EU membership as the ultimate incentive) and asymmetrical interdependence. It could be therefore argued that Slovenia and Latvia adjusted to the EU adaptational pressures even in the policy areas that were not salient as they were afraid that the EU might potentially reject the candidate countries if they had not demonstrated their preparedness to implement the *acquis* after the accession. Even if this line of

argument is appealing and might be valid in some areas, it is hard to imagine that any of the eight CEECs would be rejected due to their lack of adjustment in the area of foreign aid policy. The policy was not a salient issue on the accession agenda, rather the policy area was evolving within the EU (consider, for instance, the Barcelona commitments and evolution of the Monterrey process). It was, however, part of the aspiring member state's sovereign foreign policy which was, at that time, part of the second pillar. Moreover, I could not verify that adjustments in foreign aid policy were connected with material incentives, with the notable exception of the ultimate reward of the EU membership. In my assessment, it is likely that the EU resorted to applying a more subtle and diffuse peer pressure (social influence) and thereby guided the candidates in the processes of foreign-aid policy adoption. If there were a single policy model that the EU preferred, it could be expected that the Commission would spell it out in its pre-accession monitoring reports and would insist on the template's adoption in the candidate countries. However, such a template was never discussed in the Commission's monitoring reports.

A second objection to my findings could be that the combination of EU conditionality and the factor of identification and social influence as effective causal conditions in the pre-accession are sector-specific and that my findings cannot be generalised to all other policy areas. The underlying reason for such criticism would be the nature of foreign aid policy that could be seen as too idiosyncratic (a "special", non-typical case). This line of thinking would also point to Börzel and Risse (2006:494) who noted in their review article on Europeanisation literature that "empirical findings show that causal mechanisms do not systematically vary between policy types". My reply to such a criticism is that my work should be read as an effort to nuance (but not to reject!) the widely held perception that EU conditionality alone accounts for the policy adoption before the accession. Therefore I disagree that the findings of this thesis apply only to the introduction of this particular policy in Slovenia and Latvia because the "extremes of a complete inability to generalise from a case are relatively infrequent" (George & Bennett 2005:124). It is possible to generalise from a limited number of cases if one treats one's empirical case (for instance, foreign aid policy) as just one example of a "class or type of phenomenon" (George & Bennett 2005:112-3). In other words, it is crucial to specify the scope conditions of one's theoretical conclusions, which indicate when we can expect that the identified causal mechanism might be working in other cases as well. One such scope condition here is that the two candidate countries – Slovenia and Latvia – were willing to adopt a wide range of policies and changes in that historical period of time because they wished to be admitted to the EU. Another relevant condition is that Slovenia and Latvia did not have a foreign aid policy before the EU exerted its adaptational pressures to adopt such a

policy. Most importantly, the EU shares competence with the member states in the area of foreign aid policy and it does not formally have strong powers to influence policy evolution at the member state level and it therefore resorts to soft law as a way to influence the member states' policy. As described in Chapter 4, the EU adaptational pressures on the two candidate states to adopt the policy were rather vague in the pre-accession phase. To sum up, the possible scope conditions for a combination of the EU conditionality and identification and social influence leading to adoption of a policy are 1) the relatively weak formal powers of the EU to influence its present or becoming member states in a particular policy area, 2) the relative novelty of the policy advocated by the EU to the countries that adopt the policy and 3) the willingness to adopt certain policies motivated by the wish to accede to the EU.

Another contribution to the Europeanisation East literature by this study is the explanation of the policy adoption after the accession. My second research question was: *what factors can explain foreign aid policy evolution in CEECs after their accession to the EU?* Schimmelfennig and Sedelmeier (2005b:226-7) outlined two possible scenarios – either policy reversal or stagnation (due to the domestic conditions emerging in salience) or further policy adjustments (due to the socialisation mechanisms supplanting the EU conditionality). Since I did not find policy reversal or stagnation, but rather further policy adjustments (even if they varied across the countries in depth and speed), I explain the observed policy evolution in terms of the identification and social influence that completely supplanted the EU conditionality after 2004. In other words, my findings support the second scenario outlined by Schimmelfennig and Sedelmeier (2005b:227).

Still, other domestic constraints increased in salience in the post-accession phase. Veto players and adjustment costs rose in salience in Slovenia and Latvia during the post-accession phase. I also argue that the set-backs in evolution of Latvian foreign aid policy can be best explained if the condition of veto players is combined with the low policy resonance, especially, the perceptions that Latvia still was a “fragile economy” and “poor country” and that it is not possible to “sell” foreign aid policy to the public. I argue that the combination of the two conditions fused into a metaphorical “cost-and-benefit calculus” that resulted in the Latvian decision-makers opting not to increase the financing for foreign aid according to the EU targets.

Certainly, the role of identification and social influence in the foreign aid policy can be called into question. Opponents could argue that this factor cannot account for Latvia's decision to cut the bilateral aid by more than 90% at the end of 2008. In response, I argue that this factor still can offer a plausible explanation for two reasons. First, the Latvian government did indeed cut the bilateral aid severely, but it did not abolish the bilateral aid

completely because the line ministries continued providing assistance on an ad hoc level. Second, the plans to set up the implementing agency were not abandoned, but postponed, which I interpret as an indication that Latvia had by then acquired a donor country's identity, even if at that historic moment the decision-makers decided that they could afford to establish the agency. Counterfactually speaking, if the identification and social influence had not worked in case of Latvia, the government would not have hesitated to abolish the legal provision of instituting an implementing agency in 2008 and 2009 when the government, as part of its financial crisis management and "rolling-back the state" campaign, diminished the number of state agencies.

All in all, my findings on the importance of identification and social influence in the process of foreign-aid policy adoption in Slovenia and Latvia resonate with the findings by the team of Swedish scholars led by Bengt Jacobsson, who studied the Europeanisation processes in the three Baltic States from the theoretical perspective of organisation theory. While their empirical focus was quite different from the one of this project and concentrated on changes in such fields as public management, labour market policy-making, parliamentary EU scrutiny and political parties, their conclusions were that the "willingness to assume a different identity has been the driving force" of the changes (Jacobsson & Nordström 2010:168). In their view, the Baltic States were driven by the wish to be recognised as "modern and European" and this explains the reform processes that were induced by the EU's use of its "soft powers" (Jacobsson & Nordström 2010:168). While my findings support those of Jacobsson and Nordström (2010), it should be underscored that I do not share their scepticism about the impact of the EU conditionality during the pre-accession phase (see e.g., Jacobsson 2010:15). It appears to me that Jacobsson (2010:15), and to certain extent also Jacobsson and Nordström (2010), take an "either/or" stance by dismissing the findings of Schimmelfennig and Sedelmeier (2005b) on the impact of EU conditionality, and thus they ignore that both – the EU conditionality and identification and social influence (or as they put it, the wish to be seen as a modern, European country) – can have a causal effect throughout the same period of time (i.e., the pre-accession period).

Finally, I would like to take the bird's-eye view on my findings and to discuss them in relation to my initial expectations that I outlined in the methodology chapter. As I explained in the Chapter 3, I was puzzled by the fact that Slovenia did not adopt a comprehensive policy statement (which I used there as an indicator of formal policy adoption) before the accession, while all other candidate states did that. As I interpret the Rationalist theories, it could be expected that candidate countries – unless their adaptation is heavily monitored by the EU – would start foreign-aid policy adoption by first adopting a formal policy framework and then trying to postpone the costly behavioural adoption. Keeping in mind that Slovenia had

been involved in the Stability Pact and had provided foreign aid to the Western Balkan countries (behavioural adoption), I proposed in the methodology chapter that these early indications of behavioural adoption could be interpreted as socialisation processes (identification and social influence). After reviewing the findings, this expectation was partly confirmed because I found evidence of social influence when analysing how Slovenia engaged in the Stability Pact. But the social influence alone was not a sufficient factor for later adjustments and, as I also found traces of EU conditionality, I am inclined to argue that combination of identification and social influence and EU conditionality account for the policy adoption processes in Slovenia.

Additionally, I was puzzled as how to explain the relative stagnation of Latvia's foreign aid policy (in particular, in regard to the ODA volumes) in comparison to the performance of other CEECs that had increased their ODA in relative terms (ODA/GNI). At the same time, the legal framework was worked out and the policy continued to evolve. In other words, does the case of Latvia confirm the Rationalist expectation of stagnation in the post-accession period? Reviewing the findings I came to conclusion that the ODA stagnation was only apparent and in fact the ODA volumes in absolute terms increased, even though the ODA/GNI ratio was stagnating throughout the period. In this respect, we should acknowledge that tracing the changes of ODA/GNI volumes is a somewhat rough tool and does not reflect the whole story of policy adoption processes. The Rationalist expectation of finding strong veto players and adjustment costs can be partly confirmed, but it also should be noted that this factor did not act alone and cannot account for all the aspects of policy evolution in Latvia. In fact, I found that such factors as identification and social influence and resonance, as posited by Constructivist theories, also played an important role in case of Latvia.

Europeanisation of foreign aid policy in the CEECs?

Even though the cases of Slovenia and Latvia were selected in a non-random fashion (i.e., purposively), for reasons outlined in Chapter 3, and this study has been of qualitative nature, most readers will be interested to know what we have learned from the two case studies about the broader population of the eight CEECs that joined the EU in 2004, and about the concept of Europeanisation as such. As stressed in the chapter on methodology, the generalisation from the two cases was not the main ambition of this thesis. The research design involved two relatively diverse and, as some would claim, non-typical countries, namely, Slovenia and Latvia. Even though research design does not allow for much generalising about the broader population, I still take the position that the findings from these cases on how and why the countries introduced foreign aid policy do have some fairly wide implications for our understanding of the broader population. Furthermore,

I also want to suggest that the usefulness of the concept “Europeanisation East” can be judged on a firm basis. I start by discussing the implications of the two case studies in reference to the broader population.

One, general “lesson” from this study concerns the presence of domestic conditions as factors mediating the EU influence in both the pre-accession and post-accession period. Both cases displayed a combination of domestic conditions that together account for different aspects of the policy adoption in the two cases. Drawing on the literature on the region (the population) that I have discussed above, and the lessons from the in-depth study of the two countries, I would like to stress that the eight CEECs, even if some had historical policy legacies from the Cold War period, were all in a fairly similar situation when the EU exerted adaptational pressures to adjust in the foreign-aid policy area. I conclude that it is likely that similar combinations of domestic conditions were present also in the wider population of the eight CEECs.

The second “lesson” is more specific and it concerns the factor of identification and social influence that I claimed was present both in Latvia and in Slovenia, both in the pre-accession and the post-accession periods. It is probably not a surprise that this factor was found to be present in Slovenia in the pre-accession country because the country was known for its excellent transposition record, what Eckstein (1975) would call a “most-likely case”, in which such a factor could be expected to be found. But from a theoretical and empirical point of view, it was more surprising to find evidence that the same factor was present also in Latvia which did not have such a favourable *acquis* transposition record and where one could expect to find evidence for the EU having to apply conditionality to motivate the country to adopt foreign aid policy. Although Latvia likely did not have the same *acquis* alignment problems as did, for instance, Romania and Bulgaria, the country did have its share of problems and the presence of identification and social influence in Latvia still is rather unexpected. The salience of this factor strengthens my theoretical conclusion that the EU conditionality was not the only factor that was present and causally important during the pre-accession era. From what we know from the entirety of this study, it seems to me that this factor, most likely, was present also in other CEECs.¹²³ At least this is a hypothesis that warrants to be investigated further. Having in mind these two “lessons”, it

¹²³ In particular, my finding that Latvian elites saw the foreign aid policy adoption as a way to assert Latvia as a “modern country” resonates with Drążkiewicz-Grodzicka’s (2013) observations from her case study of Polish foreign aid policy. Although her study is rooted in the discipline of anthropology, it demonstrates that similar motives (such as wish to belong to the West, concerns for status and wish to be perceived as a modern country) guided also the foreign aid policy adoption in Poland (Drążkiewicz-Grodzicka 2013:66). Interestingly, Drążkiewicz-Grodzicka (2013:66) provides evidence that the Polish government was especially concerned to stress that the established policy should not be associated with or seen as continuation of the Communist Poland’s aid policy during the Cold War period which, at least partly, contradicts the findings of Szent-Iványi and Tétényi (2008) that historical legacies have shaped the foreign aid policies of the Visegrad countries.

would be useful in future research to continue exploration of how domestic factors influence for policy adoption and fine-tune the methodological approach to capture varying degrees of the conditions.

In retrospect one should also consider my lessons about the concept of Europeanisation and its usefulness for this study for future research. First, in this study, although it is situated in the wider Europeanisation East literature, I have not used the concept of Europeanisation very much. This is for good reason. The concept is simply too vague to be theoretically very useful beyond the initial problematisation phase. Instead I have discussed and studied “EU adaptational pressures”, “domestic response” and various “domestic conditions”. Once more, it is important to stress that Europeanisation approach is not a theory per se, it is a concept that can be used to ask “interesting questions” (Moumoutzis 2011:609). In accordance with this, I propose that future research could be less concerned about the concept as such and focus instead on how to define and measure “EU adaptational pressures” and “domestic response”.

There is also another use of the concept of Europeanisation. This is as a way to measure the outcomes of policy adoption; in such a context, the literature speaks of “shallow Europeanisation”, implying that the domestic response is not optimal or does not live up to the EU expectations/commitments (e.g., Horký 2010b:27; Lightfoot 2010:346). I have two reflections on this matter. First, the concept of “shallow Europeanisation” does not tell anything about the degree of policy adoption and it is not quite clear exactly what conditions constitute the “shallow Europeanisation”. Second, this concept implies existence of “deep Europeanisation”, but it is not quite clear what conditions constitute this type of “Europeanisation” either. Therefore I see little use for the concept, except as a mere rhetorical device that in turn can lead to interesting and useful questions.

Finally, as regards “shallow Europeanisation” in the context of foreign aid policy – which some (e.g., Horký 2010b:27; Lightfoot 2010:346) have argued took place in the foreign-aid policy area in the CEECs – this study indicates that both Slovenia and Latvia introduced a new dimension (i.e., foreign aid) in their foreign policy, albeit they did it to a differential extent and in differential pace. In my assessment, the introduction of foreign aid constitutes an important shift in the foreign policy of these two CEECs. Even if it was done to a large degree for instrumental reasons (adjustment to the EU conditionality or perceived peer pressure), foreign policy is usually seen as an area where the EU have relatively weak powers to influence developments in the member states. In this respect, it is remarkable that such a change has taken place at all in the CEECs and I argue that the shift cannot therefore be conceptualised as “shallow Europeanisation”. There is, still, a large gap between the new and the old EU member states in regard to the political commitment, institutional set-up and financial contributions,

but the change in the two countries that I have studied in-depth was still profound.

Mixing Constructivism with Rationalism – a fruitful approach?

At the outset of my thesis project, I, ambitiously, planned to test the Constructivist model against the Rationalist model competitively (using an “either/or” approach). During the stage of operationalising theories and concepts and during the field research, I re-evaluated this position. The Rationalist and Constructivist theories on how various domestic factors mediate the EU influence are not necessarily competitive explanations (“both/and” approach).

First, this is partly due to difficulties in operationalisation process. Even if one would like to pursue an “either/or” (instead of a “both/and”) strategy, it is difficult to formulate empirical implications of various theories in a competitive way. For instance, I initially expected to find either traces of Commission’s monitoring of Slovenia’s foreign aid policy evolution (EU conditionality), or traces of identification with the EU coupled with strong indications that the EU exerted peer pressure on the Slovenian elites to launch foreign aid initiatives (identification and social influence). However, I found traces from both processes. In such a case, it is almost impossible to adjudicate whether the policy was initiated due to the EU conditionality or identification and social influence because none of the empirical observations offer conclusive evidence as support for either Constructivist, or Rationalist theory. Hence an “either/or” strategy should be avoided.

Second, Brosig (2012:391) recently voiced criticism against the “dominant trend of over rationalizing the compliance” in the Europeanisation literature. His main argument is that scholars have reduced the “issue of compliance to a mechanistic project in which norm adherence is a matter of calibrating a certain mixture of explanatory variables”, ignoring that politics is the driving force of the norm adoption and implementation (Brosig 2012:391). While the identified flaws lead him to call for a “constructivist revival” within the literature that aims at explaining why and how the countries adopt and implement the EU norms and policies, Brosig (2012:391) is careful to stress that he does not call for adopting “constructivism explains all” stance. He rather espouses the view that “theoretical diversity best matches the existing empirical complexity and bears the greatest potential to explore and further develop theoretical leverage” (Brosig 2012:391). He also explains that the dominant Positivist methodology has until now encouraged scholars to “test variables in an either/or fashion”, which is “inherently problematic because it fosters the search for monocausal relations in a complex empirical world of many inter- and co-dependent variables” (Brosig 2012:403).

I interpret Brosig’s criticism and his call for a greater “theoretical diversity” as an encouragement for the approach that I chose for this study

namely to combine both Rationalist and Constructivist theories (i.e., to apply “both/and” approach) in order to generate the most appropriate explanations and not to reduce the empirical complexity to monocausal explanations. In this respect, I should again emphasise that the thesis presents a response to Brosig’s (2012) call because the approach here has been that of mixing different theoretical schools (i.e., using “both/and” strategy,) which did indeed turn out to be fruitful because different theories describe different aspects and different sequences of the foreign-aid policy adoption processes (on sequencing Constructivist and Rationalist accounts, see Jupille et al. 2003:22). For instance, the factor of veto players and adjustment costs cannot alone account for why Latvia continued the bilateral aid policy throughout the post-accession period, given that it could have refused to channel anything more than the obligatory membership fees to the international financial institutions and its contributions to the EU budget. Still, the country chose to fund bilateral aid, even if the amount was significantly smaller than the multilateral aid funds. Should this very slow evolution of bilateral aid be disregarded for the sake of theoretical parsimony? I disagree and argue that the various factors should be used in constructing a narrative where different factors explain different sequences of the policy evolution process. For example, the factors of 1) policy resonance and 2) identification and social influence influenced the “preference formation” of Latvian decision-makers. After receiving encouragement from the Commission and old member states, Latvian domestic decision-makers drew the conclusion that Latvia as EU member state was expected to provide foreign aid (identification and social influence). But they perceived their own country as still being relatively “poor” and having a “fragile economy” (policy resonance). Moreover, they were also aware that the public opinion echoed similar perception and that the public was divided on spending taxpayers’ money to foreign aid (policy resonance). These ideational processes preceded the strategic calculations of adjustment costs. Calculating and bargaining how much the ODA should be increased is a different sequence, which can be understood best with the factor of veto players and adjustment costs. In empirical reality these factors can be (and often are) intertwined and it might be hard to neatly separate these processes.

Third, complementing the external incentives model (veto players and adjustment costs), as outlined by Schimmelfennig and Sedelmeier (2005a), with identification and social influence need not be incommensurable; the identification and social influence do not require the actors to act according to the so-called logic of appropriateness (cf. Johnston 2001:502). While analytically, epistemologically and ontologically it is consistent and useful to divide the factors along the lines of the two logics (logic of consequentiality and logic of appropriateness), it seems that their juxtaposition has been

overstated and that the EU influence is mediated by many conditions which have their ontological basis in different logics. This eclectic, “middle-ground” approach, which was used here and which does not emphasise ontological differences, may not be meta-theoretically “pure”, but I argue that it contributes to explaining the cases in a more holistic way (cf. Brosig 2012) by explaining different aspects (or sequences) of policy adoption processes. This is also one of the reasons why I disagree in some respects with the approach of Jacobsson (2010) and the findings of Jacobsson and Nordström (2010). In my view, they dismiss the findings of Schimmelfennig and Sedelmeier (2005b) on the impact of the EU conditionality too easily. My findings indicate that both the EU conditionality and identification and social influence were present throughout the pre-accession phase. Echoing Brosig’s (2012) call for theoretical diversity, I see little point in persisting with the “either/or” approach if the “both/and” approach offers a more holistic explanation.

Four, even if one does not adhere to sequencing approach, the findings of this thesis can be still used to construct an explanation that indicates the domains of application (more on domains approach, see Jupille et al. 2003:21). This means that different theoretical conditions explain different domains of phenomena under different scope conditions. For instance, drawing on the findings of this thesis, it could be argued that the factor of veto players and adjustment costs is more likely to be a powerful constraint on the policy adoption processes in a country that is under high level of economic stress. Dealing with the financial crisis becomes an absolute priority of the government and those governmental actors who argue for lower public spending or drastic cutbacks get the upper hand. When the political priorities can be set without references to financial crisis or other external shocks, the factor of identification and social influence is more likely to produce stronger effects on policy processes.

Further research

As this research illustrates domestic conditions in adjusting to the EU policies and norms are salient both in pre- and post-accession phase, but this study certainly had not said the last word in the Europeanisation East debates on the relative weight of EU conditionality vs. domestic conditions. Further research should undertake deeper investigation in the area in respect to the new member states and the candidate states (e.g., Turkey), as well as the countries neighbouring the EU, that have not applied for the EU membership (e.g., Ukraine, Moldova, etc.). One can discern at least two avenues to pursue future research.

First, future research should focus on investigating foreign-aid policy adoption in all the CEECs and thus provide a more general knowledge about these processes and what role is played by the EU and domestic conditions.

Findings of this thesis project suggest that the factor of identification and social influence (as suggested by Constructivists) are present both in the pre- and post-accession phase, and not only the factors of EU conditionality and veto players (as suggested by Rationalists). But, for instance, Szent-Iványi and Tétényi (2008) suggests other theoretical hypothesis than the Constructivist and Rationalist hypotheses – namely presence of historical legacies, as suggested by the Historical Institutional literature. Therefore a broader comparative, cross-case study could address the issue of relative weight of these three theoretical models in case of foreign-aid policy adoption. This could be best studied by employing analytical techniques of the fuzzy-set qualitative comparative analysis (fs/QCA) in order to draw conclusions about the sufficient and necessary conditions (Ragin 2000) for foreign-aid policy adoption in the CEECs. The population could be extended to include also the Western Balkan candidate countries and Turkey. We should recall that Croatia adopted foreign aid policy in 2008 before its accession to the EU in 2013, and therefore it can be expected that other candidate countries will soon follow a similar path of becoming aid donors before their accession to the EU. The fs/QCA analytical techniques would imply a combination of breadth (i.e., generalisable knowledge) and depth (i.e., qualitative, in-depth knowledge of the cases and conditions) (Ragin 2000) which might be of particular benefit treating a larger population than two countries, as in this thesis project. An alternative or complementary approach would imply choosing at least two “typical cases” from a wider set of cases and tracing the policy adoption processes to produce more generalisable knowledge. Having in mind the assertion that historical legacies can be observed in the foreign aid policies of the Czech Republic, Poland, Hungary, Slovakia (Szent-Iványi & Tétényi 2008), it is relevant to study more systematically whether the historical legacies had a positive effect on foreign aid policy adjustments and compare a typical Visegrád country (for instance, Hungary) with a typical country that did not have any policy legacy (for instance, Estonia).

A second possibility of research might move beyond foreign aid policy and explore the relative weight of veto players and adjustment costs in policy areas where such strategic calculations might be expected. One such area is anti-corruption policy where the EU has increased its attentions since the enlargement in 2004. Saliency of the corruption issues, along with judicial reform and the fight against organised crime, increased to such a level in the accession process that the EU designed even a specific post-accession monitoring (“co-operation and verification mechanism”) in Romania and Bulgaria (Vachudova 2009). It therefore can be expected that the anti-corruption policies will be a significant part of the accession agenda also in future. Moreover, the fight against corruption is also one of the priority areas in the European Neighbourhood Policy (ENP), which is targeted at the

countries with which the EU has established a close co-operation but does not offer a membership prospect and the EU also uses external incentives to achieve the goals of the ENP. Anti-corruption policy is also a policy area in which the domestic actors can be expected to resist adjustments or to act strategically trying to protect the status quo, as fight against the political corruption can have further implications for the survival of the political elites. Therefore the anti-corruption acquis could be a fruitful case for testing various theoretical hypothesis based on RCI (conditionality, and veto players), Constructivism (persuasion, norm entrepreneurs, resonance), and Historical Institutionalism (policy legacies and institutional inertia). A study on the effects of the EU influence in that context would contribute to the “Europeanisation beyond Europe” literature (Schimmelfennig 2007; Sedelmeier 2006).

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Appendix

Appendix 1

This is the interview guide that was used to structure the interviews. As explained in the text, I adapted the order of the questions and the emphasis to suit the informants and their expertise.

Questions to civil servants in Slovenia

1. *Personal connection to the development co-operation policy and experience with the development co-operation policy making:*
 - 1.1. Do you remember the first time when you had to deal with the development co-operation policy? Or: Could you tell me how you, personally, have been involved in the policy-making situations concerning the development co-operation policy?
 - 1.2. Can you recall if you have also participated in the decision-making about the development co-operation policy at the EU level?
2. *The pre-accession phase of the development co-operation policy (period until 2004):*
 - 2.1. Do you recall when and how the development co-operation policy was initiated?
 - 2.2. Which actors were involved in the process of introducing the development co-operation policy in Slovenia?
 - 2.3. Were NGOs involved in any way in this process?
 - 2.4. How would you, in your own words, explain why the policy was initiated?
 - 2.5. Would you say that there was some influential actor or conditions that influenced positively/ facilitated the process of introducing the development co-operation policy in Slovenia (for instance, ministers, civil servants, the EU, UNDP, embassies, organizations, etc.)?
 - 2.6. Would you say that there was some influential actor or conditions that influenced negatively/ constrained the process of introducing the development co-operation policy in Slovenia (for instance, ministers, civil servants, the EU, UNDP, embassies, organizations, etc.)?
 - 2.7. If you or your colleagues participated in the meetings in the EU, how would you describe the development co-operation policy was talked about in the EU meetings? Were there any trials to persuade Slovenia to adopt this policy? Was the policy adoption seen as

- something that Slovenia had to do in order to be accepted in the EU? Could you tell about the atmosphere of the meetings?
- 2.8. How would you describe the attitudes of other civil servants within the MFA towards the development co-operation policy in Slovenia? Was it seen by your colleagues and superiors as an important policy area?
 - 2.9. How would you describe the attitudes of the politicians towards the development co-operation policy in Slovenia? Did the politicians see the DC policy as an important policy area?
3. *The post-accession phase of development co-operation policy (period after 2004):*
 - 3.1. How would you characterize the further adoption of the development co-operation policy in the time after the EU accession? What were the important milestones?
 - 3.2. Have the motives behind the development co-operation policy, in your opinion, changed since Slovenia entered the EU, if compared with the pre-accession period?
 - 3.3. Which actors were crucial in development co-operation policy making/ implementation after the accession?
 - 3.4. How were the NGOs involved in the policy making/ implementation after 2004?
 - 3.5. How would you describe the role of the national NGO platform in the policy making process after the accession?
 - 3.6. Would you say that there was some important actors or conditions that influenced positively/ facilitated further adoption of the development co-operation policy in Slovenia (ministers, civil servants, the EU, UNDP, embassies, organizations, etc.)?
 - 3.7. Would you say that there was some important actor or conditions that influenced negatively/ constrained further adoption of the development co-operation policy in Slovenia (ministers, civil servants, the EU, UNDP, embassies, organizations, etc.)?
 - 3.8. How would you describe the attitudes of other civil servants within the MFA towards the development co-operation policy in Slovenia? Was it seen by your colleagues and superiors as an important policy area?
 - 3.9. How would you describe the attitudes of the politicians towards the development co-operation policy in Slovenia? Did the politicians see the DC policy as an important policy area?
 4. *Further contacts*
 - 4.1. Which civil servants, politicians, NGO activists would you suggest that I interview in future?



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