Constructing Governance Conditionality: How Competing Policy Norms Challenge EU Development Cooperation¹

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Abstract

The European Union (EU) is set to promote a specific approach to good governance conditionality as a standard of behaviour in international development, which the European Commission claims to be distinctively ‘European’. However, as a policy norm it remains highly contested within and outside the EU. The Commission seems unable to overcome internal institutional capacity constraints and diverging interests and identities to promote good governance based on ‘common’ EU norms. This paper assesses how governance conditionality has been constructed within the EU and how it is related to the EU’s distinctive normative foundation. Building on evidence from the European Commission’s Governance Incentive Tranche (ECGIT) between 2008 and 2013, this analysis offers insights into the competing rationales resulting from diverging policy norms, which buttress the Commission’s promotion of good governance through conditionality. It is argued that the Commission’s approach is partly based on its balancing of competing norms, especially the idea of a distinctive ‘European’ approach and effective multilateral cooperation.

European Union, development cooperation, good governance, conditionality, international norms, incentive tranche

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Introduction

The European Union (EU)\textsuperscript{2} is the world’s largest provider of development aid, but the EU’s competence in development cooperation is shared with the member states. There are several specific development practices, however, that have evolved at the EU level. These practices embody a shared set of development policy norms, which are enshrined in consecutive agreements with developing countries, regulations on EU-level funding and programming, and EU development policy statements. This paper concentrates on aid conditionality policy. Conditionality means making the commitment or continued disbursement of aid conditional on the recipient’s behaviour. The European Commission, which administers aid at the EU level, holds a specific view on aid conditionality concerning recipients’ governance systems. This view is explicitly based on normative principles which are inherent to the EU’s own constitutional set-up such as regional integration and democracy. This paper asks how the EU’s constitutive norms have been translated into an EU-level policy of promoting good governance through conditionality.

First, the paper establishes concepts for understanding EU-level development cooperation and good governance conditionality. It then analyses the relationship between norms and development policy within the EU before scrutinising the concrete case of the EU’s good governance conditionality, primarily drawing on an analysis of EU policy documents and secondary literature. The analysis concentrates on the EU’s development policy with its traditional development partners between 2008 and 2013, and provides evidence for the European Commission’s Governance Incentive Tranche (ECGIT). Compared to the high prominence of conditionality in the context of enlargement and the neighbourhood policy, the EU’s approach to aid conditionality in its traditional development policy has received scant attention. The paper concludes that the Commission’s promotion of good governance through conditionality is partly based on its balancing of competing norms, especially the ambition to pursue a distinctive ‘European’ approach and effective multilateral cooperation. However, this balancing act rests largely on the unreflective promotion of the EU’s constitutive norms. Institutional deadlocks and competing intra-EU interests further undermine the assertion of a distinctive approach.

\textsuperscript{2} Since the Maastricht Treaty on European Union (TEU), the EU is defined as the totality of its constituent member states and supranational institutions. The latter formed the European Community (EC) which, \textit{de jure}, ceased to exist with the entry into force of the Treaty of Lisbon on 1 December 2009.
**Conceptualising EU Good Governance Conditionality**

The EU serves a dual role in international development cooperation (OECD-DAC 2007, 12). It both conducts development policies and programmes directly with third countries, and plays a ‘federating’ role for the development policies of its institutions and member states. This paper concentrates on the EU as a provider of development cooperation, referred to as the EU’s supranational development policy, which is collectively administered and implemented by the EU member states and institutions. This policy ranges from the assistance to member states’ former colonies to the stabilisation of the European ‘neighbourhood’. At the centre of EU aid administration and implementation are the European Commission and, since the Lisbon Treaty, the EU’s diplomatic service (External Action Service), whereas decision-making on financial instruments and oversight rests with the member states and, where applicable, the European Parliament.

The ‘supranational’ component of EU development cooperation dates back to the Treaty of Rome (1957) which made development cooperation a constituent element of the process of European integration. EU-level development cooperation evolved in parallel with member states’ separate development policies. National priorities of geographical coverage and policy styles have been ‘uploaded’ to the supranational development policy during consecutive waves of enlargement of EU membership. Accommodating these different interests and identities as well as changing international development paradigms has resulted in a patchy framework of EU development cooperation (Grilli 1993; Holland 2002; Lister 1988). The traditional partner countries and aid recipients of the EU are its member states’ former colonies in (sub-Saharan) Africa, the Caribbean and the (South) Pacific, known as ACP states. This group was given trade privileges and exclusive financial assistance due to its special ties with EU member states. The Lomé Convention (1975-2000) represented a potential model of North-South relations (Lister 1988; Ravenhill 1985), based on the distinctive set of norms which were to govern the relationship between the EC and the ACP states, even though these norms were never fully realised in practice. Aid consisted mostly of grants, which was seen as a ‘legal’, and therefore apolitical, endowment (Lister 1988, 1997). The consecutive revisions of Lomé and, since 2000, the Cotonou Partnership Agreement (CPA) between the EC/EU and the ACP countries have since eroded the particularity of this development cooperation ‘model’ (Arts and Dickson 2004). The primary financial instrument for EU-ACP cooperation has been the intergovernmental European Development Fund (EDF), comprised of *ad hoc* contributions from the member states. Crucially, it was not until the Maastricht Treaty (1992) that development cooperation became *de jure* an EC competence, making available resources from the general budget. However, competences remained ‘shared’ between the EC/EU and the member states. Subsequently, the Commission increasingly struggled to fulfil its role as a donor and member state officials, civil society
organisations and the European Court of Auditors criticised it for its management of development policy (Dearden 2003, 2008; Holland 2002). In response, in the early 2000s, the Commission implemented reforms to overhaul EU development policies and programmes in order to increase its disbursement capacity, to ease the administrative burden, and to restore its credibility.

These developments have been identified as a ‘new season’ in EU development cooperation (Carbone 2007, 31; 2008) focused on formulating a common ‘vision’ of development policy. This aspiration dates back to the 2006 ‘European Consensus on Development’ (European Parliament et al 2006), which explicitly committed the EU institutions and the member states to a shared political statement on international development based on common principles and norms, identified as particularly ‘European’. In this sense, the European Consensus was an attempt to antagonise the US-dominated (post-)Washington Consensus of the Bretton Woods institutions (Grimm 2006; Hout 2010; Orbie 2012). Although all Western donors share a similar set of fundamental norms which they promote in international development (Hurt 2003), the emphasis of certain policy norms diverge significantly. The aspiration of being ‘different’ from other actors in international development because of ‘built-in’ European norms and values, on which development cooperation is based, has evolved as one of the major justifications of a separate EU-level development policy.

A central aspect of ‘being different’ has been the question of conditionality. The first Lomé Convention did not provide for any sort of conditionality. However, conditionality was subsequently introduced into the following ACP agreements. Donors have used aid conditionality to incentivise reforms of the policies and institutions of developing countries by attaching objectives for reform to the commitment or continued disbursement of their development assistance (Killick et al 1998). The EU largely adopted ‘economic’ conditionality, which aims at capacity development of public service delivery and sound administration and management of the economy and public finance, from the Bretton Woods institutions. In contrast, ‘political’ conditionality refers to the conditions first introduced with the revision of Lomé in the early 1990s, and which concern democratic accountability, the rule of law, the protection of human rights, and good governance (Brown 2004; Del Biondo 2011; Dimier 2006; Holland 2002; Hurt 2003; Lister 1997; Smith 1998). For many years, conditionality has been seen as the remedy to tackle governance failures assumed to lie at the heart of failing development, especially in Africa (Lockwood 2005, 776-7; Stokke 1995). Most official donors, including the European Commission and EU member states, have understood aid as a leverage to introduce governance reforms (Hout 2007, 6; Lockwood 2005).

The concept of governance goes beyond the ruling of a government and encompasses the full range of political, administrative and socio-economic structures within a political entity (Leftwich 1994). However, different donors have interpreted and consequently operationalised the concept
differently. ‘Good’ governance first appeared in a World Bank report on Africa in 1989 and rose to prominence in the 1990s (Leftwich 1994, 370). Its emergence facilitated the extension of aid conditionalities beyond the World Bank’s earlier technocratic approach of structural adjustment, based on sound economic administration and management (Leftwich 1994, 364), to a range of political conditionalities, designed to drive reforms on political accountability, participatory civil society, and effective rule of law (Chhotray and Hulme 2009, 37). Good governance conditionality performs a critical task at the juncture between economic and political aid (Santiso 2003, 149). The latter has been understood in terms of ‘democratic’ governance, which contains a specific idea of democratic accountability and civil society participation (Slocum-Bradley and Bradley 2010).

The limited impact of governance conditionality (Killick et al 1998) has caused an on-going debate about its form and function, and the relation between conditionality and governance, which has produced continuously evolving, at times inconclusive principles of ‘good donorship’. Donors have been increasingly experimenting with new approaches to aid allocation and conditionality, linking additional aid to governance progress, or selectively applying less restricted modes of aid such as budget support (Molenaers and Nijs 2011). This has led to the parallel application of combinations of different approaches towards conditionality in aid disbursement (Chhotray and Hulme 2009, 37; Lockwood 2005), a crucial characteristic of EU development cooperation.

Norms in EU Development Cooperation

The ‘European vision’ of development cooperation is based on key constitutive norms of the EU such as participatory democracy and the respect for human rights, including gender equality, sustainable and equitable development, the rule of law, and strengthening multilateral cooperation (European Parliament et al 2006). The claim that norms are fundamental to EU development cooperation relies on the significant overlap between the EU’s approach to development and its inherent, constitutive norms which are perceived to be distinctive due to the EU’s exceptional institutional character (Birchfield 2011; Bretherton and Vogler 2006; Holland and Doidge 2012, 35-6; Manners 2002; Sicurelli 2010). The EU’s distinctive normative basis is not only assumed to predispose the EU to act in a normative way in international politics, but also to translate into the formulation of a normatively different approach to international development (Christiansen and Tonra 2004a).

On the one hand, the Commission stresses the distinctiveness of its approach by pursuing a specifically ‘European’ interpretation of global development norms, the ‘European vision’. This narrative is reflected in official declarations, ‘hard’ and ‘soft’ law, and the rhetoric of EU agents
emphasising the centrality of certain norms in the EU’s external relations. The emphasis on the distinctiveness of the EU’s approach to international development has been reiterated and institutionalised through key documents constituting the EU’s international identity, such as the Treaty on European Union, the Africa-EU Strategic Partnership and the Cotonou Partnership Agreement. Scholars have identified specific policy norms underlying EU development cooperation. Among these norms are regional integration (Coombes 1998; Söderbaum and Stålgren 2010), effective multilateralism (Farrell 2012; Kissack 2010), environmental protection/climate change mitigation (Brandi 2012; Flint 2008), good governance (Carbone 2010; Hout 2010; Slocum-Bradley and Bradley 2010), and the security-development nexus (Bagoyoko and Gibert 2009; Youngs 2008). The focus on the distinctiveness of norms in EU development cooperation has led commentators to scrutinise intra-EU interactions, such as decision-making procedures and institutional entrepreneurship to understand the construction of EU development policy (Carbone 2007; Orbie 2012; Orbie and Versluys 2008; Sicurelli 2010).

This has resulted in a redefinition of interactions within the EU in more normative terms based on long-standing, highly institutionalised common values (Birchfield 2011, 143; Bretherton and Vogler 2006; Manners 2008; Orbie 2012, 30; Orbie and Versluys 2008, 77-8). Thus, the EU’s constitutive norms become rationales underlying its agents’ behaviour without necessarily predetermining it (Christiansen and Tonra 2004b, 8), provided that there are competing and often contradicting norms, identities and perceptions of interests among EU institutions and member states. Therefore, the EU’s normative foundation legitimises, qualifies and may even oblige its agents to promote and diffuse ‘European’ norms in international development. This translates into the right to influence third countries’ domestic affairs (Birchfield 2011, 149; Coombes 1998, 233; Orbie and Versluys 2008, 78), which prominently reflects in the EU’s promotion of good governance (Carbone 2010; Hout 2010; Slocum-Bradley and Bradley 2010). Good governance and its promotion through conditionality have become dominant features of the discourse on international development cooperation, but they remain contested (Hout 2007, 2010; Leftwich 1994).

On the other hand, many of these policy norms, including good governance, overlap with commitments made on the international level and reflect a broader ‘Western’ consensus on development policy norms, suggesting that they result from norm-taking at the international level. Some commentators have framed the EU, specifically the Commission, as a norm-taker and emphasised the relevance of its external interactions, for example the top-down influence of actors such as the World Bank (Arts and Dickson 2004; Brown 2000; Farrell 2008; Holden 2009; Hurt 2003; Santiso 2003). However, the boundary between norm-taking and norm-setting is ambiguous. EU
actors, especially the member states, are also engaged in policy norm construction in international organisations.

The EU’s capacity in shaping these international development policy norms is significantly constrained, however, both by external factors, and by the EU’s fragmented institutional set-up, which does not facilitate internal cohesion (Gänzle et al 2012; Holland and Doidge 2012; Orbie 2012). EU development policy can be understood as a reiteratively negotiated ad hoc response by EU actors to global events, actors and ‘fashions’, for example the Washington Consensus, rather than a consistent ‘strategy’ because the EU was constrained by its own failure to achieve consensus among its institutions and member states (Carbone 2011; Farrell 2008, 235; Grilli 1993; Hadfield 2007; Holland 2008). Thus, the gap between the EU’s normative basis for action and real-life practice has been identified as a result of the Commission’s inability to promote distinctive development policy norms. The Commission is impeded, inter alia, by a lack of analytical and entrepreneurial capacity (Baroncelli 2011; Orbie and Versluys 2008; Santiso 2003), limited policy space due to member states’ competing national agendas (Brown 2004; Farrell 2008), and a lack of institutional coherence due to inter- and intra-institutional power struggles (Carbone 2007, 2010). Hence, norm construction within the EU is the result of a complex interrelatedness between the EU as a political system and the discourse of international development through the EU’s and its member states’ parallel international engagement.

**Conditionality and the Promotion of Good Governance**

The Commission has put governance and the quality of governance at the core of achieving sustainable development and the timely realisation of the MDGs, especially poverty eradication (European Commission 2003b, 2006a, 2011b). The Commission pursues a particular, normatively framed interpretation of good governance. The EU has committed itself to adhering to the principles of ‘good donorship’ derived from the global aid effectiveness agenda which emerged with the Paris Declaration of 2005 (European Parliament et al 2006; Molenaers and Nijs 2011, 409). Ownership and alignment are understood to increase the effectiveness of governance. Partnership and political dialogue serve the politicisation of the development relations. Harmonisation supports the pursuit of effective multilateralism. These features have found their way into the EU’s supranational development policy. However, pursuing harmonisation to promote global governance for international development constitutes a particular dilemma for the EU’s pursuit of a distinctive
approach because it potentially clashes with a ‘European’ interpretation of the policy norm of good governance.

Promoting a distinctive, value-based understanding of good governance for successful development has emerged as an integral function of the EU’s supranational development policy (Carbone 2010; Holland and Doidge 2012; Orbie 2012). In essence, the EU’s approach centres on three sets of (partially overlapping) policy norms, which have evolved since the early 1990s. First, the promotion of good governance directly serves the primary objective of all EU development cooperation, eradicating poverty in the context of sustainable development. This requires strengthening the ‘effective capacity of public institutions and administrations to define and deliver the required policies’, particularly effective and equitable access to public services (European Commission 2003b, 5). Second, EU good governance promotion aims at ‘strengthening the role of civil society and the media, protection for multiparty democracy and electoral competition, a transparent system for financing political parties and support for parliamentary oversight’ (European Commission 2006a, 5-6). This is encouraged through decentralisation, empowering local authorities and non-state actors (European Commission 2006a, 8), thus reflecting a distinctive, bottom-up approach to democratic governance. Although enhancing democratic governance is a goal in itself, it is understood as a requirement for successful development (Council of the European Union 2005, 3). Third, the Commission argues that ‘good governance at all levels of the international system [...] is crucial to a legitimate, effective and coherent global governance system’ (European Commission 2003b, 4). The promotion of such a ‘system of effective multilateralism, with strong, representative and legitimate institutions’ is a central objective of the EU’s development cooperation (Council of the European Union 2007, 3), thus making the promotion of good governance instrumental to effective multilateralism. The EU understands good governance at the global level to benefit developing countries directly, for example by giving them a representative voice in the international arena (European Parliament et al 2006, 6), and indirectly, for example in the area of budget support by reducing transaction costs through improved harmonisation between the EU and international financial institutions (IFIs) (2006, 17).

Conditionality on recipients’ governance was introduced with Lomé IV in 1990 (Grilli 1993, 112). Although the Commission has considered disbursement practices of major IFIs such as the International Monetary Fund (IMF) and the World Bank before, the revision of Lomé allowed the Commission for the first time to make at least part of its aid officially conditional on the recognition by the IFIs (Lister 1997). Thus, the Commission ‘borrowed’ its concept of good governance, first conceptualised for EC development cooperation in a Council resolution of 1991 (Council of the European Communities 1991), and the way to promote it from an international rather than a
specifically European agenda (Brown 2000; Hilpold 2002, 68). However, significant EU particularities, going beyond the conventional, depoliticised World Bank framing of good governance remained, especially concerning the broader interpretation of good governance in terms of democratic governance (Council of the European Communities 1991, 122; Hout 2007, 24-5, 49; Leftwich 1994, 364). This was a reaction to pressure from some member states, a politically assertive European Parliament, and civil society organisations in the 1990s which sought to strengthen global democracy. It also reflected the changing political environment surrounding the Maastricht provisions, which provided an explicit role and responsibility for the EU to promote democracy externally (Crawford 1996; Holland and Doidge 2012, 191; Smith 1998, 259).

The 10th EDF (2008-2013) included a stronger emphasis on governance based on an incentive approach, which the Commission put into practice for the first time. The Commission created the ‘Governance Initiative for ACP countries and Africa’ (European Commission 2006a) which the Council endorsed (Council of the European Union 2006). At its heart was the Governance Incentive Tranche (ECGIT), which was implemented within the programming of the 10th EDF national development plans, the Country Strategy Papers (CSP).

Case Study: The European Commission’s Governance Incentive Tranche

The ECGIT is merely one instrument of the Commission’s policy for promoting good governance. However, it was an important element in the last programming cycle and reveals the inherent normative tensions and trade-offs in the Commission’s approach. Despite its central position in the programming of EU development assistance, the ECGIT has received only scant scholarly attention with the major exception of Molenaers and Nijs (2009, 2011). Their analyses cover the extent to which the Commission diverges from international imperatives on conditionality, and explore, from a liberal intergovernmentalist model of European politics, why the Commission cannot comply with best international practices. This paper puts forward a broader explanation of the roots of the Commission’s approach towards conditionality.

The Commission does not engage in country selectivity in the most radical sense, which means providing aid exclusively on the basis of satisfying specific conditions (Hout 2007; Santiso 2003, 157). Rather, through ECGIT, the Commission has attempted to apply a combination of less radical forms of conditionality. The operational set-up of the ECGIT followed the ambition to link aid to the recipient’s (internal) governance, especially its democratic governance, in a way which promotes country ownership (European Commission 2011a). The Commission’s conception of
‘effective partnerships’ (European Commission 2003b) aims at incentivising governance reforms. It aims at rewarding ‘good performers’ with more and ‘better’ aid by selectively granting preferred aid modalities such as budget support, and ‘tranching’ aid, so that the disbursement of part of the aid is linked to recipients’ performance (European Commission 2009a).

All ACP countries were eligible for the ECGIT in principle, but the commitment of funds was made conditional on the formulation of a governance reform proposal submitted by the ACP governments to the Commission. The submission of such a reform commitment, called Government Action Plan (GAP), qualified states automatically for additional aid of at least 10% of the initial allocation. However, this incentivising approach suffered from the availability of reward funds, known as ‘additionality’. The ECGIT were designed to provide incentives in the form of additional aid to strengthen the recipient government’s commitment to governance reform. Around 1/12 of the total programmable country allocation (EUR 2.7 billion) was set aside for the governance incentive tranche to be allocated on the basis of the quality of the recipient country’s reform agenda. This incentive allocation was ‘added’ to the initial allocation, which is based on quantitative needs and performance criteria to form the National Indicative Programme (NIP) for each country. The incentive tranches were assigned as a percentage of the initial allocation, either basic (10%), intermediate (20%), high (25%) or very high (30%). Additional 5% bonuses could be granted to countries that have completed the African Peer Review Mechanism (APRM), for Portuguese-speaking countries and countries within situations of fragility and post-conflict. Individual incentive tranche levels allocated to each country have not yet been made public. Five plans were allocated to the 10% incentive tranche, twelve plans to the 20% incentive tranche, 47 plans to the 25% incentive tranche, and three plans to the 30% incentive tranche, excluding bonuses (European Commission 2009b, 9). Thus, the ECGIT represents only a minor redistribution of funds. Due to constraints concerning the increase of resources and the inflexibility of funds, programming reward funds tend to be a zero-sum game. Giving out ‘carrots’ requires rechanneling existing funds and cutting aid for some countries, which, in turn, creates clashes with member state interests.

The actual size of the tranche for each country was made conditional on the outcome of the Commission’s evaluation of the GAP, whereby the Commission assessed the political will for reform (European Commission 2009b, 7). The political will was ‘measured’ in nine categories based on political, institutional, economic and public service delivery indicators³. The Commission assessed the reform intentions of each country in relation to a governance profile, which the Commission had created for all ACP countries, covering the status quo and trends in their governance systems. These

³ The exact instructions and all indicators can be found in the Commission Staff Working Paper SEC(2006) 1020 (European Commission 2006b).
governance profiles were not negotiated or agreed with the ACP governments (European Commission 2006b), but unilaterally created by the Commission in Brussels, reflecting the Commission’s priorities. Their main purpose was to serve as the benchmark for the relative assessment of the reform commitments. Within the programming dialogue with the ACP governments, the latter were invited to present their reform plans to the Commission’s delegations, which in turn revealed their desired reform commitments. However, many governments did not rely on strategies, such as the Poverty Reduction Strategy Papers (PRSP) and the APRM, but used the opportunity to present completely new reform proposals (European Commission 2009b, 8). The Commission evaluated the submitted targets for reform against what it had previously identified as weaknesses, and made a decision on access to one of the four incentive tranches. This process reveals how the Commission tended to impose its own model of governance and other priorities under the aegis of promoting ‘good governance’ in a relatively unreflective way (Slocum-Bradley and Bradley 2010, 38).

This model, underlying the Commission’s policy of good governance conditionality, mixes perceptions of ‘good’ and ‘democratic’ governance (Slocum-Bradley and Bradley 2010), and aspects of ‘global’ governance. This reflects the perception of a particular global order based on normative principles and bound by legal, internationally accepted institutions, which has inspired the EU’s own creation and development (Duchêne 1972; Manners 2002, 2008; Manners and Whitman 2003). The Commission based its governance profiles on existing indicators and studies, primarily the governance indicators developed and monitored by the World Bank Institute (WBI) since 1996 (European Commission 2006a, 11) to ensure the effective international application of governance conditionality. The WBI indicators cover the politically sensitive areas of democratic governance and rule of law, control of corruption, economic governance, and internal and external security. They were complemented by components specific to EU policy in the areas of ‘social governance’, including labour law, combat of HIV/AIDS and gender equality, ‘regional integration’, including trade and migration, and the ‘quality of partnership’, including the engagement of non-state actors and local authorities (European Commission 2006b). Economic governance with a strong proneness towards managerial indicators, especially public financial management, policies on the private sector and the management of natural resources, were predominantly based on World Bank evaluations (European Commission 2004, 76-7), and received comparatively the highest weight in the overall composition of the governance profiles (European Commission 2006b).

However, relying on the WBI indicators, which reflect the relatively ‘apolitical’ nature of the World Bank’s mandate, implies a very limited focus on democratic governance, relying on the electoral process and freedom of expression, association and media (European Commission 2006b,
As proxies. Although the Commission Staff Working Paper (European Commission 2006b) goes beyond these restricted indicators, it remains tentative and technocratic. In addition, the Commission assessed the legal status of international conventions on human rights, the death penalty and minority rights, the existence of ‘watchdog’ institutions and political parties, and the constitutional order of the separation of powers and parliamentary oversight. During the programming process at the country level the European Commission (2006b; 2009b, 8) insisted that in order to receive a higher tranche, recipient countries had to comply with international agreements and the ‘essential elements’ of the CPA, human rights, democratic principles and the rule of law, and use existing (multi-donor) policy and governance strategies to formulate their GAPs. However, the Commission’s ‘own’ indicators, which are not based on WBI evaluations, cover less central areas of good governance. They are less prominent and received less weight compared to the World Bank indicators. Nevertheless, they add specific EU priorities, especially gender equality, trade and migration, and the engagement of non-state actors and civil society, which the Commission values as an asset in itself and as contribution ‘to more effective policies, equitable and sustainable development and inclusive growth’ (European Commission 2012, 3).

The application of indicators reveals how the Commission seeks to cooperate with and rely on the World Bank because it appreciates ‘(i) its [the Bank’s] convening power, (ii) its presence on the ground […], (iii) its coordination ability across different donors, and (iv) its sector experience and expertise’ (European Commission and World Bank Group 2012, 2), although the Commission rarely states this explicitly. At the same time, the Commission lacks the capacity to significantly influence the dominant global development discourse inside and outside the major IFIs where the Commission’s promotion of a predominantly normative approach may lead to distrust and suspicion (Hyde-Price 2008, 33; Kissack 2010, 3). The Commission seems to value the cooperation with the World Bank as an effective form of pursuing ‘effective multilateralism’, which plays a central role in the EU’s overall ‘vision’ of development, explicitly formalised in the European Security Strategy (ESS) in 2003 (European Council 2003). The norm of effective multilateralism is based on the EU’s own nature as institutionalisation of interstate cooperation in Europe with the aim of reducing uncertainty in the international system, and thereby enhancing the effectiveness of international cooperation, increasing its predictability, efficiency, transparency, reliability, etc. (Farrell 2008; Kissack 2010). This function reflects the EU’s mandate from the ESS to promote an ‘international order based on effective multilateralism’ (European Council 2003, 9) with the objectives of developing a stronger international society, well-functioning international institutions and a rule-based international order, especially in the context the UN.
However, the understanding of what constitutes ‘effective’ multilateralism within the EU, which stresses the role of supranational institutions as a central element to ensure the effectiveness and good functioning of multilateral cooperation, differs from the UN understanding, which focuses on intergovernmentalism (Farrell 2012, 2008; Kissack 2010; Laatikainen and Smith 2006). Thus, the ESS explicitly expresses the EU’s aspiration to further developing key institutions in the international system, such as the World Trade Organisation (WTO), the IFIs and regional organisations. The DAC’s latest peer review of the EU (OECD-DAC 2012, 61) acknowledges the EU’s commitment to effective multilateralism as a central element of its external action and confirms that its promotion of effective multilateralism goes beyond the original objective of closer cooperation within the UN system (European Commission 2003a). This is especially true for promoting and improving inter-institutional cooperation, for example through consecutive framework agreements since 2001, which deal with the operational aspects of the co-operation between the Commission and the World Bank, and the Limelette Procees for regular consultations between both organisations on Africa. This forum produces a joint action plan and joint letters to delegations on implementing the enhanced relationship in the field (OECD-DAC 2007).

This qualitative analysis of conditionality within the Governance Initiative reveals competing rationales behind the Commissions’ promotion of good governance. First, the Commission’s approach largely reflects its unwillingness or inability to differentiate established EU development cooperation. Almost all ACP countries (European Commission 2009b, 6) were granted aid through the ECGIT and variations in the tranches remained small. On the one hand, this reflects the dominant path dependency in EU development policy-making (Grilli 1993). Member states tend to impede EU aid modalities, which would result in cutting aid for their preferred partner countries. On the other hand, the Commission was unwilling to reduce aid for strategic reasons, inter alia due to concerns with its self-image as a benevolent actor. Second, the Commission seemed to impose its own priorities and model of governance on the ACP states and did this rather unreflectively (Slocum-Bradley and Bradley 2010, 38). This ‘institutional isomorphism’ of unreflectively promoting its own constitutive norms (see DiMaggio and Powell 1991) has been a common feature of the Commission’s approach to development cooperation, for example in regional integration (Bicchi 2006; Vickers 2011). It can be seen as a function of the EU’s institutionalisation of constitutive norms and strongly reflects the unconscious reference to these norms though the logic for appropriateness (March and Olsen 1989). Third, the Commission (2011a) argued that the ECGIT was appropriate to support democratic governance. However, incentivising democratic reform seemed to be hardly effective (European Commission 2009b; Molenaers and Nijs 2009, 2011). ECGIT conditionality resembled conventional conditionality and aid was made conditional primarily on economic issues of governance, not democratic principles (Hout 2010; Molenaers and Nijs 2009, 569). This suggests a
tension between different norms as rationales for EU development cooperation. On the one hand, the Commission sought to integrate what it saw as distinctive ‘European’ norms into its approach, for example social governance. On the other hand, its commitment to effective multilateralism (Farrell 2012; Kissack 2010) helps to understand its close alignment with existing global governance indicators in order to support multilateral donor coordination (European Commission 2006a, 11).

Conclusion

In summary, this analysis has highlighted how the Commission’s promotion of good governance is partly based on its balancing of diverging constitutive norms. This represents a tension at the core of the EU’s supranational development policy and buttresses the Commission’s inability to promote its norms internationally. Pursuing the ‘European vision’ has involved a trade-off between aligning the application of conditionality to the dominant conditionality norm-setter, the World Bank, and promoting a distinctive understanding of good governance based on the EU’s own (unique) experience of regional integration. Thus, the more emphasis placed on effective multilateralism, the weaker is the EU’s claim to a normatively distinctive approach to good governance. The balancing of this trade-off has not been constant over time. The Commission has increasingly been formulating its objectives in international development as a ‘vision’, incorporating key normative principles constituting its own identity. However, the use of effective multilateralism to promote a specific ‘European’ understanding of development very much depends on the EU’s ability to collectively influence the global development discourse, which is hampered by how the EU’s institutional set-up facilitates diverging identities and perceptions of interests.

Further research could consider implementation, particularly the disbursement of ECGIT funds during the programming period (see Del Biondo and Orbie 2014). Nevertheless, the adoption of distinctive EU objectives of governance based on a normatively distinctive approach to international development is considerable, even though it must be viewed against internal and external constraints on the Commission to pursue its understanding of the promotion of good governance. The Commission’s promotion of good governance reveals a tension between inherent norms for international development. The desired distinctiveness of the EU’s contribution to development has been seen by the Commission as justification for its role as a separate donor. Crucially, these objectives have been pursued through a largely unreflective process of imposition of the EU’s construction of good governance. However, the Commission is also highly committed to
effective global coordination (effective multilateralism) which has been built on the aspiration to approach harmonisation of development cooperation on a global level.

Both stronger assertion of distinctive EU norms and closer alignment with international development policy norms have been hampered by institutional deadlocks and competing intra-EU interests. This makes trade-offs necessary as long as it remains outside the Commission’s capacity to consistently influence the global agenda on governance conditionality which requires overcoming internal capacity constraints. Whether this would be consistent with a more normative promotion of developmental objectives or rather increase the EU’s tendency towards institutional isomorphism or a stronger shift towards promoting strategic interests requires further investigation (see Bicchi 2006). The ECGIT is just one component of the EU’s policies on promoting good governance. The Commission’s promotion of good governance through budget support conditionality has also received little scholarly attention. Under the current EU development policy, the Commission has already reacted to criticism and adapted its governance conditionality to more explicitly focus on ‘democratic’ governance. This development has been partially inspired by the ‘Arab Spring’ which has pushed human rights and democratic governance higher on the EU’s agenda. This hints at an increasing politicisation of good governance and its promotion through conditionality. On the other hand, the term conditionality does not appear in recent EU development policy statements. This is also a sign of its diminishing relevance as developing countries become more assertive through the consolidation of non-traditional donors such as China.
References


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