Europeanization or internationalization?

A statistical analysis of EU member states' aid policies

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Abstract

The oft-heard statement that the European Union is the world's largest provider of aid, referring to the collective aid disbursements of the EU member states and the EU institutions, implicitly suggests the existence of a common 'European' development policy. On the one hand, studies have suggested that EU member states' aid policies have indeed converged since the early 2000s. On the other hand, existing literature continues to point to divergences between the 'Northern' and 'Southern' EU donors. However, the question of the Europeanization of EU member state aid policies has not been addressed systematically and comparatively. Therefore, the central aim of this paper is to analyze whether and to what extent Europeanization has taken place amongst the different EU donors between 2000 and 2013. For this purpose, four 'hard cases' have been selected, corresponding to four policy areas where the EU has made an explicit commitment to 'Europeanize'. Methodologically, we conduct an individual growth curve analysis, which allows to detect and describe changes over time, on all four cases for the EU as well as non-EU DAC donors. The data for these indicators are retrieved from the OECD's statistical database. Our preliminary conclusion indicates that no Europeanization in the sense of EU-ization has taken place. Surprisingly, to the extent that there is convergence, there seems to be some evidence of Europeanization beyond the EU

1. Introduction

Since the new Millennium the European Union (EU) has shown an outspoken commitment to Europeanize the development policies of its member states. The aim is not so much to become the 29th donor in addition to the member states, but rather to foster a 'European' development policy within its 28 member states. Various commitments have been made to make sure that the national states comply with European aims, approaches and activities. Although the decisions are usually of a soft law and non-binding nature, the EU has embarked on a remarkable number of initiatives ranging from a 'European Consensus on Development' strategy, over a 'Code of Conduct on Complementarity and Division of Labour', to specific targets on Official Development Aid (ODA) budgets.

These recent evolutions have been described and analysed by several authors (e.g. Bué 2010, Carbone 2007; Delputte & Söderbaum 2012; Holland & Doidge 2012; Orbie 2012). However, while the above studies – as well as others – have found an increasing 'Europeanization' in terms of Brussels' made strategies, the actual impact of the EU's initiative on member states' aid policies has only been tentatively touched upon in the existing literature on EU development cooperation. This is quite remarkable given the flourishing conceptual and empirical literature on 'Europeanization' since the end of the 1990s (e.g. Borzel & Risse 2006; Olsen 2002). Nonetheless, development cooperation has been conspicuously absent in the case studies of the Europeanization literature. Partial exceptions are a number of case studies that deal with the accession of new member states in Central and Eastern Europe (Horky 2011; Lightfoot 2010; Lightfoot and Szent-Ivanyi 2014) and some recent book chapters providing explorative overviews (Bretherton 2012; Orbie and Lightfoot 2014). There is a limited body of literature on the Europeanization of foreign policy (Manners and Whitman 2000; Tonra 2001; Wong 2006; Wong and Hill 2011) but again the issue of aid has scarcely been addressed in this context. Also the 'determinants of aid' literature, which pays attention to the impact of donor groups on aid allocation (Dreher, Nunnenkamp & Thiele 2010; Round & Odedokun 2004; Fuchs, Dreher & Nunnenkamp 2014), has not considered the potential impact of 'EU membership'.

The central aim of this paper is to fill the above gap in literature and examine to what extent an Europeanization of development policy has taken place. We focus specifically on the possible convergence of member states' aid budgets in four areas where Europeanization has been envisaged by the EU. In doing so, we put forward the hypothesis that despite the impressive range of documents and initiatives deployed by the EU over the past decade, there is no Europeanization in development aid. More specifically, we hypothesize that converging aid figures of the EU member states – if they take place – reflect broader international trends (internationalisation) or convergence among similar countries (e.g. Nordics). Thereby we also aim to challenge the claims that a distinctively European (or better, EU) policy or approach would be emerging, contributing to the broader debate on the normative distinctiveness of the EU.

For the purpose of this study, we stick to the most basic and common sense definition of 'Europeanization', namely the top-down impact of the EU on its member states (Borzel and Risse 2006). In line with many empirical studies, we assume that Europeanization involves *convergence* of member states – in this case the convergence of their aid budgets. In theory, Europeanization might also entail divergence – e.g. when the EU manages to enforce a more effective division of labour between member states – but this is not true for the cases that will be examined. These cases concern the evolution (increase/constant/decrease) of EU member states' aid budgets for issues and countries that the EU has explicitly prioritized and thus where similar trends may be expected. The EU has often expressed its Europeanization commitments in terms of collective budgetary commitments with the member states – e.g. the schedule for meeting the 0.7% target in 2015 and the pledge to spend 50% of ODA increase to Africa.[1]

Another advantage of focusing on aid budgets is that these are tangible indications of Europeanization, in contrast to rhetorical commitments that might never materialize or socialization[2] processes that only work in the long run. Budgetary redistribution has always been the core of development policy. Moreover, aid statistics allow for a 'large N' research design involving not only the EU donors but also non-EU countries. In doing so, we can address three shortcomings of the Europeanization literature: first, there is a need to go beyond the 'usual suspects' France, the UK and Germany and also engage in larger comparative analyses (Borzel and Risse 2006); second, scholars should not only engage in qualitative case studies but also embark on more quantitative research (Haverland 2007: 68; Vink and Graziano 2007: 7); third, the EU-centred bias should be overcome by analysing the 'net impact' of the EU compared to non-EU countries (Radaelli 2004). Our data go back until 2000 when the EU had only started to formulate its Europeanization agenda in development aid. The downside of a statistical, large N approach is that we cannot make a detailed process-tracing analysis of the full complexity of the mechanisms behind the decision-making process within each member state. However, our large N, statistical research strategy can be justified since our central concern is to test whether Europeanization exists (in the sense that it impacts ODA budgets) and not why it does or does not occur. The findings that will be generated from our analysis across a larger number of countries can be further tested and refined through detailed case studies. Put differently, in the unavoidable trade-off between parsimony and complexity (cf. Hay 2002) we make a concession towards the former, but only to allow further research to delve into the latter.

In sum, this study aims to contribute to three distinct literatures. First, we add a neglected policy domain to the Europeanization scholarship and shift the attention to international (non-EU) factors. Second, we contribute to the EU aid literature by broadening the focus from Brussels to the capitals of the EU member states and by changing the direction from bottom-up integration to top-down impact. Third, we introduce the EU factor in the determinants of aid literature and explore the interaction between international development paradigms and the EU filter.

The remainder of the paper is structured as follows. The next section will put forward the main arguments that support our hypothesis. In section three we discuss the selection of the four 'hard cases' and outline our methodological approach which is based on linear mixed models in SPSS. Section four presents the statistical analysis and discusses the results while the final section draws some tentative conclusions.

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[1] As such these are also 'most-likely cases' to find Europeanization and 'hard cases' for testing our hypothesis. However, convergence between member states is not sufficient proof of a 'smoking gun' at the EU level, because it could also be caused by international factors beyond the EU. Therefore we also control for the evolutions of aid budgets in non-EU countries inside and outside Europe.

[2] Socialization processes are also more difficult to measure (Lightfoot and Szent-Ivanyi 2014).

2. Shallow Europeanization

As mentioned in the introduction, EU development scholars so far neglected the aspect of Europeanization of member states' development policies. Existing studies have mainly focused on the European Commission's supranational role separate from the EU member state donors (e.g. Dearden 2008, Holland 2008). Most studies acknowledge that, since the 2000s, the EU has increasingly envisaged taking a 'federating role' (OECD-DAC, 2007: 13) in development policy, aiming at coordinating EU member states' aid policies. Some have even referred to a 'new season' (Carbone, 2008) or a 'metamorphosis' (Bué, 2010: 43) of European development policy since the turn of the millennium, characterized by a strong rhetorical commitment to coordination, the harmonisation of development aims and approaches and by the gradual elaboration of operational initiatives in this area. However, different views exist on the extent to which there is an actual 'European' aid policy (cf. Carbone 2007, Bué 2010, Orbie 2012). While recently some attention has been paid to the implementation of the EU's coordination initiatives, pointing at a wide range of challenges, an analysis of the actual convergence of member states' national development policies in reaction to the EU's initiatives is lacking. We aim to fill this gap in literature and examine to what extent an Europeanization of development policy has taken place. We focus specifically on the possible convergence of member states' aid budgets in four areas where Europeanization has been envisaged by the EU.

Specifically, our hypothesis is that *there is no Europeanization in development cooperation, and to the extent that EU member states' aid figures do converge, we expect that this reflects broader international trends (internationalization) and/or clustered convergence among similar countries.*

There are three reasons why we come to this hypothesis. **First, the EU's power in development is extremely limited.** More specifically, as there is no 'hard law' *acquis* in this policy area, the EU relies on non-binding, 'soft law' methods similar to the Open Method of Coordination (e.g. benchmarks, monitoring, peer reviews) to influence the aid policies of the member states (Carbone 2007). Whereas in the long-term, this might foster a distinctive view on development among the EU donors, it is unlikely that the Europeanization attempts that started in the early 2000s have harvested tangible effects on member states' aid budgets. On the contrary, EU member states have been resistant to top-down, mandatory frameworks from Brussels in the field of development (Bretherton 2013). Therefore, while there has been some absorption of general EU discourses on ODA in the national realm, and while the European Commission has pointed on various occasions at the fact that EU countries provide more aid than other donors, hinting at Europeanization, we expect the impact of the EU on the aid budgets of the members to be absent. More specifically, given its redistributive implications, we can expect that Europeanization of development aid will even be more limited than in foreign policy (and even when it comes to foreign policy studies on the EU's impact are inconclusive, see Wong 2011: 163). Moreover, there are no strong domestic norm entrepreneurs or interest groups who can argue in favour of Europeanization (development NGOs are rather weak, especially in comparison to other domains such as the internal market or social polies). Thus, despite the EU's growing ambitions to Europeanize development policy, we do not expect a significant and EU-induced convergence of aid budgets. Shallow Europeanization seems a more likely scenario (Orbie and Lightfoot 2014). Existing research shows that even in the context of accession negotiations with candidate countries of Central and Eastern Europe, the EU hardly managed to impact on their development policies (Horky 2012; Lightfoot 2000; Lightfoot and Szent-Ivanyi 2014). This is surprising since these new member states had to build a development cooperation policy from scratch and since the membership carrot constitutes the largest possible leverage in the EU's toolbox. Thus, it is much more unlikely that older member states such as the UK, France, Germany or Sweden, which each have their own historically entrenched development institutions, and whose development policy is closely linked to peculiar ideological preferences and foreign policy priorities, would allow the EU to influence its national aid policies. In an early contribution to the Europeanization literature, Olsen (2002) cautioned that the EU's impact should not be overestimated because the nation states show a remarkable capacity to safeguard existing policies, institutions and power distributions. This advice seems all the more relevant in the field of development.

Second, international trends may have more impact than the EU. To the extent that EU member states' development policy would be influenced from 'outside', there are good reasons to assume that external causes would not be confined within the EU borders. For one thing, the EU may not be the most influential development agency. It is a relatively new player in this area that suffered from several scandals since the 1990s. Although today the EU would perhaps no longer be called 'the worst development agency in the world' (British Secretary of State Clare Short in 2000, see Bretherton 2013: 173), it still has less expertise and capacity than 'competing' international development agencies such as the OECD-DAC, the UN institutions, and the World Bank. Perhaps even more important is that it has less legitimacy, especially with the Nordic EU-members that are the most progressive development actors. Legitimacy is an important facilitating factor for Europeanization, especially in the absence of binding hard law pressures (Borzel and Risse 2003). Over the past decades the fresh and creative ideas on international aid have not stemmed from policy-makers and bureaucrats in Brussels but rather from Washington, New York or Paris. The EU has long been considered a 'norm taker' in development policy, drawing its inspiration from multilateral development bodies (Farrell 2008; Santiso 2003). The European Reports on Development have so far failed to provide a distinct alternative to the World Bank's authoritative Development Reports. Also, many recent 'EU' soft law commitments translate decisions made at the level of the OECD-DAC, so that it may be more accurate to talk about 'DAC-ization' and not Europeanization (Orbie and Versluys 2008).[3] The DAC has long been recognized as a key expert forum in development issues and DAC membership has been identified as an important determinant of aid decisions (Round & Odeodokun 2004). Moreover, it can be expected that decisions on international aid are influenced by broader international trends, relating to global changes in the aid environment and shifting development discourses.[4] For example, the events of 9/11 have entailed a securitization of international (including EU) development policy (see Hadfield 2007; Kaldor and Glasius 2004). Also the emergence of new donors such as China and Brazil have changed the global aid landscape within which the EU member states are operating. The EU is only one layer, and surely not the most influential one, in the complex mix of actors and structures that determine member

[3] Sometimes the EU itself has played an active role in shaping the international development consensus, thereby blurring the distinction between 'EU' and 'international' norms. There is also an explicit EU commitment to comply with the commitments made in the UN and other relevant international organizations (see e.g. Treaty).

[4] On the impact of (international) development paradigms see for example Islam 2009 or Gore 2000.

states' aid allocations. Nonetheless, there is an inherent tendency in the Europeanization literature to prioritize EU-related causes and turn a blind idea to global factors. Rare exceptions are Verdier and Breen (2001) and Levi-Faur (2004) who show that economic change within the EU can be explained more by global changes than by decisions in Brussels. Both studies explicitly consider non-EU countries as a control group to measure Europeanization vs. internationalization, similar to what we do.

Third, there continue to be significant divergences between EU member states. Even in the absence of studies on the impact of the EU, the literature shows clearly that there are major distinctions between the member states when it comes to development policy. These tend to be blurred through othering strategies which represent the EU as a leading and benevolent development actor in contrast to the US (Orbie 2003). Most obviously, there is the distinction between Northern and Southern donors. The former tend to be more committed to the international development agenda and regularly cooperate outside the EU framework. For example, the Nordic+ constellation involves not only EU members Denmark, Finland, Sweden, Ireland and the Netherlands, but also non-EU countries Norway and Iceland. The accession of 10 Central and Eastern European countries in 2004/2007 has further diversified the developmental preferences within the EU. While this diversity may be seen as a 'misfit' that is a necessary condition for Europeanization to occur (cf. Borzel and Risse 2003: 60-63), we assume that this is unlikely given the weak powers of the EU and the strong resistance between the member states (cf. above). What seems more likely is 'clustered convergence' among similar countries (cf. Borzel and Risse 2006: 497). However, in line with our central hypothesis, we would then expect that the different EU 'clusters' correspond with groups of non-EU countries. For example, the aid policies of Iceland, Norway and Switzerland might correspond more with those of the Nordics within the EU, whereas the US or Australian approaches may be more similar to those of the Southern EU member states. Also, membership of the G7 or the DAC may be an influential factor (Round & Odedokun 2004; Fuchs et al 2014). Specifically, we expect that the Nordic countries may be more cohesive than the EU as such, and/or that the European (EU and non-EU) may have more in common than non-European countries because of their common historical, economical and geographical background. Therefore, apart from EU-membership, the statistical techniques used will ascertain whether belonging to 'Europe', the 'Nordics' or the 'Nordic+' group matters more in explaining aid trends (See Table 1).[5]

Table 1: Countries and Country groupings used in the analysis

Country	EU-membership	Europe-grouping	Nordic grouping	Nordic+ grouping
Australia	non-EU	non-European	non-EU	non-EU
Austria	EU	European	EU non-Nordic	EU non-Nordic+
Belgium	EU	European	EU non-Nordic	EU non-Nordic+
Canada	non-EU	non-European	non-EU	non-EU
Denmark	EU	European	Nordic	Nordic+
Finland	EU	European	Nordic	Nordic+
France	EU	European	EU non-Nordic	EU non-Nordic+
Germany	EU	European	EU non-Nordic	EU non-Nordic+

[5] Unfortunately, we were not able to include the group of new member states from Central and Eastern Europe because of insufficient observations. This can be explained by the fact that most of the 'new' EU members states only joined the DAC in 2013, and as such only started to report their aid budgets in recent years.

Greece	EU	European	EU non-Nordic	EU non-Nordic+
Iceland	non-EU	European	non-EU	Nordic+
Ireland	EU	European	EU non-Nordic	Nordic+
Italy	EU	European	EU non-Nordic	EU non-Nordic+
Japan	non-EU	non-European	non-EU	non-EU
Korea	non-EU	non-European	non-EU	non-EU
Luxembourg	EU	European	EU non-Nordic	EU non-Nordic+
Netherlands	EU	European	EU non-Nordic	Nordic+
New Zealand	non-EU	non-European	non-EU	non-EU
Norway	non-EU	European	Nordic	Nordic+
Portugal	EU	European	EU non-Nordic	EU non-Nordic+
Spain	EU	European	EU non-Nordic	EU non-Nordic+
Sweden	EU	European	Nordic	Nordic+
Switzerland	non-EU	European	non-EU	EU non-Nordic+
United Kingdom	EU	European	EU non-Nordic	EU non-Nordic+
United States	non-EU	non-European	non-EU	non-EU

3. Case selection and methodology

We will test our hypothesis on four 'hard cases'. They are hard cases because they correspond with those areas where there has been an explicit EU commitment to Europeanize. In other words, if we do not find evidence of Europeanization in these cases, it will be very unlikely that there is Europeanization in other aspects of development policy.

- The first case concerns the *general aid spendings* and commitments towards the 0,7% norm. This target was set by the EU in the context of the 2002 Monterey Conference when both the EU and its Members States agreed to achieve a collective ODA level of 0,7% of GNI by 2015 (EU 2002). This target has remained a primary objective ever since. It has been further developed and operationalized through mid-term objectives and it has frequently been reconfirmed as being a key priority in EU development policy, amongst others in the European Consensus on Development (2005) and the Agenda for Change (2012). Moreover, the EU itself has emphasized that the EU's combined efforts in this regard have been greater than those of non-EU donors, hinting at Europeanization on this issue (European Commission 2013). Also in the literature, it has frequently been suggested that the 0.7% norm symbolizes an early and key instance of successful Europeanization (e.g. Orbie and Versluys 2006; Carbone 2007; Holland & Doidge 2012).
- The second and third cases concern *aid spendings towards specific groups of countries*. In addition to its pledges on overall ODA levels, the EU committed itself in 2005 to collectively increase its aid to Sub-Saharan Africa and provide 50% of the ODA increase to Africa as a whole. The idea of an 'Eurafrican' connection is not new, although throughout the 1990s the EU had started to pay more attention to other regions and Eastern Europe. The Millennium saw a renewed emphasis on the African continent, inter alia through the Africa-EU Summits (since 2000), the EU Strategy for Africa (2005) and the Joint Africa-EU Strategy (2007). Also at the Monterrey Conference the EU underlined its continuing support for 'Europe's neighbour' Africa (EC 2002). At the same time, following its commitment to poverty reduction, the EU pledged to

focus more on the least-developed countries (LDCs). It hosted the 3rd LDC conference in Brussels (2001) and launched the 'Everything but Arms' trade regime for LDCs. In a similar vein, the EU also committed itself to provide between 0,15% and 0,20% of its collective ODA/GNI to LDCs. Both commitments towards Africa and the LDCs are also included in the European Consensus (2005).

- The fourth case concerns the *substantive content* of EU aid, more specifically the budget for social development. This has been a key objective of EU development policies. Since the early 2000s the EU has profiled itself as a major supporter of the 'social dimension of globalization', including social standards, education and health issues. At the Monterrrey Conference the EU stressed that 'we are giving priority to health and education in the allocation of our aid' (EU 2002). Social objectives are also central in the Millennium Development Goals, which have been strongly supported by the EU (e.g. the MDGs are the first of the list of 'common objectives' in the European Consensus 2005).

The data for the above cases were drawn from the database of ~~the Organisation for Economic Co-Operation and Development (OECD).~~ the OECD-DAC, which~~More specifically, its Development Assistance Committee (DAC~~) monitors on an annual basis the aid flows of all its Members, ~~which~~ includinge all (traditional) EU and non-EU donors. Consequently, this dataset is particularly well suited for the purpose of this study. Our actual analysis started with a visual inspection of the evolution of the selected variables. In a second step we tried to model this evolution using linear mixed models in SPSS, with year at the individual level and country at the group level. We used EU-membership as explanatory variable at the country level to test whether this variable could explain any variation in ODA-budget. Through the inclusion of an interaction term between time (year) and EU-membership we tested whether EU-membership could explain the evolution of ODA-budget. Differently put, the interaction term tests whether, as time goes by, EU-membership becomes more important in determining the ODA-budget of the different countries in our analysis. The final piece in the analysis strategy compares the model fit of a model including EU-membership and models containing alternative groupings of countries, respectively (i) European, (ii) Nordic and (iii) Nordic+ countries (cf. table 1). As such we could tests whether alternative groupings of variables did a better job than EU-membership in explaining country differences. For comparing nested models we use a chi-square test of difference in deviance values. For comparing non-nested models we evaluate AIC and BIC values. The added value of this model testing approach versus a purely descriptive approach is that we have an objective criterion to decide whether grouping countries into EU and non-EU makes sense or not.

4. Results

In this section, we present the actual results of our study. More specifically, for each case, we first discuss the main findings of our statistical analysis, followed by a brief section in which we reengage with the our initial data in order to make sure – once again – that the validity of our statistical model is not negatively affect by, for example, important events (i.e. outliers) in the OECD's database. This additional check proved to be very useful – in particular with regard to our second cases - , allowing us to further refine and strengthen our datasets and statistical models for a final version of this paper. Finally, we also present a number of tentative explanations drawn from secondary literature in order to explain some of the patterns we have found in our analysis.

Case 1: ODA as percentage of GNI

The first case shows that EU membership is not a factor of importance for determining ODA/GNI budgets. More specifically, our analysis shows that the evolution of total ODA budget relative to GNI is best modelled as a quadratic function over time. Importantly, classifying the countries as EU and non-EU countries did not adds to the explanatory power of the model. This clearly reflects from table 2, as the model comparison test – which compares the deviance values for the unconditional quadratic growth model (i.e. a model with only time as the explanatory variable) and for a model which includes EU membership – shows no significant increase in model fit. While the AIC value is a little better, the BIC value (which imposes a bigger penalty for model complexity) is worse. Inspecting the model fit values of the alternative classifications leads us thus to the conclusion that, of all the classifications tested, the Nordic classification does the best job in explaining differences between countries. However, the interaction between the Nordic classification and time is not significant. This means that while there is clear difference in the percentage of GNI spent on ODA between the three groups of countries, they follow the same growth path (figure 1). As such, the first case clearly supports our hypothesis.

Table 2: Statistical tests for ODA in percent of GNI

Model	**AIC**	**BIC**	**-2LL**	**Δ deviance**	**ΔDf**	**p**
Unconditional cubic growth model	-733.0386903	-703.0946648	-749.0386903			
EU	-733.649	-699.962	-751.649	2.610	1	0.106
Europe	-736.067	-702.38	-754.067	5.028	1	0.025
Nordic	-745.567279	-708.137247	-765.567	16.529	2	0.000
Nordic+	-739.464793	-702.034761	-759.465	10.426	2	0.005
Interaction Nordic with time	-744.0171	-684.129049	-776.017	10.450	6	0.107

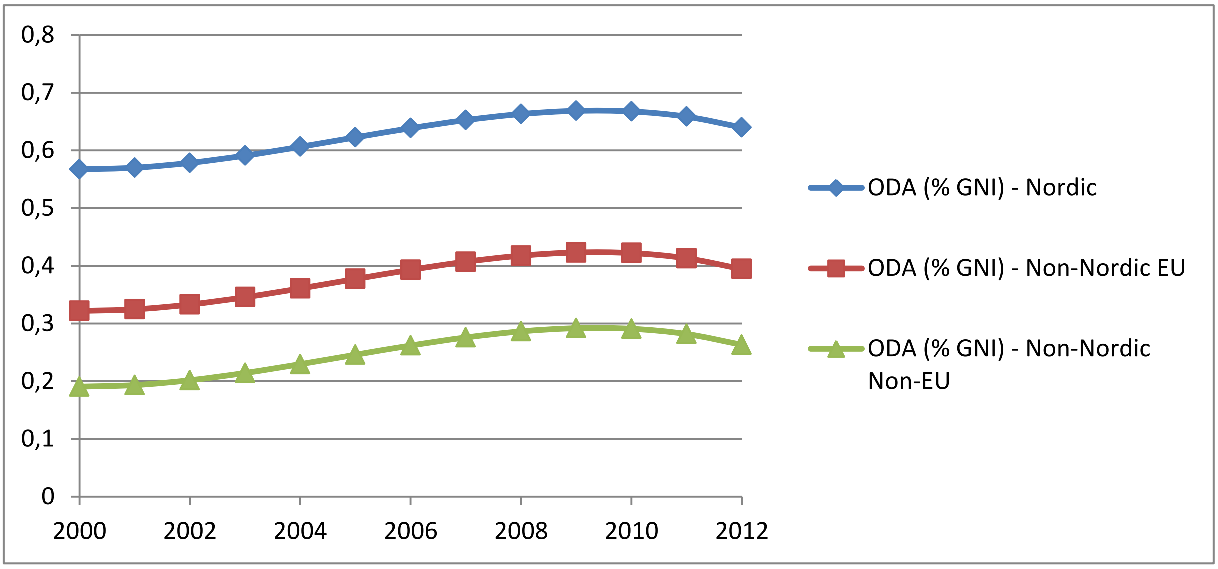

Figure 1: Modelled evolution of ODA in percent of GNI

Importantly, the above findings also hold after a second analysis of the OECD's database. More specifically, while we found out that a limited number of DAC donors have occasionally strong peaks in their ODA/GNI levels due to substantial debt forgiveness programs (e.g. Portugal's ODA/GNI reaches 0,63% in 2004, whereas in 2003 and 2005 this was respectively 0,22% and 0,21%), no data were which put call the validity of our model into question. On the contrary, virtually all individual country ODA/GNI graphs show the above pattern, namely a steady increase in ODA/GNI until +/- 2008, followed by a gradual decline in more recent years. This also corresponds to the 'determinants of aid literature', which shows that all DAC donors have stepped up their aid in a similar way since 2001-2002, inspired by various reasons such as the signing of the MDGs and the emerging war on terror, followed by a decrease in recent years due to the financial and economic crisis, as well as the more 'realist' international development climate (e.g. Hadfield 2007, Kaldor & Glasius 2004, Orbie 2012). As such, the picture of a collective EU commitment to step up ODA is false not only because aid has declined in recent years, but also because significant diversity within the EU continues to exist and common patterns follow international rather than EU trends.

Case 2: LDC-budget as percentage of total ODA-budget

A different picture emerges from the second case as our analysis provides little support for our hypothesis. On the contrary, according to the linear growth model, EU membership does influence the part of ODA budgets that is spent on LDCs (figure 2). One should, however, be careful to not overestimate these findings for two reasons. First, our statistical analysis only shows some evidence that points in the direction of Europeanization. More specifically, according to table 3, nor the EU, neither any other country grouping adds to the explanatory value of our model. While the AIC values prefer the Nordic + category, the BIC values point at the EU as best country grouping. However, differences between both are very low and show no significant effect. Only after introducing an interaction with time, the EU grouping shows a significant decrease in deviance, whereas this is not the case for the Nordic + grouping. The actual pattern stemming from this model is visualized in figure 2 below.

Table 3: Statistical tests for LDC-budget in percent of total budget

	AIC	BIC	-2LL	Δ deviance	ΔDf	p
Unconditional linear growth model	-791.4847739	-769.4448343	-803.4847739			
EU	-790.397009	-764.683746	-804.397	0.912	1	0.340
Europe	-789.551234	-763.837971	-803.551	0.066	1	0.797
Nordic	-788.704465	-759.317879	-804.704	1.220	2	0.543
Nordic+	-793.185842	-763.799256	-809.186	5.701	2	0.058
Interaction EU with time	-798.82031	-769.433724	-814.820	10.423	2	0.005
Interaction Nordic+ with time	-800.830602	-764.097369	-820.831	11.645	4	0.020

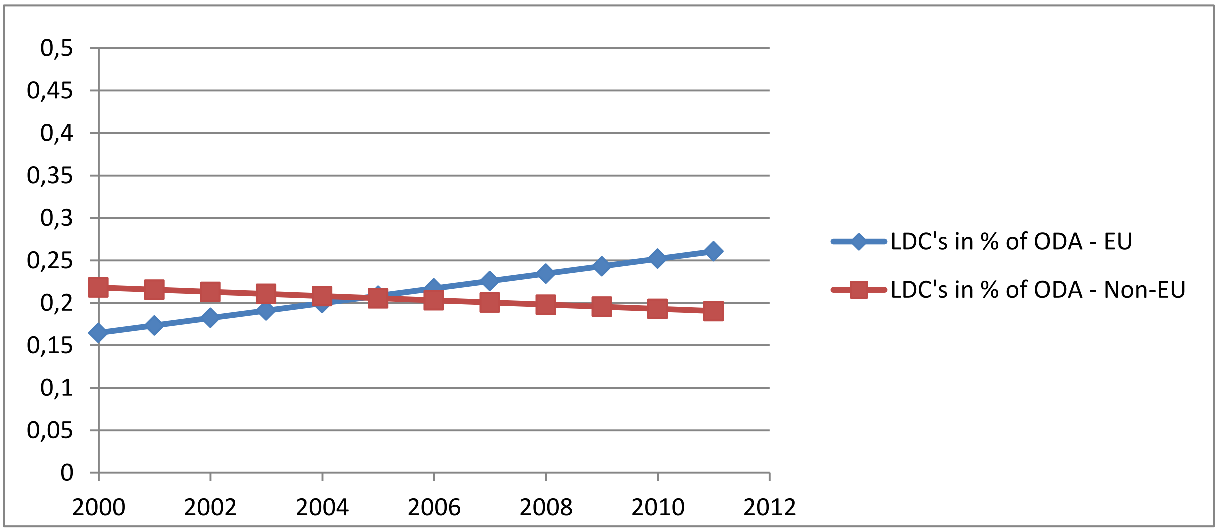

Figure 2: Modelled evolution of LDC budget in percent of total ODA budget

A second reason why we should be careful not to overestimate the above findings has everything to do with the fact that the model presented in figure 2 does not correspond with the reality, as observed in the OECD's statistical database[6]. More specifically, while the above model clearly shows that the percentage of ODA spent on LDCs gradually increases among EU countries, this upward trend only corresponds to the data of a limited number of EU members (i.e. Denmark, Finland and Spain). Remarkably, in all other EU members, aid to LDCs stagnates or even declines. Moreover, whereas our model shows a declining trend among the non-EU members, this pattern only corresponds with the data derived from the non-EU European countries (i.e. Norway and Switzerland). On the contrary, all non-European donors have increasingly focused on the LDCs in their overall aid budgets.

Importantly, how can we explain the lack of validity of our linear growth model? After all, whereas the actual data seem to suggest Europeanization beyond the EU, witnessed by a relative decline of aid towards the LDCs, our analysis shows a very different picture. The reason for this seems to be the – sometimes excessive - use of debt forgiveness programs to LDCs in various EU donors. Clear

[6] These data can be accessed free on the OECD's statistical website (http://stats.oecd.org).

examples are Belgium, France, Germany, Italy or Portugal. As such, their relative aid budgets directed towards the LDCs show various peaks, while the general trend is a stagnating or declining one. However, linear mixed models are very sensitive for such peaks (or outliers), which may explain why (1) EU was put forward as best country grouping (table 3) and (2) why the evolution of the LDC budget in percentage of total ODA shows an upward trend for EU donors (figure 2)[7].

Case 3: Social budget as percentage of total budget

The third case shows no evidence of an influence of EU membership on the focus on the social sector in ODA budgets. More specifically, according to our linear growth model, the EU category does not add explanatory value to the model, neither alone, nor in combination with time. The European grouping, however, adds as only country grouping to the explanatory value of our model (table 4). The interaction between the European grouping and time is borderline insignificant, though, it should be noted that in this case the BIC and AIC values were best for this model. The pattern stemming from this model is visualized in figure 3, showing an increasing focus on the social sector in the aid programs of the non-European countries, whereas European donors have in common that the relative importance of their social ODA is stagnating, or at best increasing at a very slow pace.

	AIC	BIC	-2LL	Δ deviance	ΔDf	p
Linear no countries	-668.0253693	-642.6572468	-682.0253693			
EU	-669.0492	-643.681078	-683.049	1.024	1	0.312
Europe	-674.358529	-648.990407	-688.359	6.333	1	0.012
Nordic	-668.683563	-639.691422	-684.684	2.658	2	0.265
Nordic+	-668.360286	-639.368146	-684.360	2.335	2	0.311
Interaction Europe with time	-677.942669	-648.950528	-693.943	5.584	1	0.018
Interaction EU with time	-669.157301	-640.165161	-685.157	2.108	1	0.147

[7] Therefore, we plan to exclude the data on debt forgiveness in our final dataset for this second case. For the other three cases, the issue of debt forgiveness does not pose any problem. More specifically, the data on the fourth case (social sector) do not include cancellation of debts, and in the other two cases, the relative importance of debt forgiveness is much lower. Moreover, the data with or without debt forgiveness show similar patterns, whereas this was not the case for the second case.

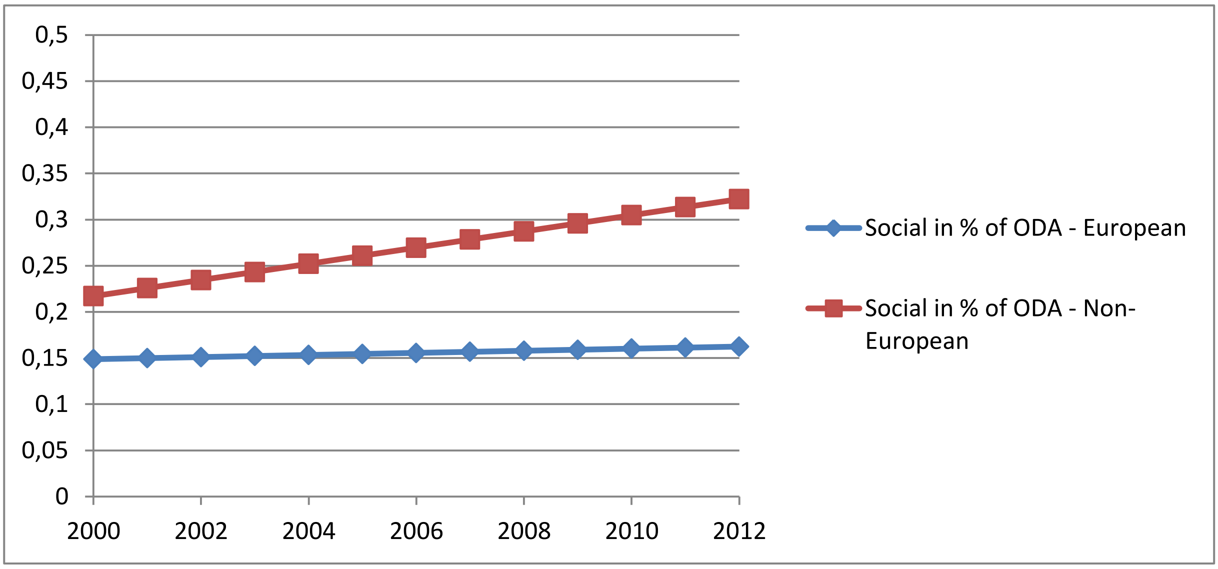

Figure 3: Modelled evolution of social budget in percent of total ODA budget

Importantly, the above findings also hold after an additional check of the OECD's database. As such, it can be concluded that this third cases supports our hypothesis. Unlike the first case, however, we do not see internationalization, but rather a form of 'Europeanization' beyond the EU. This finding corresponds to the idea that there is such a thing as a common European development identity among EU and non EU donors, based upon a similar historical, economic and geographical background. However, what is remarkable is the fact that this 'Europeanization' goes in a different direction than what would intuitively be expected as all European donors have in common that the focus on the social sector in their overall ODA budgets is stagnating, whereas non-European countries increasingly focus on this sector. Why this is the case is impossible to tell as our statistical analysis 'only' allows us to tell whether or not Europeanization takes place, but not why this is (or is not) the case (see supra).

Case 4: African budget as percentage of total ODA budget

Finally, also the fourth case shows that EU membership is not a factor of importance for determining the focus on African countries in aid budgets. What is unique in this case, however, is the fact that no country categorisation adds to the explanatory value of our linear growth model. Even when we specifically test whether the explanatory value of the EU categorisation changes over time, no significance was found (table 5). Importantly, this finding also holds after an additional analysis of the individual data of all DAC members for this case, as no events were found which could have undermined the validity of our analysis.

Table 5: Statistical tests for African budget in percent of total budget

	AIC	BIC	-2LL	Δ deviance	ΔDf	p
Linear no countries	-721.7220269	-696.0813036	-735.7220269			
EU	-721.827488	-696.186765	-735.827	0.105	1	0.745
Europe	-724.291556	-698.650833	-738.292	2.570	1	0.109
Nordic	-720.28774	-690.984056	-736.288	0.566	2	0.754
Nordic+	-723.462558	-694.158874	-739.463	3.741	2	0.154
Interaction time with EU	-722.745753	-693.442069	-738.746	2.918	1	0.088

5. Preliminary discussion and conclusion

The central aim of this paper is to analyse whether and to what extent an Europeanization of development policy has taken place. We focus specifically on the possible convergence of member states' aid budgets in four areas (ODA/GNI, % ODA to LDCs, % ODA to Social, % ODA to Africa) where Europeanization has been envisaged by the EU. The statistical analysis of these four cases leads to three main conclusions:

1. The hypothesis that no Europeanization in the sense of EU-ization will take place has been confirmed. Trends in EU member states' general aid budgets, development assistance to Africa and to LDCs, and support for social objectives do not show distinctive EU patterns. Despite outspoken EU commitments to Europeanize the member states' aid policies since the early 2000s, the examined case studies cannot provide tangible support of EU convergence over this period.
2. However, also the alternative theses of internationalization or clustered convergence/ Nordic-ization could only partially be confirmed. Only in the case of general ODA spending we can witness internationalization. The Nordic or Nordic+ did not appear to be relevant country groupings in the other cases.
3. Interestingly, to the extent that there is convergence, there seems to be some evidence of Europeanization beyond the EU. In the cases of aid to LDCs and to the social sector, 'Europe' was identified as the most relevant donor group. This includes not only the EU-15 but also Norway and Switzerland.

How can these findings be explained?

As for the absence of Europeanization in the sense of 'EU-ization', we refer to the three explanations that are presented in the first section of the paper. The EU's impact in the area of development is limited, at least when it comes to sensitive budgetary decisions. There might be a convergence of discourses and a long-term socialization going on, but so far this has not resulted in tangible evidence in the form of converging aid allocations. Not only do the EU and its member states struggle to deliver on their aid commitments in absolute terms, this study also makes it clear that EU convergence in this area has failed. On the contrary, member states follow different (not distinctively EU related) international patterns.

The alternative scenario of internationalization was partially confirmed. Congruent with the findings of the 'determinants of aid' literature, DAC members' decisions on ODA follow similar patterns. Whether this relates to membership of the DAC and the peer pressure and social learning dynamics that interaction within the Paris-based institution entails, or whether it stems from broader international factors remains outside the scope of this paper. However, it is worth noticing that EU member states have, just like non-EU donors, significantly stepped up their aid since 2001-2002 and have spent less ODA since about 2008. The increase in the beginning of the Millennium relates to the events of 9/11 and the belief that terrorists capitalize on poverty in the developing world (e.g. Hadfield 2007, Kaldor and Glasius 2004). It also coincides with the 'idealist' or ethical turn in foreign policy and the dominance of centre-left governments, as could be witnessed in e.g. the Clinton administration in the US and the Blair government in the UK . Also the formulation of the ambitious Millennium Development Goals and the realization the post-Cold War commitments would not be achieved without significant aid increases created an enabling environment for ODA rises. Inversely, the decrease from 2008 took place in a context of budgetary problems in many countries and in a more 'realist' international climate. This applies not only to EU member states but also to other countries. Thus, the picture of a collective EU commitment to stepping up ODA is false not only because aid has effectively declined, but also because significant diversity within the EU continues to exist and common patterns follow international rather than EU trends.

Although the internationalization thesis was quite strikingly illustrated in the general ODA figure, it has not been confirmed in the specific cases of aid to LDCs, Africa and the social sector. When we delve more specifically into these issues, it proves difficult to find generalizable patterns within or outside the EU. Contrary to our initial expectations, also the Nordic or Nordic+ groupings do not appear to be relevant. On the contrary, the aid figures of both groupings reveal the heterogeneity between the so-called like-minded donors. For example, in the case of aid to LDCs both the Netherlands and Norway have spent significantly less ODA in recent years, whereas the budgets of Denmark, Sweden, Finland and Ireland have remained relatively stable. Also, in the case of aid to Africa, all Nordic(+) increased their budgets significantly during the beginning of the 2000s, but then headed in different directions: while some continued to stabilize or increase even further (e.g. Denmark, Finland, Sweden) others saw a decline of aid to Africa (e.g. Ireland, Luxembourg, Netherlands, Norway). These findings seem to be in line with recent accounts on the decreasing relevance of the Nordic(+) countries. While Nordic countries have traditionally been known for their aid generosity, strong poverty orientation and Africa focus (Selbervik & Nygaard, 2006), in recent years, the Nordic aid model is found to be eroding (cf. Oden 2011) as Nordic countries are not only putting less emphasis on the principles of partnership and ownership, they are also heading in different directions. For example, while Finland is maintaining its focus on sustainable development and the MDGs, and Sweden has put policy coherence on top of its agenda, Denmark and Norway have been putting more emphasis on self-interest.

The most striking finding may be that in two cases there is Europeanization beyond the EU. Specifically, when it comes to aid to LDCs and to social issues, it appears that Norway, Switzerland and Iceland follow similar patterns as the EU member states. Being a 'European' donor proves to be important in explaining aid patterns.

These findings seem to be in line with some political evolutions within the non-EU European countries. For example, in the past decade, to cope with its own prosperity and security interests, Switzerland has thoroughly reoriented its classical approach to foreign policy based on the principle of neutrality, towards a more multidimensional approach, amongst others by deepening European integration[8] (Gabriel & Fanzun 2003). In the case of Norway, on the one hand, the convergence may be explained by the up-loading of Nordic-Plus norms to the EU level. In this context, Olsen has pointed to the role of the like-minded or Nordic Plus countries (including Norway) in the EU's development policy in the early 2000s (Olsen, 2013). For example, the content of the European Consensus may have been the result to the Nordicization given their role in the preceding debate[9]. However, what is perhaps even more remarkable is that the 'Europeanization' goes in a different direction that what would be expected. Rather than benign Europeanization in the sense of more development-friendliness, we see that European donors (as compared to non-European donors) have in common that their ODA to social sectors and to LDCs tends to stagnate or even decline. In other words, non-European donors have been more generous than European donors in these two cases.

All the non-European donors have increased their aid to LDCs. The diverging trend can partially be explained because some of these countries – not just the US but also Australia, Canada and Japan have spent considerable money in Afghanistan. Although some European countries such as Germany, Denmark and Greece also spent a considerable part of their LDC budgets to Afghanistan, in generally European ODA has been less directed towards this LDC. Another explanation may be that for European countries the near neighbourhood has become a priority area following the 2004/2007 enlargement of the EU. This would not only apply to the EU members but also to Norway (NORAD 2010, Karajkov 2009) and Switzerland (Gabriel & Fanzun 2003). For example, in line with the EU's policy priorities, the end of the Cold War also led Switzerland to increase its aid budgets towards the former communist countries of Central and Eastern Europe, and later to the Balkans and countries of the former Soviet Union (Gabriel & Fanzun 2003). These countries may be important from a geopolitical perspective, but they do not belong to the LDC group. Non-European countries may also be inspired by geopolitical interests, but these could coincide with aid to LDCs (e.g. Afghanistan for the US) or with neighbouring countries.

A similar pattern emerges for social issues: here too European donors have been stagnating whereas non-European donors have stepped up their aid. This finding may reflect a shift towards a greater focus on human rights, democracy, good governance and the rule of law as well as on economic growth within, as reflected in the EU's Agenda for Change (2011). Theoretically speaking, EU donors may also support the social sectors in developing countries through budget support and/or multilateral institutions, explaining this diverging trend[10]. This may also apply to non-EU European countries. For example, Norway has increasingly focused its development policy on specific thematic initiatives and global public goods to the extent that its support for MDG-related sectors is mainly provided through budget support or outsourced through multilateral organisations (Odén 2011).

[8] This new approach was introduced in the 1993 Foreign Policy Report and formally adopted in a new constitution in 1999.

[9] In his research on the influence of Nordic countries on the EU's Africa policy Olsen (2013) has even treated Norway "as if it is a member of the EU based on the fact that Oslo cooperates closely with the Union within practically all policy fields".

[10] In the OECD statistics, budget support is, for example, seen as an separate category next to other sectors. However, budget support can be sector specific, and as such be oriented to social sectors. However, additional research needs to done on this topic to see whether or not European donors actually make more use of budget support or multilateral institutions.

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