The Swedish Policy for Global Development
Implementation and Changes

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Preface

The Centre for African Studies (CAS), which is part of the School of Global Studies at Göteborg University, has in recent years added international development cooperation to its sphere of teaching as well as research. A masters programme (“bredd-magister”) on African Studies with special emphasis on international development cooperation was launched in 2005/2006 and 2006/2007. As part of the Bologna Process the programme has now been integrated in the joint two-year masters programme of global studies from September 2007.

During the period up to date it has been established that teaching materials with special relevance to Swedish and European development policies are not readily available to the extent that is required. At the same time the students have produced a number of good essays and reports within different fields. To fill the gap we at CAS have decided to produce a series of smaller publications called “Perspectives on….”. Some of them, will after an introduction to the subject by some of the teachers of CAS, include relevant articles on the subject and comments made by masters students at the Centre for African Studies at Göteborg University. Others will include more in depth original material. We plan to publish most of the material in English but might also publish some material which we have readily accessible in Swedish. The idea is to publish these Perspectives on the CAS Website and if necessary to up-date them from time to time – which is the case here. If there is a demand we might also publish a small number of hard copies.

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The aim of this paper is to outline the development of the Swedish Policy for Global Development, PGD, which was launched in 2003 when the Swedish Parliament approved the Government Bill Shared Responsibility. Sweden’s Policy for Global Development (2002/03:122). The focus of the paper is on the implementation so far and the reforms launched in the Government communication to Parliament in March, 2008.

The Government Bill on Policy for Global Development in 2003

According to the Bill, the primary justification and rationale for Sweden’s policy for global development is solidarity with people in other countries. The overall objective of the PGD, which applies to all policy areas, is that of contributing to equitable and sustainable global development and to the achievement of the UN Millennium Declaration and Millennium Development Goals, MDGs. The policy is characterized by two perspectives: a rights perspective and a poor people’s perspective on development (Government Bill 2002/03:122).

The policy is targeted at poor people in developing and transition countries and includes all policy decisions that directly or indirectly affect them. The central elements of the policy consist of eight components, each one linked to a defined global challenge. In the second communication on PGD to the Parliament they were grouped under four headings:

- **Fundamental values**: respect for human rights, democracy and good governance and gender equality
- **Sustainable development**: sustainable use of natural resources and protection of the environment, economic growth and social development and security
- **Conflict management and security**
- **Global public goods and global challenges**: trans-boundary issues requiring joint decisions and actions on the part of the international community (Government Communication, 2005/06:204, p. 3).

A greater coherence between the different policy areas and actors, including the European Union (EU), the United Nations (UN), the international financial institutions, other multilateral institutions and individual countries is seen as crucial to make the fight against poverty more effective. The goal is that the policy itself and its practical applications in all policy areas will help to strengthen the rights of poor people to improve their living conditions.

The concept of coherence

Coherence is a key concept in the PGD, therefore a brief conceptual digression is motivated. It should be noted that there is no universally agreed definition of policy coherence for development (OECD, 2005 p. 27). The 2001 DAC Guidelines on Poverty Reduction stated that “Policy coherence..... involves the systematic promotion of mutually reinforcing policy actions across Government departments and agencies creating synergies towards achieving the defined objectives” (ibid.). A further definition given in DAC Journal, Development Co-operation Report was: “Policy coherence means different policy communities working together in ways that result in more powerful tools for all concerned. It means looking for synergies and complementarities and filling gaps between different policy areas to meet
common and shared objectives” (OECD, 2002, p.x). Thus policy actors in one area should always take into consideration policy actors in other areas to avoid contradictory results.

It has been argued that the Millennium Development Goals are unlikely to be achieved without simultaneous progress in five areas of coherence (ECDPM/ICEI, 2006 p 19):

- **Internal coherence.** This refers to the development policy itself, which should be drawn up to achieve consistency between its goals and objectives, modalities and protocols.
- **Intra-Government coherence.** The strategic options in the policies most relevant for developing countries should be reviewed to prevent, or make up for, any decisions that go against development objectives.
- **Inter-Governmental coherence.** Policies and actions should be consistent across different OECD countries in terms of their contributions to development, to prevent one from unnecessarily interfering with or failing to reinforce the others in the same environment or countries.
- **Multilateral coherence.** Consistency should be promoted across the policies and actions of bilateral donors and multilateral organisations.
- **Donor-recipient coherence.** Countries receiving donor contributions should be encouraged to set up policies that allow them to take full advantage of the international climate to enhance their economic and social progress.

The three first are the responsibility of the donors alone, while the latter two are based on responsibility between the donor and the partner countries. The most relevant in the context of the Swedish PGD are Intra-Government coherence and to a certain extent Inter-Governmental coherence.

**Initial implementation of coherence issues**

The need for coherence between different policy areas is strongly emphasized in the Bill. The reasons for this are the increasingly interwoven national, regional and global perspectives. The aim of a coherent policy is to improve the developmental effects of the total Swedish policy and to the largest possible extent avoid that policies in various areas contradict each other and thereby reduce their potential to “contribute to equitable and sustainable global development” (Gov Bill 2002/03:122, p. 20). Conflicting objectives should be identified and should be the focus of well-informed and well-considered strategic choices (ibid., p. 32).

More and more national policy must address trans-boundary issues and national decisions have an international impact. It is therefore important that the coherence strived for at the national level is also reflected in Sweden’s positions at the regional and global level. One example is that both national policies and policies formulated and pursued through the EU must be coherent.

Measures to improve and monitor the coherence are suggested in the Bill. One of them is annual progress reports to Parliament, in which measures and results of the coherence policy are summarised for the various policy areas.

The first year of implementation focused on organising the systems to improve coherence, including trying to explain to those responsible for the various policy areas what was expected of them. One consequence of this was that the first year’s communication to Parliament mainly contained information on various organisational matters (Regeringens skrivelse 2004/05:161).
The policy for global development gives all policy areas the responsibility of formulating and implementing policy in a way that utilises every opportunity of simultaneously contributing to equitable and sustainable global development. If measures, designed to fulfil the objectives of a policy area, counteract Swedish efforts to achieve equitable and sustainable global development, it is the responsibility of the policy area in question to look for alternative measures and find an acceptable solution within the framework of its usual policy preparation work. In the Government Communication 2004/05:161 to Parliament five policy areas were identified as being particularly important: environment, agriculture, trade, migration and security.

The Government Bill does not specify how Government should implement the new policy. However, the Parliament requested the Government to clarify where the responsibility for the PGD lay, and instructed the Government to establish a specific function for a strong coordination and proactive approach, including ministerial programmes to detail how the policy should be implemented, which include annual progress reports to the Parliament on the implementation of the PGD.

The Government Communication 2006
According to the 2006 Government Communication to Parliament (Communication 2005/06:204), experience from the first years of implementation indicates that the big challenge of this policy is not to handle conflicts of interests or objectives between different policy areas. The challenge is instead to identify and realise potential effects of synergy, in which actions can be designed in a way, which promotes both the objectives of the policy area in question and a just and sustainable global development. This work demands solid knowledge of development issues, about the rights perspective and about poor people’s perspective on development. According to the report, the work to implement the coherence policy is therefore to a large extent about promoting such knowledge. Most of the examples on coherence in the communication are within this win-win category.

In the Communication the Swedish policy positions in international negotiations on climate, energy, chemicals, foreign trade, export subsidies, access to medical drugs etc. are used as good examples. The main argument is that Sweden’s policies in international negotiations in other political areas than development cooperation are coherent with the objectives of the Swedish policy for global development, which underpins the development cooperation policy. The list of such cases is impressive and shows that in many fields Sweden makes strong efforts to improve the international and the EU policy framework in a direction which is consistent with the PGD.

The weakest part of the report is the monitoring of achieved results. They are presented in the form of rather general statements on progress. This in turn is at least partly due to the lack of quantifiable targets in the Government Bill 2003, which makes it difficult to monitor possible progress.

A reformed PGD - the Government Communication to Parliament 2008
When a coalition conservative-centre Government replaced the social democratic one after the Parliamentary elections in 2006, it stated that the Policy for Global Development would remain, but that it would be reformed in order to improve its efficiency, make it more results based and focused on fewer issues. A number of policy documents covering various
dimensions of the Swedish development cooperation have since then been published. In the field of the overall PGU policy and coherence a Government Communication to Parliament was delivered in March 2008, entitled *Global Challenges – Our Responsibility* (Government Communication 2007/08:89).

The point of departure of the Communication is that many of the challenges facing the world during the four years since 2003 are more apparent and urgent than ever. The need for coherence and cooperation across policy areas to deal with these common challenges has never been greater. The purpose of the communication is to lay the foundation for a more highly focused development policy aimed at strengthening the developmental effects generated in different policy areas.

It is stated in the Communication that Sweden’s policy for global development and its overall objective – to contribute to the achievement of equitable and sustainable global development – remains in force. These two concepts are elaborated further as follows:

*Equitable* global development implies respect for human rights and democracy and is achieved through growth that results in poverty reduction. Development must be to the benefit of all. Economic growth is absolutely necessary for poverty reduction.

*Sustainable* global development means that resources must be used efficiently and effectively over the long term to ensure that the present generation’s needs are met without compromising the ability of future generations to meet theirs. This presupposes a far-sighted and sustained approach to the management of common resources and a socially, economically and environmentally sustainable economic process.

On coherence the Communication states that “Lack of coherence across policy areas poses a risk that measures or decisions in a given sphere will counteract or nullify the Government’s poverty reduction or global development efforts and achievements in another policy area, e.g. development cooperation.” It also states that an examination of the results of Sweden’s efforts to implement its policy for global development since 2003 shows that development cooperation has evolved largely in accordance with the Swedish Parliament’s decisions in this policy area. However, policy coherence implementation has been found to be deficient in some respects. The communication aims at improving this situation.

It claims to be based on the eight central components from the Government Bill in 2003 (listed under the four headings on page 1). The key challenges mentioned in the Bill are threats against peace and security, against sustainable economic growth, against global environment and climate changes, the demographic changes in the rich countries and migration flows, the spread of HIV/AIDS, and lack of respect for human rights and democracy.

The communication develops and transforms these challenges and the eight components into six global challenges to be met by the Policy for Global Development: *Oppression, Economic exclusion, Climate change and environmental impact, Migration flows, Infectious diseases and other health threats* and *Conflicts and fragile situations*.

The choice of the six identified global challenges is motivated in the following way in the Communication:
1. The most fundamental of all obstacles to equitable and sustainable development is absence of freedom in the form of oppression, that is to say lack of democracy and respect for human rights.

2. Economic growth is a fundamental condition of development and thus of poverty reduction. Economic exclusion can only be reversed through market economy reforms, increased access to the international market and the emergence of a vigorous enterprise sector.

3. Armed conflict is one of the gravest threats to the welfare of present and future generations. Poverty and conflict feed on each other. Among the underlying causes of armed conflicts are the desire to gain control over natural resources, inability to sustain a viable livelihood, and adverse environmental changes. The vast majority are waged inside countries. These are often difficult to resolve and threaten regional stability, with consequences for international peace and security.

4. Climate change and environmental impact is one of the greatest challenges facing the countries of the world. Trans-boundary in character it can only be met through global cooperation. Developing countries are hardest hit. Moreover, climate change and environmental impact can seriously hinder and undermine both past and future progress towards development targets.

5. Infectious diseases and other health threats pose serious obstacles to poverty reduction and development, and can quickly undo decades of progress. Poor people are more vulnerable than others.

6. Migration flows have significant development potential for countries of destination and origin alike. Migrants not only contribute to development in countries of destination but can also send back and invest their savings in their countries of origin. Oppression, poverty and armed conflict can force people to leave their countries of origin.

Three specific focus areas have been identified for each of the six global challenges. The aim of the focus areas is partly to keep a closer watch on a number of issues and processes vital to meeting the challenges and partly to identify quantifiable objectives.

**Oppression**
- Greater freedom of expression in countries where it is restricted
- Better health and quality of life for women and men, boys and girls living in developing countries
- A reduction in organised crime and human trafficking through preventive and crime-fighting measures in countries of origin and destination.

**Economic exclusion**
- Better functioning local financial markets, primarily for saving and investment, in developing countries
- Increased export of agricultural products from developing countries
- A better trade and investment climate in developing countries that benefits both local business development and Swedish business interests.

**Migration flows**
- To enhance development effects of labour immigration to Sweden
- Increased transfer of capital, knowledge and experience by migrants in developing countries
- Durable solutions for refugees in need of protection.
Climate change and environmental impacts
- Limiting global greenhouse gas emissions and adaptation to climate change in developing countries
- Reduced use of hazardous chemicals in developing countries and improved handling of hazardous waste
- Sustainable urbanisation that will contribute to long-term development and poverty reduction.

Conflicts and fragile situations
- Establishment of a legitimate security sector under democratic control in conflict-affected and post-conflict countries and fragile situations
- To improve the situation for women in conflict and post-conflict situations
- To bridge the gap between conflict and long-term sustainable development.

Communicable diseases and other health threats
- To ensure access for poor people to sustainable health systems and essential medicines
- The establishment of effective early warning systems and the ability to rapidly implement control measures capable of operating at regional and local level
- To seek to secure, by bringing greater focus and coherence to Sweden’s commitment, that work in connection with health factors made by countries and international organisations is strengthened and in line with prevailing knowledge.

Measures for policy implementation

In the Communication it is stated that the Swedish Government stresses the importance of focusing on policy implementation as well as policy content. Successful implementation requires a results-oriented approach within the Government, the Government offices and relevant agencies, including missions abroad.

According to the Communication, the PGD must serve as a guide in formulating and implementing policies in different policy areas. This, however, does not imply that the PGD focus area objectives should replace the objectives for each policy area. The balance between the various policy area interests is elaborated on later in the text.

At the international level Sweden will seek to ensure that more countries and international organisations apply a holistic approach to global development issues by promoting coherence and cooperation across policy areas.

The results-based management approach contains four parts. The first one is management, organisation and follow up. Its objective is: results-oriented initiatives focused on the six global challenges, for efficient application and continuous learning throughout the implementation process, including procedures and a work organisation that ensures coherence and cooperation across policy areas and between the Government Offices and relevant agencies. The Government therefore intends to:
- draw up activity-specific, quantifiable objectives and outcome indicators in connection with the focus areas, and incorporate these into regular management systems and working procedures
- instruct Government agencies to contribute to policy implementation
- establish a global policy development forum under the direction of the MFA with a view to promoting coherence and synergies and clarifying and resolving conflicts of objectives
- conduct targeted evaluations of policy implementation as a basis for subsequent performance and outcome evaluation reports, and to provide an instrument for promoting continuous learning
- report on outcomes to Parliament in 2010
- conduct a pilot project to develop a strategy for cooperation with South Africa that is not restricted to development assistance.

The second part is to strengthen knowledge and analysis in the Government Offices. The objective for this is: increased knowledge within the Government and Government offices concerning Sweden’s PGD and the impact of decisions and measures taken in different policy areas on the policy’s overriding goal. The Government intends, inter alia to:
- develop a tool for assessing impacts on Sweden’s PGD through supporting preparatory work and processes in the Government Offices
- continually assess the need for analysis as a basis for policy implementation
- support and actively contribute to the development of international policies and methods
- implement specific education and training initiatives
- follow closely relevant international policy developments through the Global Development Council (an international advisory group on globalisation issues, established by the Swedish Government).

The third part is cooperation with Swedish actors, with the objective to encourage broad civil society participation in and discussion of the implementation of the PGD. The Government therefore intends, inter alia, to:
- promote greater knowledge about the PGD and its implementation using new communication channels
- call a hearing jointly with Parliament to discuss the present communication prior to its consideration by Parliament.

The final part is the cooperation and relations with the EU, with the objective to strengthen EU work on policy coherence for development. To contribute to this, the Government intends, inter alia to:
- seek to ensure that the Commission and the member states fulfil the commitments embodied in Council conclusions and rolling programmes for EU work on policy coherence for development
- seek to ensure that decisions with a bearing on developing countries are preceded by an assessment of their impact on the ability of the countries to lift themselves out of poverty
- seek to ensure, in cooperation with like-minded countries, that ownership of and knowledge about policy coherence for development are strengthened within EU member states, the Council of Ministers, the European Parliament and the EU Commission.
Comments

The Government Communication to the Parliament in 2008 is the first coherent policy document on the PGD from the coalition Government since it came into power in 2006, although some of the issues have been touched upon in the public debate earlier on. At this stage it is too early to comment on the implementation of the reforms suggested in the Communication, but there is scope for some reflections on the differences between the Bill of 2003 and the Communication of 2008.

The Communication contains much more detailed definitions of the concepts of equitable and sustainable development. This makes them easier to monitor.

What is lacking in the Communication is an explicit reference to equitable distribution as part of equitable economic growth. What is said is instead: “Development must be to the benefit of all”. The reduction of poverty is assumed to be achieved through growth that results in poverty reduction. The explicit mentioning of redistribution of resources as one method to reduce poverty is avoided. Drafts of the annual budget for development cooperation 2008/09 referred to income distribution as an important element to reduce poverty, but this was excluded in the political process. This reflects an ideologically based change in the view on what generates poverty.

The challenges and most focus areas identified in the Communication can be traced to the Government Bill from 2003. The packaging of the challenges, however, transforms them in a way which admits that they can more clearly be recognised as global public goods. Some of them implicitly contain a potential threat that Sweden will also be negatively affected. This means that besides the overarching global development objective national self-interest to meet the challenges is also implicated to some degree. To combine the motive of improving the situation for the poor with a Swedish self-interest was suggested by the report of the Parliamentary Commission which formed the basis for the Government Bill 2003. This was however not accepted by the Government at the time. The transformation of the eight components of the Government Bill 2003 in the Communication 2008 can be regarded as at least a part acceptance of the dual motive suggested by the Parliamentary Commission in its report 2001 (SOU 2001:96).

As is common in most international and national policy documents the Communication is based on the assumption that the necessary rapid economic growth needed to reduce poverty is compatible with sustainable global development. The viability of this proposition is not discussed, but implicitly it is regarded as axiomatic. If this were not the case, then the whole mainstream development paradigm would be challenged.

Neither the Government Bill of 2003 nor the Government Communication of 2008 discusses explicitly three dimensions that to my mind are important for a successful promotion of coherence for development:

1. **Strong political commitment** to coherence on the part of Governments with leadership and clearly defined policy objectives, priorities and criteria for assessing progress.
2. **Institutional co-ordination, through an adequate institutional architecture, transparency and flexibility**, including rapid adaptation to a changing environment, early warning of incoherence, mechanisms for dialogue and
resolving disputes and an administrative culture that promotes inter-sector co-
operation and systematic dialogue among different political communities.

3. *Adequate analytical capacity and effective systems for generating, transmitting
and processing relevant information.* It is difficult to achieve coherence
without thorough analysis of the options and resources, human and financial,
involved in achieving the Government’s overall objectives.

The implementation of the PGD requires capacity, analysis capability and efficient and
effective use of existing decision-making management and international advocacy systems,
particularly within the EU. From the start there has been a discrepancy between the high
ambitions of the PGD policy and the capacity to implement it, which the Government has
provided. In 2008 the number of staff working with PGD issues in the administration
increased, but at the same time some of the more experienced staff moved to take on other
responsibilities. A general assessment would be that the capacity is still insufficient.

**Motivations for the six global challenges to be met by the PGD**
In the case of the challenge of oppression it is possible to detect a certain amount of ambiguity
as to the direction of causality between democracy and respect for human rights on the one
hand and economic growth leading to poverty reduction or equitable and sustainable
development on the other. When defining equitable global development (page 6) it seems to
be based on the assumption that economic growth reduces poverty, which in turn is necessary
to achieve democracy and human rights. When the sequencing between reduced poverty
created by growth and improved democracy and respect for human rights is dealt with in the
context of the challenge of oppression, the causality seems to be the other way around, from
respect of democracy and human rights to reduction of poverty (page 13).

Regarding the challenge of economic exclusion it is possible to find an ideological fundament
in the Communication – the assumption that the international market and private enterprise
are the key issues, leading to a strong belief in free trade as the solution, as opposed to for
instance Dani Rodrik’s thesis that macro economic fundamentals and solid institutions are
more important. A second presumption is that all economic growth reduces poverty, which is
a return to the trickle down assumption from the 1960s.

Conflict and fragile situations constitute a potential threat also for Sweden – this was not as
explicitly expressed in the Government Bill of 2003, although the roots of this thinking can be traced back almost 50 years to the first Government Bill of Development Cooperation
(1962:100).

The challenge of climate change and environmental impact is also a threat to the people living
in Sweden. Together with the other industrialised countries Sweden contributes more per capita to the climate changes than poorer countries. This is an issue of moral hazard. The
Communication does not discuss measures to reduce the Swedish carbon dioxide emissions,
etc. It focuses on how Sweden may assist the countries in the South to adjust and convince
them that they should not follow our developmental steps.

Also the challenge of infectious diseases is global and there is a risk that it will affect the
Swedish population. Therefore it is important to control it already when the diseases are as far
from us as possible.
The text does not contain any discussion on migration as a perceived threat against Sweden. One of the three measures suggested in this context relates to support to the returning of migrants and harmonised migrant policy within EU. This will probably further restrict the Swedish asylum and migration policy towards those who are not welcomed as part of the labour force in Sweden.

**Coherence implementation**

The call for stronger coherence between the different policy areas and the PGD as the central orientation guidance to achieve it is not new. Management by results, monitoring and evaluations were already part of the Government Bill. The efforts on the international level are already described in the PGD (Government Bill 2002/03:122, p. 78). The preceding policies committed themselves to work for stronger coherence, but they did not provide targets on the implementation level.

However the implementation objectives are new, or at least more clearly defined. They are positioned under four different headings (Government Com. 2007/08:89, p.53ff.): (1) Management, organization and follow up; (2) Knowledge and analysis in the Government Offices; (3) Cooperation with Swedish actors; (4) The EU work on policy coherence.

**Some challenges for coherence**

Depending on one’s own set of values, and in the absence of a common view on the hierarchy of objectives, the priority between various coherence areas may differ.

The far-reaching goals of the PGD are difficult to reach, and the PGD policy is therefore seen more as a political vision. The intentions of the Swedish Government provide, if implemented accurately, a comprehensive framework to enhance coherence between the different policy areas. But there are still challenges left.

It is for instance important to consider how difficult it is to solve conflicts of objectives. Some degree of incoherence will always exist. The Government may be formally committed to strengthen coherence but it will face a strong challenge when the result based management system, the manual for assessing impacts and also the policy implementation targets are introduced. Then the different ministries and agencies have to show, how strong their commitment and especially their ability to work for more coherence are in reality and also if they really see the sustainable development really as a shared responsibility. Some examples are listed below:

- The export of arms is an area in which traditionally there are strong contradictions between various policy interests and Sweden is no exception. This issue is however not mentioned, neither in the Government Bill of 2003 nor in the Communication of 2008.

- Another area is when striking the balance between the Paris Agenda principle on the importance of ownership, which is strongly supported by the Swedish Government, and the economic policy conditions argued by the World Bank and the IMF, which the Swedish Government also supports. While the IFIs are becoming more flexible and are also aware of the importance of ownership, this contradiction still exists. Sweden
has to strengthen its analytical competence to be able to take an independent position on such issues.

• A very recent trend that may weaken the Paris Agenda principles and strengthen a supply-driven Swedish development cooperation is the change of the system, in which other Swedish public sector authorities are agents and parts of the development cooperation. Until recently this took the shape of Sida commissioning the authorities to carry out programmes or projects involved in the agreed cooperation programme between the Swedish and the partner country Governments. The new trend is to provide the various Swedish authorities with a financial frame for the next budget year. Sida then becomes an authority responsible for transferring that amount of money to the other authorities, and assessing that the projects and programmes are consistent with the aims and goals of the Swedish development cooperation policy. This is in one way similar to the system long used by the so-called framework civil society organisations, but those have to get their budgets and action plans accepted by Sida in advance and Sida decides on the distribution between the organisations. In the case of public sector authorities, the Government decides the financial frames for each of the authorities, before they have presented an action plan and a budget for their planned programmes and projects. This also erodes the focus process as the authorities will not be bound by the country strategies. While the emerging joint assistance strategies aim at reducing the transaction costs, in particular for the partner country, this new trend may instead increase those costs.

• A similar effect may be the result of another trend, namely to earmark a specific amount of money for identified purposes. Examples are the three billion SEK for efforts to reduce climate change, 100 million SEK in the field of trade policy and 300 million SEK directed to activities against HIV/AIDS. This exacerbates the effects of the various global initiatives to which Sweden also provides aid money. An increasing critique has been raised by researchers, partner country Governments and civil society organisations against the incommensurability between these instruments and the principles on harmonisation, alignment and recipient ownership enshrined in the Paris Declaration.

• Domestic national interests behind for instance trade policy, finance policy, agriculture policy and defence policy may be politically stronger than those responsible for development policy. As a result, the development aid budget may increasingly be used to fund activities that are mainly motivated by other interests. This reversed use of the coherence concept is not intended in the PGD, but at the operational level it is important to find measures to avoid such misuse.

• Coherence may not always imply that the development perspective is permeating Sweden’s trade policy, agricultural policy, industrial policy, energy policy, etc. towards countries in the South. But a minimum requirement for a consistent implementation of a coherence policy should always be that the arguments on which the decided balance between conflicting interests are made public and transparent to all interested.

• It is plausible that on issues such as climate, chemicals, and trade liberation the national Swedish position would be more consistent with the development perspective than the joint EU position. It is inevitable that the outcome of regional and
international negotiations, including areas relevant for a just and sustainable global development, is strongly influenced by the strongest actors. This is valid at the regional as well as the global level.

• Within the trade policy, another interesting example is poor countries’ interest to protect weak domestic manufacture production compared to the EU conditions within the EPA that import protection should be eliminated. If various schools of economic theory have different opinions on the effect of free trade, how should such a case be treated?

• Internationally decided and respected regulations regarding the flow of short-term capital is an important Global Public Good. The ongoing global economic crisis, triggered by the crisis in the international financial system, shows the need for significantly improved rules and regulations as well as international monitoring at a global level, as it is obvious this cannot be handled at the national level.

• A final issue is the environmental effects of “the western life style” in Sweden and globally. This is complicated, as the concept may cover almost everything. The negative environmental effects may be restricted in specific areas, where the effects are extra evident or spectacular. Should this be part of the PGD?

The coherence analysis also becomes more complex when no common view is established for what is the most advantageous policy from the perspective of an equitable and sustainable global development. One such area is the balance between trade liberalisation and protection of weak domestic industries in poor countries. Here, leading economists do not agree on the sequencing. One school is arguing that foreign trade should be totally liberalised, while others argue that to get the macroeconomic fundamentals in place in the country is more important and will in turn generate foreign trade. According to this school the main efforts should therefore be in the field of macroeconomic fundamentals, rather than on trade liberalisation. (See for instance Rodrik 1998 and 1999.)

In recent years the PGD process has widened and the interest from other policy areas, represented by various line ministries, to be part of the budget process for development cooperation has increased. Ideally, well functioning coherence does not only imply that the policy areas are in agreement, but also that they complement each other and contribute to competence improvement within two or more ministries. The first step in this direction is significant enhancement of the understanding of the concept by ministries other than the Ministry of Foreign Affairs and including the trade and migration parts of that Ministry. Although there are signs of improvements, this is still a big challenge for the implementation.

It can be noted that at council of ministers level at the EU, it has recently become more common that for instance ministers responsible for development cooperation are participating in joint councils with ministers of environment or ministers of defence to discuss EU policy towards the developing world in those fields.

The main challenge of the Policy for Global Development is to implement a policy in a non-ideal situation, where the conflicts between different objectives have not been fully defined. This makes it difficult to trace to what extent development concerns have been part of the basis for a specific decision and how that has influenced the outcome. This would require a
clear hierarchy of objectives, something that is rare in real politics. It would also require a willingness to open all such considerations to the public.

PGD impact on development cooperation policy

The Swedish PGD policy has been in force for about five years. It has created a strong interest internationally, in particular among like-minded aid agencies, and as a concept been lauded by for instance OECD/DAC. During an initial period the Government ministries and authorities tried to understand and adapt themselves to the PGD thinking and implementation processes gradually emerged. The coalition Government in power since 2006 has started a transformation process, which is making some of the PGD features more clear and transparent. Some of the implications of the reforms for the Swedish development cooperation policy are gradually emerging. They are still at an early stage but could be summarised as follows:

• A positive aspect of the increased sensitivity for the importance of coherence is the emerging of what can be called “two way coherence”. A main objective of the coherence policy is to avoid that policies in different policy areas contradict each other. But on top of that the implementation of coherence may also create complementarities and contribute to mutual competence development in both policy areas.

• The coherence element of the PGD has made the Swedish development cooperation more supply oriented, due to the increased influence by a wider range of Swedish actors from several policy areas, both at the policy and strategy producing stage and at the implementation stage. This trend has been further strengthened by the recent Government decisions to earmark specific amounts of aid money for specific issues.

• The coherence discussion has almost entirely been linked to the possibility to use the aid budget to fund activities within the responsibility area of other ministries or authorities. The issue of development perspectives influencing activities belonging to the normal international cooperation of these ministries or authorities has been less evident, so far.

• The overarching goal for the development cooperation expressed as “to contribute to an environment supportive of poor people’s own efforts to improve their quality of life” in the Government Bill 2002/03:122 has been rephrased into “The fight against poverty in its various forms not only remains the overriding goal of Swedish development cooperation but is also a central point of departure for the Government’s overall development policy” in the Government Communication 2007/08:89 (p.6).

• The PGD policy has contributed to the gradual shift of balance between the objectives that has taken place since 2006 within development cooperation. Focus on the objective to improve and strengthen human rights - in particular political and individual ones – and democracy has strengthened, while focus has weakened on poverty reduction and in particular distribution issues.

• To strengthen the developmental impact of all policy areas is ideally the outcome of improved coherence, but there is also a risk of creating a situation for the partner country which erodes the harmonisation and alignment efforts that are taking place in the spirit of the Paris Declaration are taking place, when more actors are involved on the donor side, and in particular if all of them are provided with separate earmarked funding for their own area. Present trends in the implementation of the PGD indicate that this is happening.
References


