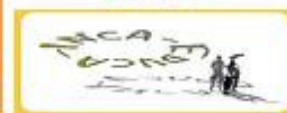


Development Aid Organizations...



...Autonomous organizations or extensions of the government?

Master Thesis Human Geography
Specialization: Globalization, Migration and Development

Development Aid Organizations...

...Autonomous organizations or extensions of the government?

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Preface

Development aid and the situation of other – less fortunate – people in this world have always had my special attention. Therefore it was no surprise that I chose to study Human Geography a few years ago. Although my bachelor thesis was not about development aid, but about the identity of a football club, my master thesis discussed the topic of development aid. And it did this in relation to another phenomenon which attracted my attention, globalization.

At the moment I am typing these words the Dutch general elections are being held. At first sight this seems to have little to do with the subject of my thesis. But I can say that this subject – the influence of the global-local paradox on national development policy, and the consequences for development aid organizations – has been a hot topic in the Dutch politics. It started with Koenders' announcement that the allowances for development aid organizations will be divided in a new way. One could even say that the previous administration has collapsed as a result of a conflict on development cooperation, the mission to Afghanistan. And development aid – or in some cases the discard of its budget – has also been an important issue in the campaigns of the political parties for this elections. Therefore I think that my subject has been relevant and up to date, even though it took me more than a year to finish this thesis.

But now that I have finally finished my thesis, it is time to thank some people for their support. Not only in the past year, but also in the preceding four years. First I would like to thank my supervisor for this master thesis, Dr. Lothar Smith. At the start of my thesis I had only a very vague idea of what I wanted. But he managed to come up with a topic which I found interesting and which inspired me. I would also like to thank him for his constructive and useful comments and recommendations. Besides I would like to thank COS Gelderland, and Moniek Kamm in particular, for giving me the opportunity to do my internship at this organization. With thanking Moniek Kamm, I would also like to thank the other people who were willing to let me interview them, being Anne Legeland, Ted van Hees and Iris Smalbrugge.

People who I would like to thank for their support over a longer period are my parents. They have given me the opportunity and space to have a pleasant study period in Nijmegen. And they have always supported me, even in times of worse results like my Master period...

Finally I would like to thank all other people who have had a contribution in making my study period into a success! And I hope you all enjoy reading this thesis.

Tom Loozen, June 2010

Table of Contents

	Preface	I
	Table of Contents	II
	List of Abbreviations	IV
	List of Figures	V
1	Introduction	p. 1
1.1	Linking national policy to NGO policy	p. 2
1.1.1	- Societal relevance	p. 2
1.1.2	- Scientific relevance	p. 4
1.2	Delimitation	p. 6
1.3	Aim/Central goal	p. 7
1.3.1	- Stage 1: How to place the problem about development policy in the light of globalization, and the global-local paradox?	p. 8
1.3.2	- Stage 2: How does the governmental policy influence the DAOs policy?	p. 9
1.4	Research model	p. 11
1.5	Structure	p. 12
2	The theoretical framework	p. 13
2.1	Why the global-local paradox?	p. 14
2.2	Friedman's theory	p. 16
2.2.2	- Globalization	p. 16
	• Globalization 1.0 and 2.0	p. 16
	• Globalization 3.0	p. 18
2.2.2	- Localization	p. 21
2.2.3	- The global-local paradox	p. 25
2.3	Summary	p. 29
3	Methods	p. 30
3.1	Research model	p. 30
3.2	Research strategy	p. 31
3.3	Research material	p. 33

4	Explaining the national policy with the global-local paradox	p. 36
4.1	1998-2002, Eveline Herfkens	p. 37
4.2	2003-2007, Agnes van Ardenne	p. 40
4.3	2007-2010, Bert Koenders	p. 43
4.4	The common thread	p. 48
4.5	The global and local influences on national policy	p. 52
4.5.1	- Globalization and the national policy	p. 52
4.5.2	- Using development cooperation for own purposes in globalizing times	p. 55
4.5.3	- Localization and the national policy	p. 56
4.5.4	- The global-local paradox and the national policy	p. 57
4.6	Summary	p. 61
5	The consequences for the Development Aid Organizations	p. 63
5.1	Centre for International Cooperation (COS)	p. 64
5.2	Friends Indeed	p. 68
5.3	The influence of changing governmental policy for DAOs in general	p. 71
5.4	Autonomy	p. 74
5.5	Blind spots	p. 76
5.5.1	- Geographical blind spots	p. 76
5.5.2	- Thematic blind spots	p. 79
5.6	Summary	p. 80
6	Conclusions and discussion	p. 82
6.1	How can the global-local paradox explain the changing national policy in the field of development aid in recent years?	p. 82
6.2	(How) does the changing policy influence the situation of DAOs?	p. 84
6.3	Policy recommendations	p. 87
6.4	Discussion and further research	p. 88
	References	p. 90
	Appendix 1	p. 96

List of Abbreviations

CDA	Christian Democratic Appeal	Christen Democratisch Appèl
COS	Centre for International Cooperation	Centrum voor Internationale Samenwerking
CSO	Civil Society Organization	Maatschappelijke Organisatie
D66	Democrats 66	Democraten 66
DAC	Development Assistance Committee	Ontwikkeling Ondersteunende Commissie
DAO	Development Aid Organization	Ontwikkelingshulporganisatie
EU	European Union	Europese Unie
EURODAD		
	European Network on Debt & Development	Europees Netwerk van Schuld & Ontwikkeling
G20	Group of Twenty	Groep van Twintig
GL	GreenLeft	GroenLinks
GNP	Gross National Product	Bruto Nationaal Product
IMF	International Monetary Fund	Internationaal Monetair Fonds
IOB	Visitation Development Cooperation and Policy evaluation	Inspectie Ontwikkelingssamenwerking en Beleidsevaluatie
KPA	Small-scaled Local Activities	Kleinschalige Plaatselijke Activiteiten
MDG	Millennium Development Goals	Millenniumdoelstellingen
MFO	Co-financing Organizations	Medefinancieringsorganisaties
MFP	Co-financing Program	Medefinancieringsprogramma
MFS	Co-financing System	Medefinancieringsstelsel
MVO	Corporate social responsibility	Maatschappelijk Verantwoord Ondernemen
NCDO	National Committee for International Cooperation and Sustainable Development	Nationale Commissie voor Internationale Samenwerking en Duurzame Ontwikkeling
NGO	Non Governmental Organizations	Niet Gouvernementeale Organisaties
ODA	Official Development Assistance	Officiële ontwikkelingshulp
OECD	Organization for Economic Co-operation and Development	Organisatie voor Economische Samenwerking en Ontwikkeling
PI	Privately-owned Initiative	Particulier Initiatief
PvdA	Dutch Labour Party	Partij van de Arbeid
PVV	Party for Freedom	Partij voor de Vrijheid
SALIN	Strategic Alliances with International Non Governmental Organizations	Strategische Allianties met Internationale Niet Gouvernementeale Organisaties
SP	Socialist Party	Socialistische Partij
TMF	Theme-based Co-financing	Thematische Medefinanciering
TON	Proud on The Netherlands	Trots Op Nederland
VROM	Ministry of Housing, Spatial Planning and the Environment	Ministerie van Volkshuisvesting, Ruimtelijke Ordening en Milieubeheer
VVD	People's Party for Freedom and Democracy	Volkspartij voor Vrijheid en Democratie
WRR	Scientific Council for Government Policy	Wetenschappelijke Raad voor Regeringsbeleid

List of Figures

Figure 1	The influence of globalization and localization on national policy, extended	p. 9
Figure 2	The influence of national policy on DAO's policy	p. 10
Figure 3	The research model	p. 11
Figure 4	The influence of globalization and localization on national policy	p. 14
Figure 5	The influence of globalization and localization on national policy, extended	p. 15
Figure 6	The three convergences	p. 19
Figure 7	Localization	p. 23
Figure 8	The research model, extended	p. 31
Figure 9	Van Ardenne's partner countries	p. 40
Figure 10	Koenders' partner countries	p. 44
Figure 11	Map of Koenders' partner countries	p. 44
Figure 12	The scheme of allowances between 2002 and 2010	p. 50
Figure 13	Map of Euregions	p. 57
Figure 14	Wilders' localization	p. 58
Figure 15	The Dutch political spectrum	p. 58
Figure 16	COS' budget for 2001	p. 65
Figure 17	COS' budget for 2005-2009	p. 65
Figure 18	Rostow's take off model	p. 71
Figure 19	MFO's financial dependency	p. 72
Figure 20	Financial dependency of Belgian NGOs	p. 72
Figure 21	Koch's model, extended	p. 77
Figure 22	The year of establishment of PIs	p. 83

CHAPTER 1: **Introduction**

Changes in accordance with policy in The Netherlands are an object. Dutch societal organizations – in particular those organizations who received financing of the government – are being explicitly claimed to account for their actions in past decades. Many organizations liked to do so in order to prove their legitimacy. This emphasis on presenting outcomes, monitoring and (self)evaluation also has some detrimental effects: NGO's are becoming more bureaucratic instead of more professional. For professionalization means that there is enough room for manoeuvre to indent on dynamics in a country itself, to experiment, to be part of a learning system and to render an account about the main lines of the intervention, not about the details of it. (WRR, 2010, p. 265)

This bureaucratization is not the only difficulty for Non Governmental Organizations (NGOs). Other obstacles are changing accents in the field of themes and countries, changing power relations between the state and themselves and changing power relations between the global North and the global South. Many of these changes have to do with globalization, which means that we can expect even more rapid changes. This leads to the question to what extent NGOs are being influenced by changing governmental development policy, caused by globalization and its side effects. This question is the subject of this research.

The research question will be answered throughout the research. But in order to understand the problems and their possible solutions it is important to gather enough knowledge about the subject. Therefore this research has been composed of a couple of chapters to introduce you to the subject. The exact structure of the research will be explained further on in this chapter, but especially this chapter is intended to set the scene of the research. This chapter should make you aware of the importance and relevance of a research on the impact of globalization and localization on governmental policy, and the consequences of this policy for development aid organizations.

In order to achieve this goal we will discuss a couple of topics in this chapter. The next section will demonstrate to you the relevance of the subject for the society as well as for the science. It will also make clear that the relation between globalization, localization and development aid is a hot topic nowadays. After this the field of activity will be made smaller again in the second section. The subject will be delimited in order to achieve reliable and useful results in this research. This delimitation is important since there will not be enough time to discuss all aspects of the subject extensively. The third section will present the actual central goal, it will also briefly explain how this goal has to be reached. One will see that the central goal is to answer a research question which is composed out of two parts, called stages in this research. Some sub questions have also been formulated in this section. Section four will present to you the research model. This model captures the goal and structure of this research in one picture. It

may become clear in which sequence the various parts of the subject will be discussed. The final section of this chapter will clarify this with words. Section five will be for this research, what this introduction has been for chapter 1. It makes you clear what will be discussed in the various chapters and how this will lead to the central goal.

1.1: Linking national policy to NGO policy

Why should one conduct a research about development aid and the realization of such a budget? It seems like a pretty relevant topic. Especially because of the current financial crisis which forces us all to cut down on our expenses, to be sure the government. In this light there could not be a better moment to research this field. Moreover there are other reasons why this topic is relevant. If one goes into the topic a little more, we can see that there are many changes of power. That comes down to changes of the post of minister of development cooperation. This is a development which does not benefit the continuity of development aid. And it is would also be interesting to see whether this – possible – dependency is a good thing for development aid. But it also seems like a tough topic to get through. It is not that obvious that development aid organizations (as from now: DAOs) and the government are willing to reveal their lines of thought. But that makes it even more interesting, more of a challenge and – apparently – more necessary to conduct a research about the topic.

1.1.1: Societal relevance

On 14 April 2009 a new chapter was opened in the discussion about development aid (Ministry of Foreign Affairs, 2009a, p. 15). This time the focus was on the policy change suggested by the Dutch minister of development cooperation who wanted to concentrate the national allowance on 30 DAOs instead of the current 73. At this moment a selection has been made, and only 20 alliances are still in the race for allowance (Ministry of Foreign Affairs, 2009b). This adds up to the problem that every new minister has a new vision. And this results in changing policy and the known consequences, it may even erode the work of DAOs and development aid as a whole because it affects the consistency. In 2008, the Dutch minister of development cooperation Bert Koenders declared a new change in the national policy, and also in the coming years there are going to be some changes that will affect development aid organizations. At the moment that this research is being conducted Koenders is even no longer the minister of development cooperation. Even so much so that he is not eligible for re-election in June (Trouw, 2010). This results in a changing national policy in the field of themes and countries they focus on. Development Aid Organizations (DAOs) will still try to help those people in third world countries, and they will still need money to be able to do this. Parts of this money come from collections, sales and private donations. But a major part of the money is gathered from governmental institutes. Each organization that wants to get a part of the available 500 million Euros has to raise 25% of income from other sources. For example, an organization that wants to execute a project and needs 40 million Euros to be able to do this has to raise 10 million Euros in the private sector to be considered for governmental support for the remaining 30 million Euros. All of those political changes make it harder and harder for DAOs to maintain allowances from the national government which is not desirable for the continuity of DAOs and their projects.

This research will not handle the investments of the private sector because the link between the global-local paradox and governmental policy is at the core of this research. Therefore it will rather focus on the division of governmental allowances. As we saw before, in times of financial crises this is one of the expenses the government wants to cut down on, which has consequences for the policy of DAOs. Another factor that influences DAO's policy is the fact that every new minister in The Netherlands has its own preferences which trepan in the policy and the division of allowances. It results in a changing policy almost every 4 years. PLAN Nederland is an organization which has experienced this in a painful way. Until 2006 it was part of the 'Medefinancieringsprogramma', and it got a significant amount of money from the national government. But since the plans of the new Minister were implemented in 2007, there was a new system for getting allowances. And the application of PLAN Nederland (for 144 million Euros) was being rejected. As a result they lost 40% of their incomes. They now only get a 'cutting back allowance' till the end of MFS I in 2010 (Plan Nederland, 2009).

A second problem is the current financial crisis. The choice to cut down on our expenses will most likely result in a smaller budget for development aid. We can see this discussion in The Netherlands (Van Zwieten, 2009; Boekestijn, 2009), but also in other countries this will be the case. And because this crisis is a consequence of globalization, it will be relevant to conduct a research about this topic; the development aid budget and the influence of globalization on this. 'Government considers to cut 1,25 billion Euros on development aid budget', this was the heading of an article in several papers on March 14th (NU, 2009). Slogans like this one are becoming more and more common in our daily newspapers. Namely because it is a consequence of the current financial crisis. Governments have to cut down at their expenses and development aid is one of the themes that are candidate for this. Moreover, development aid in the most European countries is connected to the gross national product, and that is decreasing in these times of crisis. Overall we can see and expect a decrease in resources available for development aid. It may be obvious that this brings problems with it, because these resources are required to reduce poverty in the world, but also other development issues like diseases, inequality, education and sustainability. If we know that more than a billion of people are living in extreme poverty, and another 1,7 billion are living in 'normal' poverty, one can understand that development aid is of major importance (NRC, 2007). But also to improve the conditions in the field of health and education there is a need for development aid.

The problem that originates is that all 'first world'-countries are doing everything to reduce the impact of the financial crisis on their own economy, but in doing this they refuse to take the interests of the 'third world'-countries into account. Lesley-Anne Knight, Secretary General of Caritas International, said in a speech that the crisis even has a much bigger impact on those countries than on first world countries. Third world countries are dependent on support from other countries and this source of income is reduced by the crisis. Moreover a loss of purchasing power is felt harder by people with little purchasing power already than by relatively 'wealthy' people. The Dutch government spends over 4 billion Euros each year on development aid. And it makes around 500 million Euros per year available for Dutch development aid organizations (Ministry of Foreign Affairs, 2009a, p. 20). One can imagine the impact of a decrease in these figures. Moreover the Dutch Minister of Development Cooperation, Bert

Koenders, has announced to subsidize a maximum of 30 organizations or partnerships in the future instead of the current 73.

Those two preceding problems lead to some disturbing consequences. DAOs can hardly exist without the contributions of authorities. Therefore we can say that they are partly dependent of these authorities. And exactly this financial dependence is dangerous for the autonomy of DAOs! This dependence of DAOs on governmental authorities is important because it can result in thematic dependence. For example, the Dutch government has made the Millennium Development Goals (MDGs) an important spearhead of their policy (Ministry of Foreign Affairs, 2007). Now that DAOs know this, they will fit their goals into other themes. ICCO is an organization that aims at 'a world without poverty and injustice'. But in the scope of the MDGs it has made this broad and general aim fit in the various MDGs (ICCO, 2009a).

But there are always aims and goals that do not fit into one of the MDGs, and those goals will disappear. This results in gaps in development aid. The same applies for the geographical component. If the national government decides to aim at certain countries, there will be more organizations that will also focus on these countries. The Dutch government has a relation with 36 partner countries and 4 countries that are in a (post) conflict situation. These are the countries that get structural development aid. The Dutch government tries to gradually phase out some countries. So that there will not occur the same problems as they did for PLAN Nederland in the thematic component (Ministry of Foreign Affairs, 2007).

Obviously every DAO desires to get money from governmental institutions, and they can do this by aiming at certain themes or areas, which are aided more than others by the governments. If every DAO reasons this way, this will result in a gap in covering all aspects of development aid. Some themes will be overemphasized, while others will be paid less attention to. This will have major consequences for the disregarded themes and areas – and more important – for the people concerned.

This subsection has revealed two interconnected problems – being the financial crisis and changing national policy as a result of new ministers – which can result in two disturbing consequences – being dependency and as a result blind spots on the geographical and thematic map. This project seeks to contribute to 'solving' the problem by demonstrating which problems the changing policy brings with it. In this case the solution will benefit the people who need development aid – generally spoken – the people living in the Third World. I will try to demonstrate this and hope that this will have any kind of effect on the ever changing policy. It may be obvious that those who are hopefully going to benefit from this research should be the DAOs. And as a consequence of this, I hope they will be more able to help their target population in the Third World.

1.1.2: Scientific relevance

The fact that a WRR-report on development aid has been published just last January shows some of the importance which development aid still has in these globalizing times.

There is much research on the outcome of development aid. About whether it would help or delay development in developing countries. But as far as I know there is no research in the field

of changing national policy and its influence on DAOs and their projects. At my internship-organization – COS Gelderland – there are several related researches. But they are aimed at finding new opportunities for allowance instead of pointing at the (negative) consequences of changing government policy.

The scientific relevance of this research can be found in the global-local paradox. Famous scholars like Thomas Friedman and Roland Robertson (1992) have elaborated on this theme. Especially Friedman will be known for his contributions like *The world is flat* (2006) and *The Lexus and the olive tree* (1999). In these books he talks about the desire for local/national identity and traditions in times of globalizing flows and processes. These books also caused reactions of scholars who did not (fully) agree with him. Amongst them are Joseph Stiglitz (2006) and Pankaj Ghemawat. In talking about the 'global-local paradox', one could also think of 'national' instead of 'local'. While the world is clearly globalizing there are more and more signs of nationalising. A consequence of globalization is a greater mobility for people all over the world. Some people think that our national identity is at stake and create a kind of hostile attitude towards foreigners. We see this for example with the growing popularity of politicians like Wilders in The Netherlands, Haider in Austria some years ago, Dewinter in Belgium and the latest example is the ban on building new minarets in Switzerland (De Morgen, 2009). Indeed Wilders is one of the people advocating to use development money for our national purposes instead of using it to help people in the Third World. In the next example, about the financial crisis, we can see an identical global-local paradox. But this time it is not about identity, but about money and prosperity.

With the current global financial crisis, every organization, person and even country has to cut down at its expenses. In The Netherlands, and I am sure it is not the only country, there were voices of cutting down on the budget of our Ministry of foreign affairs. The decrease of the GNP results in a lower budget for development aid as this is fixed at 0,8% of the GNP. On top of this there are intentions of one-time cuts on development aid. The philosophy behind these thoughts is that our budgetary deficit would decrease or even disappear (NU, 2009). It is doubtful whether this approach makes sense because the problems in the developing countries would only increase. And those people are way more vulnerable for a loss of income than we are!

But the bigger structure that can be seen is that they think we can decouple us from a global flow in this field, without this influencing other global flows we are involved in. This is impossible, all those global flows are interlinked. We can distinguish many global flows, some being more important or more visible than others. Some of these well known flows are financial/money, people, food, information and diseases. And one will always feel the effects of cutting off a global flow. When we stop the financial flow from our side this will have effects in many of the other flows, flows that affect us too. For example, look at what happens to the flow of people. When 'we' decide to stop providing development aid, the people in the developing world will get poorer. And a simple mechanism tells us that those people will get more push- and pull factors and less keep- and repel factors. In consequence there will be more potential migrants, and despite our restrictive border policy, more of them will enter 'the West' in a legal or illegal way. And whether this is desirable can also be questioned, not only because this costs money too.

But also the flow of food can be disturbed. The food flow from poor countries to 'the West' can disappear because of a lack of money to start and/or maintain their small farms or businesses. But without money they are also unable to buy food from 'the West' that we are used to 'dump' in poor countries. And if we decide to stop development aid to poor countries, this could erode the public health service, leading to more diseases. Diseases could not only affect other flows but could also spread to 'the West'. These loops are made complete by saying that the prevention of diseases in 'the West', or growing our own food cost money too. In this perspective we could say it is a form of self-interest to hold on to our development aid.

Friedman talks about these 'dimensions' in one of his books (1999). These dimensions will be discussed more elaborately in chapters 2 and 4. It is also interesting to see that there are people who advocate turning off the global flow of development aid. They believe that it is for the best, especially for the developing countries. That is that cutting down on one flow would be beneficial for other flows. One of those people is Dambisa Moyo, she advocates discarding our aid to Africa. Instead these developing countries should write out government bonds and aim more at trading. This would improve the political situation because it prevents corruption. If those developing countries would succeed in building their own economy this would result in improvements in other flows like less diseases and more information and trade (Moyo, 2009). We will come back on Moyo further on in this research.

1.2: Delimitation

As this is a rather extensive topic it is necessary to delimit it, in order to make this research achievable within the available time span. That's why I have had to make some choices between possible sub-themes, but also about the amount of cases. In this section there will be an explanation why some – possibly relevant – themes are not involved in the research.

A first important choice to make was about the scale of the research. Which policies should be examined? Besides the Dutch government policy, it would also be interesting to see how other countries handle the same developments. And it could also be interesting to look at the link between the Dutch policy and the policy at a smaller and/or larger scale. One could think about provincial policy, but above all about EU-policy. Especially since there are complaints about the EU- and national development policy growing apart. Since there are many DAOs which try to receive allowances from both authorities, the growing apart of both policies has a negative influence on the continuity of development aid. This makes it even harder for them to maintain these allowances. But as been told before, this would take too much time to examine. Therefore I have chosen to drop the EU-policy and focus on the national policy. Also because the global-local theory can still be applied then. But it would be recommendable to do further research on the EU-topic!

The second choice was about the time span which would be examined. The time span is based on governing periods of the Dutch government. We are governed by a coalition under the Christian Democrat Balkenende since 2002, the administration before him was being led by Kok, a member of the Labour Party. Together this makes a period of 11 or 12 years and the transition from the Kok administration to the Balkenende administration could be an interesting

part of the research, when looking at the continuity of policy. In this period we have had three ministers/state secretaries of development cooperation; Herfkens, van Ardenne and Koenders.

How many and more profoundly which DAOs I would examine was the last important choice. For the sake of time it became clear that it would be best to do a sort of comparative case study between two differing DAO. Therefore I found two criteria whereby DAOs can be distinguished for this research. DAOs could have financial support from the government – allowances – or not, and DAOs could aim their support at geographical regions or at thematic subjects. I could only use DAOs which did get allowances from the government. That is why I chose one thematic DAO with governmental financial support and one geographical DAO with governmental financial support.

The choice for a thematic DAO was an easy one, because I did my internship at COS Gelderland, which is a thematic DAO. The advantage this gave is that I already knew how the organization worked and I already had contacts within the organization. The geographical DAO was harder to find, but eventually I found Friends Indeed. An organization which aims at specific villages in India, and supports them on many levels and themes. The choice for these specific organizations will be clarified more elaborately in chapter 3.

1.3: Aim/Central goal

In the preceding sections we have seen why a research on this topic would be relevant and important. We have also attended the matter of why particular aspects of the topic cannot be discussed in this research. But this section will discuss the actual goal of the research. It contains the research question, sub questions and it contains the topics which will be discussed in this research, and why they will be discussed.

The preceding developments can all be seen in the light of globalization. Many people say that the current financial crisis is caused by globalization. And the voices that are being raised about using the 'development-money' for recovery of the own economy are explained by theories about the global-local paradox (Friedman, 1999). That is why this research will start with focussing on this global-local theory and the influences of globalization on national policy.

The goal of this research is to show the effects of changes in government policy on the goals of development aid organizations, especially organizations which are largely dependent on subsidies of these governments. It is interesting to see how DAOs react to the reduction of available money. They need to have an income, and to assure this they have a couple of options, varying from total adjustment to going their own way.

- 1.) Sometimes they can slightly change their grant request so they still get their allowance and also can continue their activities and projects. Thus, they can put their projects in another category to profit from the continued allowance, like we saw by ICCO in the previous part. This is possible to a certain level, they can twist there project and aims a little bit so they fit in a category that is being subsidised. For example, building an

irrigation system can contribute to eradicating hunger, but one could also put it in the category of combating malaria and other diseases, or ensuring a sustainable environment etc. If this occurs, DAOs can continue their projects, albeit under the flag of another theme. But this is not possible for every organization and every project.

- 2.) A second possibility is that they adjust their fields of activity to make sure that they still will get subsidiary. A consequence of this is that some existing projects will stop. This can not only result in a loss of (invested) money without output, but also in people who are cut-off from their aid, with all possible effects. If the programmes concerned have not yet conducted to self-sustainability, those people can fall back to their old situation.
- 3.) A last option for DAOs is to go their own way, continue their projects and lose their allowance. Then they will have to find another source of income.

These introductory remarks lead to a research question. As you can see this question consists of two parts, a theoretical part in the first sentence and a more practical part in the second sentence.

How can the global-local paradox explain the changing national policy in the field of development aid in recent years...

...and (how) does this changing policy influence the situation of DAOs?

The second part of the research question is the actual goal, but this cannot be answered without an answer on the first part. That is why this research has been divided into two 'stages'.

In the first stage I will try to explain the changes in national development policy by means of the global-local paradox. With the answer of this first question in mind, the influence of national policy on DAO's policy will be explained in the second stage. These stages are being illustrated below.

1.3.1: Stage 1: How to place the problem about development policy in the light of globalization, and the global-local paradox?

This research will start with an explanation of our behaviour in these times. These times of globalization, leading to a global-local paradox, and these times of financial crisis, leading to more selfish behaviour. In this stage, the link with the theory and scientific part of the research will be clear. Like you can see in section 2.3 of this proposal, there is an interesting paradox between national level developments and global level developments. One could call this the theoretical framework, but I think this can also be fitted into a research question.

This paradox between global-local and selfish-unselfish behaviour can be placed in the bigger structure of globalization. Globalization leads to more local behaviour in certain areas, and the question is whether this is also the case with development aid. In chapter 4 there will be a more extended disclosure about this topic.

Sub-questions – which will be answered in chapter 4 – in this light could be:

- How is the development policy of the Dutch national government shaped?
 - 1998-2002
 - 2003-2007
 - 2007-now
- Can we see examples of globalization in development aid policy?
- Are there any ways in which development aid policy is localising/nationalising?
- Has this localising/nationalising to do with self interest?
- What are the concrete consequences for the development aid policy at a national level?

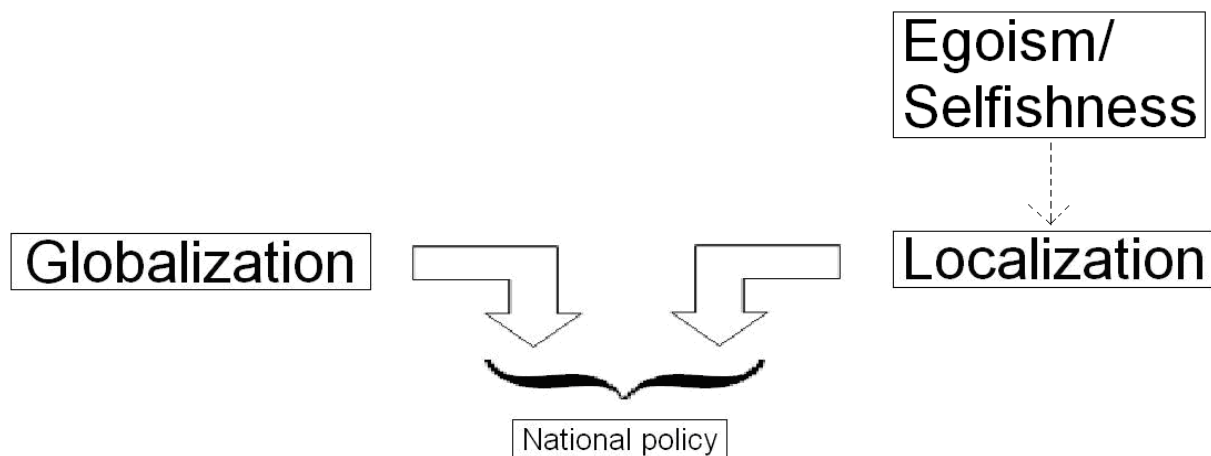


Figure 1

In a schematic way this stage looks like the figure above. After answering the preceding questions there will be a clear picture of how the governmental policy is being shaped, and for what reasons it is shaped like this. A second stage then is to look at the influence of this governmental policy on the policy of DAOs.

1.3.2: Stage 2: How does the governmental policy influence the DAOs policy?

It is important to understand that the main subjects are the DAOs, and that the governmental policy is used in order to get a notion of the DAOs. First the focus will be on DAOs and the way they use various kinds of allowances, by way of monitoring their policies and by speaking to policy makers. To be more precise on these policy makers, I am going to speak to people who are concerned with making policy for the DAOs. But I will also try to have interviews with people that are concerned with this job at the state level. In order to get a good view on the policy of DAOs there are two differing DAOs chosen. There will be a close look at one thematic DAO and one geographical DAO. This way ensures the best view on the influence of governmental policy on DAO's policy. These organizations will be 'Friends Indeed' as geographical DAO and 'COS' as thematic DAO. More about the organizations and their policy makers will be told in chapter 3.

To get a proper idea about the influence of governmental policy on DAO's policy there must be more than one moment of measurement. Therefore I will examine a particular time span. Because the national policy is the main indicator, I have chosen for a period that corresponds with a governing period. The '2nd cabinet Kok' did govern our country from 1998 till 2002, since then we are governed by the cabinets of Jan-Peter Balkenende. Kok was a member of the political party PvdA, and Balkenende is member of CDA. Therefore it is interesting to involve those periods in the research. That is why the period 1998-2009 is being taken into account. In this period there have been 3 different ministers of development cooperation, Eveline Herfkens from 1998 till 2002, Agnes van Ardenne from 2003-2007 and Bert Koenders since 2007. In the first cabinet of Balkenende, that lasted from 2002 till 2003 there was no minister but a state secretary. The goal of this stage is to monitor the consequences of changing national development policy on DAO's policy and on their projects. At last there will be a quick view at what this means for the autonomy of DAOs and what this means for development aid in general. That is, did it result in geographical or thematic blind spots?

Some (practical) research question – which will be answered in chapter 5 – will then be about:

- What does the policy of the DAOs in general look like?
 - COS
 - Friends Indeed
- Do DAOs change their 'thematic/geographical tactic' in order to get allowances from government?
 - Do the aforementioned developments affect the autonomy of DAOs?
 - Does this lead to geographical and thematic blind spots?

This stage results in the subsequent figure. The highlighted quadrangle means that the DAO's policy is the main component of this stage. The other components in this figure are tools to explore the DAO's policy.

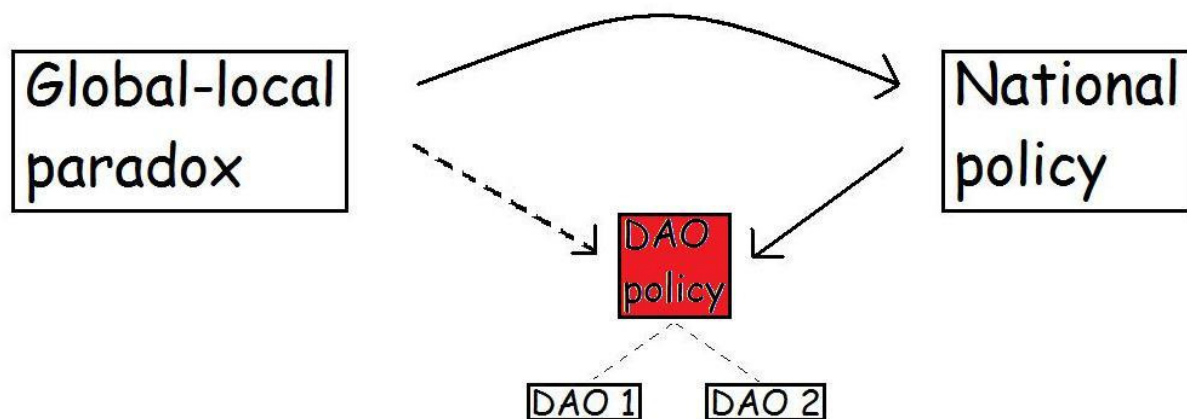


Figure 2

1.4: Research model

After all these discussions about relevance, themes, research goals, research questions and limitations it is time for some intelligibility in the form of a research model and – in the following section – the structure of the rest of this research.

Combining the afore mentioned research goals, questions and corresponding figures results in the subsequent figure. This research can be recapitulated in figure 3. The only element which is not that clear is the time-component. One has to keep in mind that I also want to look at the changes in the last 11 years, but it is hard to describe this development in one figure. This would result in the following figure, in which the used data sources are also being included. This gives you a more complete picture of the situation. A further explanation of the data sources is given in chapter 3, in which the methods will be discussed.

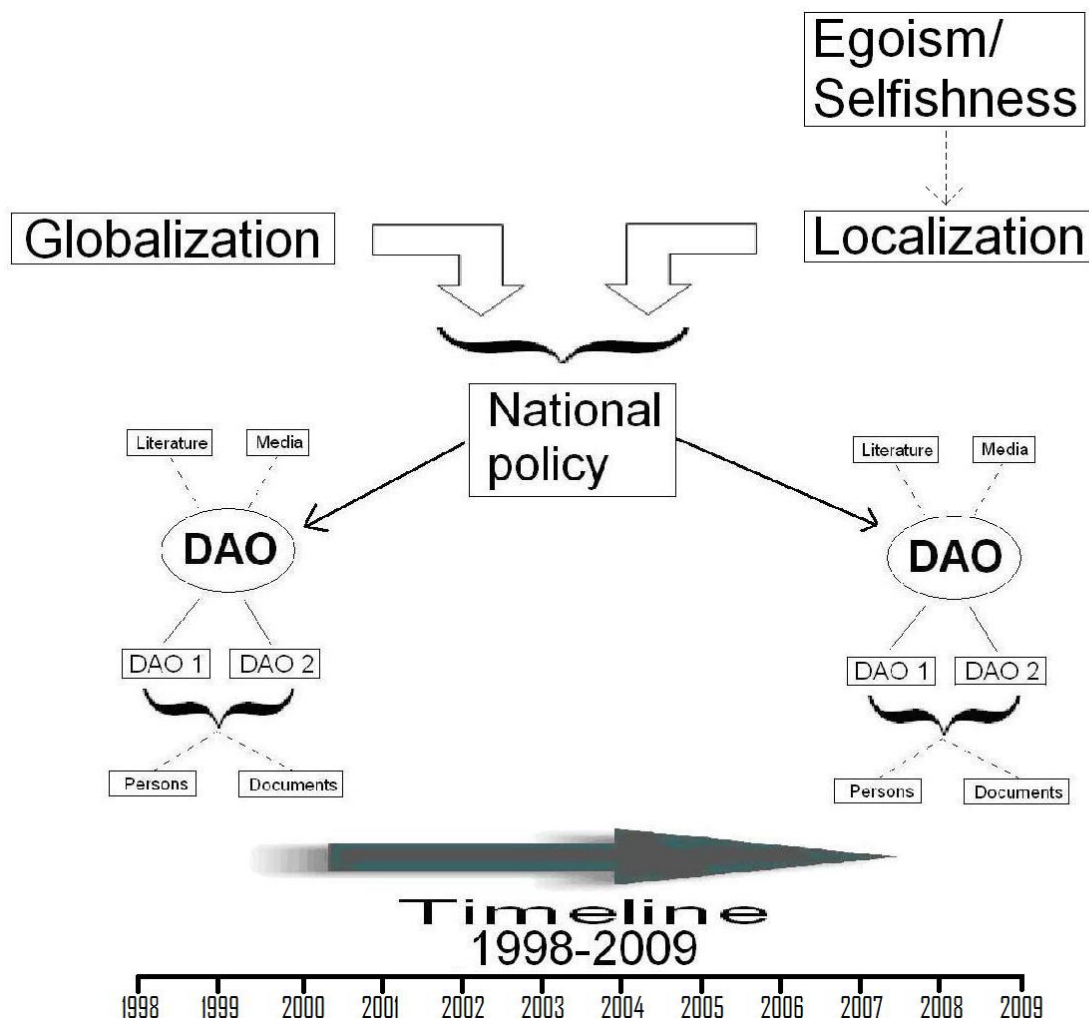


Figure 3

This figure shows a recapitulation of the preceding two sections. We can see that the first stage contains of explaining national policy by means of the global-local paradox. It is also the theoretical and scientific part of the research. The second stage is about the influence of national policy on DAO policy, leading to the answer on the actual research question: (How) does the changing national policy influence the policy of DAOs? To find out more about the DAOs there are two cases – DAO 1 and DAO 2 – which tell us how their policies have changed during the last ten years, and what has been the influence of the national policy. One can see that this second stage of the research has been drawn twice in combination with a timeline. This has to make clear the time-component of 11 years.

1.5: Structure

The next chapters will try to come up to the above created expectations. In order to achieve this I have chosen for a certain structure of the research, which will be described in this section. The **first** chapter has been about the subject, the relevance, the expectations, the goals, how these goals have to be met and about the limitations of the research. The **second** chapter consists of the theoretical framework. It will first review the subject of globalization, because it has many aspects and many varying interpretations. In order to do this, there will be a short history of how globalization originated and how it works nowadays. Then the other important concept – localization – will be discussed, after which the actual global-local paradox can be discussed. As been told before this chapter will mainly be about Friedman's theory, but also some other scholars' theories will be mentioned. The benefits and usefulness of their theories will be explained, but also the critique on their theories – especially Friedman's – will be discussed. The **third** chapter will handle about the methods which have been used. It will try to justify why particular strategies have been used, and why others have not been used. This chapter is also about the research material, that is the sources which have been used. Once again it will justify why some sources have been used while others have not been used. We can see this chapter as an explanation and justification of the way the research has been conducted. Chapter **four** is the connection between the theoretical framework and the actual practical problem. It will deal with the first stage, that is the first research question; How to place the problem about development policy in the light of globalization, and the global-local paradox? The first sections are about the policy of the three ministers, while the second part tries to find a common thread. This chapter is being concluded by discussing the relation between Friedman's global-local paradox and the national policy in the past 12 years. Chapter **five** will then be about the consequences of changing governmental policy for DAOs. It will handle about the two cases – COS and Friends Indeed – in this research, and also about the consequences for DAOs in general. Finally there will also be two sections about two other possible consequences, a loss of autonomy and the origination of geographical and/or thematic blind spots. A last chapter – chapter **six** – will be about the conclusions and discussion. The research questions will be answered in the first section. In the next section I will give some policy recommendations, and the chapter will be concluded by a section about subjects which are still open to discussion and should be researched further.

CHAPTER 2: **The theoretical framework**

In 'The Lexus and the Olive Tree' Thomas Friedman (1999) came up with an interesting observation: there has never been a war between two countries that both have a McDonald's. The idea behind this theory was that McDonald's does only settle in countries if there is sufficiently elaborate middle class, and these people "didn't like to fight wars anymore – they preferred to wait in line for burgers". It is questionable whether this premise is still applicable at this moment, but the basic idea still stands: middle classes create stability. This has major consequences for developing countries. (WRR, 2010, p. 23/24)

The aforementioned quote contains a link between a theory and development aid. It even is a theory of Thomas Friedman which has to do with globalization and the development sector. The purpose of this chapter is to find a theory which can explain the changes in the Dutch national development policy. It may be clear from chapter 1 that this theory will be the global-local paradox of Thomas Friedman. I believe that his paradox can explain a lot of the current developments in this world, especially in the development sector. The developments since the turn of the century can be explained by this theory. Notice that I said 'explain', and not 'predict' or even 'cause'! Since human geography is not an exact science it is impossible to formulate natural laws. One can only explain behaviour or developments, and I believe that Friedman succeeds in this with his theory about the global-local paradox.

The objective of this chapter is not yet to prove the link between the global-local paradox and the development policy in The Netherlands. Rather it is to analyze Friedman's theory and to discuss how globalization and localization have developed into what they are now. In order to create a complete picture of globalization and localization, the views of some other leading scholars in this debate will be discussed in this chapter. Especially in the field of localization Friedman's contribution is rather limited and therefore the views of Carens, Schuerkens and Langman will be used in order to present a complete analysis of localization. Not only globalization and localization will be made comprehensible, but also the global-local paradox. This will be done on the basis of examples from Friedman's books, but also on the basis of own examples.

The first section of this chapter will explain why a theory is important and desirable in a research. I will also justify the choice for the theory of Friedman. It will be argued why his theory is the most suitable one for this research. Section two will be subdivided into three subsections. The concepts of globalization, localization and the global-local paradox will be analyzed in these subsections. It will become clear how the concepts have evolved, what they are at this moment, and how we can see them in our present-day life. Finally the third section will wrap this chapter up by summarizing what we have been told in this chapter.

2.1: Why the global-local paradox?

The theoretical part of this research will be discussed in this chapter, but will also be linked to the empirical part in chapter 4. Here I will explain my choice about which theory is being discussed. This choice has already been made in formulating the research question. The part which is relevant for the theoretical section is the first part of the research question; *How can the global-local paradox explain the changing national policy in recent years?* It may be clear that the global-local paradox refers to a theory. And one of the most well-known scholars in this field is Thomas L. Friedman. He is especially active in discussing globalization since 10 or 15 years. This resulted in two important books for this research. The first being *The Lexus and the Olive Tree* in 1999 and the second being *The World Is Flat* in 2004. These books are about the causes, features and consequences of the process of globalization. The features and consequences are the most important concepts, because the process of globalization is almost taken for granted in this research.

Friedman sees globalization not only as a process, but more as a project that is managed by international institutions and governments, it is a new world system. And in order to survive and act in this world one should understand how the system works (Friedman, 1999). His theory seems to explain our selfish behaviour in the field of development aid. I like the theory in his books – especially in *The Lexus and the olive tree* – because it is not just an economic description but also about the ethical sides of globalization. About the consequences for poor people and developing countries. How they are being ‘forced’ to participate in the globalization process. That is why I believe that his theory could be useful for my research; it is about globalization, the consequences of it for developed as well as developing countries and its inhabitants, not only the macro-economical side but also the consequences at a smaller scale and social aspects, and finally it is also about how desirable and voluntarily globalization is for poor countries and people.

At the end the aim is to explain the current situation by means of a theory. Friedman’s ideas about globalization could be useful to obtain this goal. In the most abstract way this goal looks like the subsequent figure.

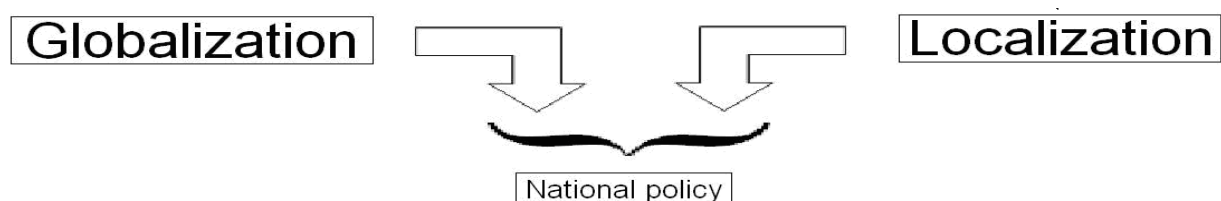


Figure 4

One can see that not only the concept of globalization is important, but also the concept of localization. Also this topic is being discussed by Friedman in his books. And maybe even more important, the relation between the two concepts is in the middle of Friedman’s works. He discusses how globalization leads to localization, and how localization reinforces globalization again. Since these are two incompatible concepts we can talk about a paradox, a paradox means that there are things which act differently than our logic would suppose them to act.

I hope that Friedman's explanation of this paradox can help to explain the changing national policy in the field of development aid, in order to understand the influence of the paradox on DAOs. It is not a systematic and law-like theory as one might expect in physics etcetera, but we have learned that these theories are almost impossible in social sciences. Rather I see his theory as a description of behaviour and systems in a globalising world, and I hope to be able to explain the behaviour and systems in development aid on this basis.

It has to be made clear that Friedman was not the first scholar who talks about this topic. Other phrases where you might have heard this global-local paradox in are "glocalization" (Robertson, 1992) and "think global, act local". Joseph Carens, among others, is one of the scholars who discusses this subject. He argues about belonging and identification with people, countries etc (2000). This is becoming especially relevant in a globalizing world in which a lot of people, and also their feelings, are on the move. That is why I have used his definition – alongside Schuerkens' and Langman's definition – to define localization in a most accurate way. In chapter 4 we will see whether they can explain our rather selfish behaviour in the field of development in times of financial crisis. The question arises whether we can expand our figure about the global-local paradox when talking about development aid.

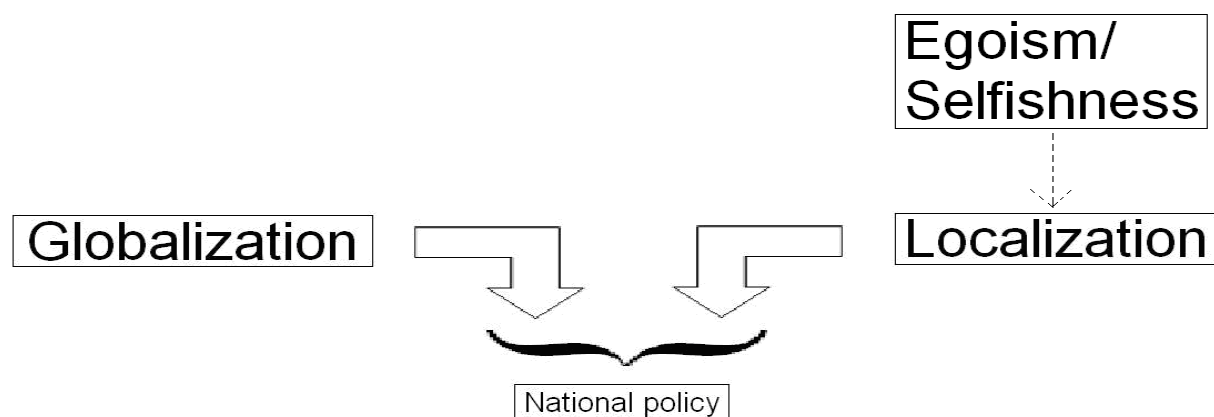


Figure 5

Hence, for the theoretical part I have focussed on what globalization is and how this can also lead to more locally aimed behaviour. In doing this I have mainly focussed on the theory of Friedman, a scholar with a pretty tangible approach about global and local flows.

This theory presumes a clear link between global and local behaviour. To be more precisely, it presumes that globalization leads to localization and vice versa. The latter being a consequence of the first. Since we can agree that the world is globalising in the last 10 to 20 years, there should also be signs of localization according to this theory. Globalization could be seen as an incentive for development cooperation. Not because it makes us more solidarair, but because it gives us a better view of the situation in other parts of the world, and simultaneously it gives people in developing countries a better view on the situation in the world, and – most importantly – it makes development cooperation easier. We can transport and share information, money, products and people in a faster and cheaper way. Localization on the other hand could be seen as an incentive for egoism or selfishness. It tends to make our behaviour

more aimed at our own interests. It is interesting to see our changing governmental policy with those two concepts in mind. Koenders wants to bring back his allowances to a maximum of 30 proposals, but is this because of globalization – wanting the DAOs to cooperate more – or because of localization – reducing development aid? Since this decrease in the number of proposals does not have an influence on the available amount of money – which becomes less because of other reasons, like a decreasing GNP – one could assume that it has to do with globalization. But these sort of questions have to be discussed. Therefore in chapter 4 I will confront this approach with the current situation in the development area. That is the debate about cutting down on development aid and using it for own (national) purposes. But first we will have to unravel and analyze Friedman's global-local paradox. This will be done by making the concepts accessible and then doing the same for the global-local paradox itself.

2.2: Friedman's theory

As the goal of this research is to explain the changing national development policy with the help of the global-local paradox, it is important to understand what the global-local paradox is. This chapter will help to understand the most important concepts of this paradox – globalization and localization – and finally the global-local paradox itself. The next chapter will explain why the theory of Friedman will be used to explain those changes in the national development policy. Since it is not the intention to romanticize the theory of Friedman, there will also be definitions of other scholars in this chapter. This will give you a more unbiased and neutral image of the concepts globalization and localization. And also some remarks and critique will be placed in Friedman's theory and argumentation. As globalization is an important concept in this whole research it will be expounded here elaborately. Firstly its history will be expounded in order that one can see the difference with times before globalization. Then the meaning and impact of globalization nowadays will be discussed. Whereupon the concept of localization – a result of globalization – will be explained by means of Friedman's theory, but also by means of other scholars like Carens, Schuerkens and Langman. The last section of this chapter will then be about the actual global-local paradox. Since this is part of Friedman's theory, his view will be leading in that section.

2.2.1: Globalization

To understand Friedman's global-local paradox one first has to understand what globalization is about. As globalization is one of the key parts of this research it has to be defined in an accurate way. Globalization is a broad concept which can be defined in many ways. Since a theory of Friedman will be discussed in this research, globalization will also be defined in the way Friedman does.

Globalization 1.0 and 2.0

Friedman divides the globalization process into three periods, and each one has (had) its own stimulators and actuators. The first period of globalization was from 1492 till around 1800. 1492 is the year that Columbus discovered America. Since then the world became more known, and

like Friedman calls it, the world changes from a size large to a size medium (2006, p. 19). This period was characterized by nation-states as main forces. The second period lasted from 1800 till 2000 with the exception of the two world wars. The 19th century changed our ways of transport, leading to a decrease in travelling times. One could think about the invention of the steam engine and the railways. The 20th century expanded our way of communication and reduced the costs of this. Telegraph, telephone, computers, satellites and internet are some examples of major inventions in this century. A difference with the first period of globalization is that this period was boosted by corporations and multinationals, and the world shrunk from a size medium to a size small.

Both periods, called globalization 1.0 and globalization 2.0 by Friedman, were driven by European and American (Western) countries and corporations. In contrast with globalization 3.0, the era in which we are now living. Globalization 3.0 exists since 2000 and is still going on. There are some major differences with the other two periods of globalization. For a start globalization 3.0 does not only lead to a shrinking world, but also to a flatter world. This means that more and more countries, corporations and people can take part in the globalization process. In contrast to globalization 1.0 and 2.0 in which only 'the West' participated. Another major difference is the fact that individuals can have an impact in the world. No longer only nation-states or corporations have the ability to do so. Characters of this 3rd period of globalization are the fact that people all over the world can connect with each other for almost no money. Actually, the inventions of the computer and the internet were made useful for a larger target group. Everybody can cooperate and compete with everybody around the world now (2006, p. 20). This view is not being shared by Manuel Castells. He believes that there are parts of the world which are becoming irrelevant for the world economy, which do not belong to networks. And people in these parts of the world are losing their connection to the world economy, creating a gap to the global society which will only widen by time. Those people are living in a 'Fourth world' according to Castells (1996). It is also interesting to mention that this 'Fourth world' does not only exist in poor countries but also in developed countries. Those people who are excluded are living in regions which do not belong to Friedman's flat world. Rather they live in corners in a round or curved world, which will now be introduced by Gray and McCann.

Friedman describes the way the world became flat with 10 flatteners. And by far the most of them have to do with - or at least could not exist without - the computer and the internet. Like Netscape, workflow software, open source and in-forming (2006). As a matter of fact not everybody agrees with Friedman about the flattening world. Criticasters point at the growing gap between rich and poor people, and a lot of those poor people do not have the opportunity to make use of globalization (Gray, 2005; McCann 2008). The titles of respectively their review and article say everything about where the critique focuses on. Gray wrote a review on Friedman's *The world is flat* titled *The world is round*, and McCann's slogan is *The world is curved*. It may be clear that these titles point at the fact that economic growth is concentrating in a few major places instead of spreading around the world.

In another book Friedman confronted globalization as a world system with the Cold War as a world system. The Cold War was connected to walls, separation and dominated by (two) states. Globalization being the opposite, connected to the web, integration, unification and conducted by states, as well as markets and corporations, as well as individuals. The transition from the Cold War to globalization was in 1989, when the Berlin Wall fell. This did not only lead to a change in Europe, but to a change all over the world. No longer did countries have to choose between two sides with accompanying systems. There was just one leading system left, capitalism. And there were no more walls between countries. As communism, socialism and Marxism broke down, countries started to adapt to capitalism. And this led to a more open world. These changes were caused by three fundamental changes; the changing way of communication, the changing way of investing and the changing way in which we learn about the world (Friedman, 1999, p. 45). These changes – also called democratizations – had to do with many of the same flatteners and characteristics Friedman mentions in 'The World is Flat'. We communicate in another way as a result of the digitalization, the invention of microchips and internet, and as a result of the possibilities to use them for almost free. Our way of investing has also changed due to this. No longer are banks etcetera the only ones that invest – and therefore judge – corporations, but also individuals can now invest their money in corporations. And corporations now have to prove themselves over and over again, because else people will retrieve their money and not invest it in those corporations again. This is at its turn a consequence of the third change, the democratization of information. Everybody can now be informed from minute to minute about things that are happening thousands of kilometres further on. By cable-TV, internet, digital cameras, DVD's and so on (Friedman, 1999). So far the history of globalization...

Globalization 3.0

Even more important is the question what globalization means in present times. Let us start with looking at the definition of Friedman himself, and thereafter analyze it.

Globalization is the inexorable integration of markets, nation-states and technologies to a degree never witnessed before – in a way that is enabling individuals, corporations and nation-states to reach around the world farther, faster, deeper, cheaper than ever before, and in a way that is enabling the world to reach into individuals, corporations and nation-states farther, faster, deeper, cheaper than ever before. (Friedman, 1999, p. 9)

In fact, the first sentence is the definition of globalization and the second part are consequences of this process. Friedman argues that globalization is about the integration of markets, nation-states and technologies. This means that there are no more – or at least much less – barriers, obstacles and walls to overcome. This has to do with the end of the Cold War and as a consequence capitalism as the only remaining system. Because of that the law of comparative advantage can be fully applied (Ricardo, 1963). This means that products and services can best be produced in the country/region where this can be done most efficiently in comparison to other products and services. That is specialization and then trading it. All of these were not

possible in former times because of the barriers – in form of taxes – countries did raise. But since a few decades countries are loosening their protectionist policies. Simultaneously governments are losing their power to steer and adjust the economy. This task is being taken over by the market. Former Prime Minister of the United Kingdom - Margaret Thatcher - and former President of the United States - Ronald Reagan – were admirers of this system of decentralisation and gave a lot of power and authority that previously belonged to the state to the market.

The second part of Friedman's definition is that - as a result of globalization – everybody can communicate, cooperate and compete with everybody over the whole world. Individuals as well as corporations and nation-states. This has been explained in the preceding section about globalization 1.0, 2.0 and 3.0. Indeed one can interact with whoever he/she want farther, faster, deeper and cheaper as a result of the ten flatteners and their convergence. The flatteners happened or were invented or introduced quite some years ago but did not directly lead to huge changes or breakthroughs. Friedman explains that those flatteners first had to convert with each other, then with – mainly – Western corporations and individuals, and finally with formerly excluded individuals – mainly from developing regions.

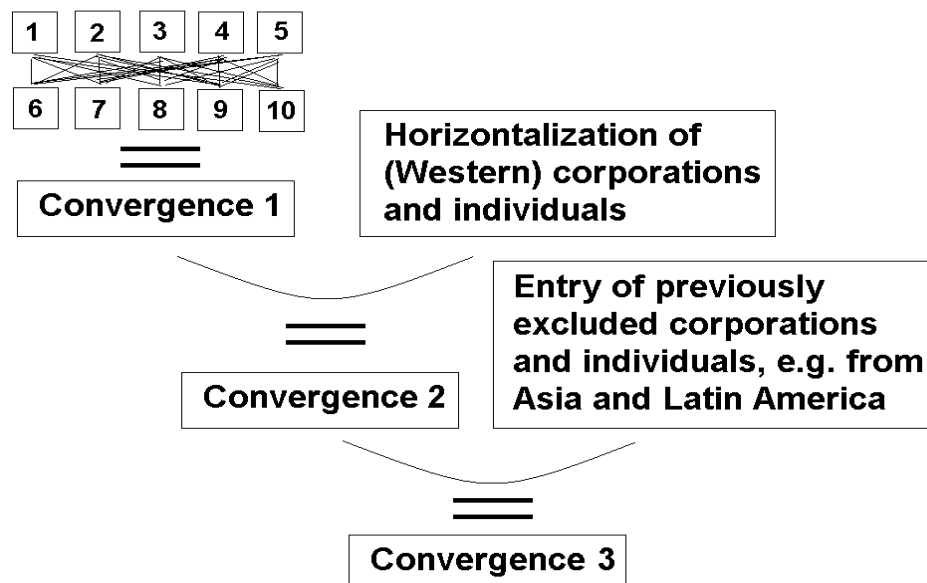


Figure 6

The last part of the definition makes clear that the reverse is also true. Not only can 'we' now reach around the world, but also the world can reach into 'us' now in a farther, faster, deeper and cheaper way than ever before. The previous part sounded like a mere positive story full of opportunities. But there are also some downsides about this globalization process. This process has been put into motion with the approval of governments, but it cannot be stopped anymore by them. Globalization has led to a more horizontal way of working and value creation. In contrast with the more vertical way that we were used to know, where someone was in charge

and where there was a hierarchical structure. Nowadays nobody really is in charge of the world, but also in governments and corporations this is not that obvious anymore.

Friedman argues that globalization is not really a choice, one has to participate to keep up with others. He calls this the golden straitjacket, it brings you prosperity, but you are forced to participate and act in a certain way. But if nobody is in charge, who is then pointing directions and directing this globalization process? The electronic herd is, Friedman says. And the electronic herd is basically everyone that has money and can invest this. From individuals, to banks, to insurance companies, to the big multinationals. One has to keep up with them so that they will pick you – or your country – up and take you to prosperity.

Therefore we can see that globalization itself is – according to Friedman – a result of the convergence of the ten flatteners. But that the consequences of globalization are numerous. And that it creates opportunities but also treats. And that it is not really a choice whether you join or not, you have to!

Another important feature of globalization is the many dimensions that it consists of. You can no longer look at the environment without taking the financial markets in mind. And one can no longer look at culture without thinking of politics and power. There are many dimensions which have to be taken into consideration. Friedman believes that his own view now consists of 6 dimensions which all interact with each other, and which all have to be considered to understand why ‘the world system’ functions how it functions nowadays (1999). Gray – again – thinks that Friedman does not use those dimensions for his books. On the contrary, he says that Friedman aims too much on the economic dimension of globalization. He does not take culture, politics, religion and nationalism into account. For nationalism and nations play a much more important role than Friedman pretends. Nation-states were the driving forces behind the economic development in the 19th and 20th century. And now the same applies for the successful economies of India and China (Gray, 2005). The position that nation-states played a more important role could be invalidated by saying that Friedman also gave the nation-states credit for the globalization process in earlier years, that is globalization 1.0. But the fact that the new successful countries are the ones with governmental interference still stands.

All these features of globalization lead to the fact that I want to project them on another development, the changing national policy in the field of development cooperation. For example, we have seen that a change in one dimension cannot be seen apart from other dimensions. Does this also mean that a financial crisis – which we are in right now – does affect our solidarity with poorer people? Or has the flattening of the world led to more opportunities for poor people, as a result of which our aid/cooperation can change or decrease? That is why this theory is important for the empirical part of the research, and these questions will be examined in chapter 4 which links this theory to the empirical part of the research, and from that tries to answer the first part of my research question. But looking at globalization alone would not form us a complete picture of the situation. Globalization has caused a reaction, called localization. And this concept has also to be defined in order to create an integrant picture of current developments. Therefore localization will be defined in the following section.

2.2.2: Localization

Localization can hardly be seen as a concept in itself, rather it is a response to something else. And that is why this section is closely linked to the next one, about the global-local paradox. Therefore localization is a concept that will be seen as the opposite of globalization in this research. It means that instead of taking the opportunities of a globalizing world and interacting with people all over the world, we are focusing more and more on our own surroundings. There are a couple of scholars who try to explain why we act in this way. To understand what localization is and to get an unambiguous definition of this concept these scholars' views will be presented. Of course the view of Friedman will be used for this purpose. But despite of his theory about the global-local paradox, his interpretation of localization is not the most elaborated part of his work. Since it is important not to look one-dimensional at this concept I will also base it on the work of Carens, Schuerkens and Langman. Joseph Carens has an interesting focus on identity and belonging, which can be relevant for this research. And from a more sociological point of view Ulrike Schuerkens and Lauren Langman also provide useful contributions to the definition of this concept, because they also see localization as a response to globalization. But since they are both educated in another field of activity than Friedman, their findings are somewhat different.

Localization – in my eyes – has to do with three important concepts. 'Belonging' to a group and/or location, something that makes us 'different' from other people and gives us a certain 'identity'. Therefore I will now give an example of how these concepts become clear in our daily lives.

We do belong to many groups and organizations. And we do feel some kind of bond or connection with other people that do belong to them. You can see it in your daily life. To give you an example I will mention some of the groups I belong to. To start at the top, we are all inhabitants of the planet Earth, which distinguishes us from possible other ways of life. We are humans, in contrary to animals. We have a certain complexion, and we live on a certain continent. These are all very broad differentiations. But I am also Dutch, what distinguishes me from people from other countries. This will most certainly be the most strong form of belonging – to ones country – but we will come back on this later. Furthermore I am from the province of Limburg, and my place of birth is Voerendaal, but now I am living in Nijmegen. A possible conflict of identities? I do feel connected to people from my former primary and secondary school, I am a student, to be more precise I am a student of Human Geography. Not to forget that I am a male, I am relatively 'young' and I have a certain political preference. It is also really important that I belong to a family and a group of friends. I am member of a soccer team, which on the one hand connects me to other soccer players but also distinguishes me from soccer players from other teams. And there are at least tens of other features to think of which make me part of a group and distinguish me from other people.

An interesting example of this is to be found on 'Hyves', a Dutch social network site like Facebook, Twitter and MySpace. Not only can you connect to friends here, but you can also become member of a group. And there are thousands of groups and most members have joined

tens of these groups. These can vary from organizations you are member of, bands you are a fan of, events where you have been, places you like to go to, etcetera.

Indeed we belong to many groups, organizations and places. This gives us a connection with other people who do belong to them, and it distinguishes us from people who do not belong to them. And all these features in this way create our own – unique – identity.

Globalization takes away some of these features, apparently some of the most important ones because people begin having troubles about their identity. The most important feature that is slowly disappearing – or fading – is our nationality. Also our origin of provinces and towns is becoming less important. Or should we say that all countries, provinces and towns begin to look alike more and more? If this is the case, it is not about the nationality or origin per se, but about the habits and characteristics which go along with them. It will then be about a certain culture which is fading, or becoming more homogeneous with other ones. Globalization is responsible for this, but does this mean that globalization is a bad thing? This is the context in which Friedman talks about localization. His explanation of localization consists of defending why globalization has so many positive effects. He agrees that globalization has caused a more homogeneous way of living around the world. At first this looked like an ‘Americanization’ of the world, but Friedman comes up with some arguments which prove that all kinds of cultures have spread around the world as a result of globalization. He also agrees with Appiah, who said that this homogenization is a positive development in most of the times and – here it comes – we will always manage to invent new things to distinguish ourselves! (Appiah, in Friedman, 2006, p. 524) This means that Friedman – and others – also sees the need for ‘belonging’, ‘difference’ and ‘identity’.

The way Friedman looks at localization is interesting, because he also combines it with the globalization. Not (only) do we pay more attention to the local where it used to be, but we also try to make other parts of the world feel like our former local. Some examples are the regional news which can often be viewed in all parts of the world, be it via cable, be it via the internet. And the local food specialties which now can be bought in many countries, and the same applies to music. We take our local with us to other places of the world. Indeed, instead of globalization spreading and taking over the local, it is also localization spreading over the global (Friedman, p. 520).

The meaning of the concept ‘olive tree’ will be discussed in the next chapter. But if we agree that the olive tree is some sort of a synonym for ‘the local’ we can gather Friedman’s view on localization from the next excerpt.

Olive trees are important. They represent everything that roots us, anchors us, identifies us and locates us in the world – whether it be belonging to a family, a community, a tribe, a nation, a religion or, most of all, a place called home. Olive trees are what give us the warmth of family, the joy of individuality, the intimacy of personal rituals, the depth of private relationships, as well as the confidence and security to reach out and encounter others. We fight so intensely at times over our olive trees because, at their best, they provide the feelings of self-esteem and belonging that are as essential form human survival as food in the

belly. Indeed, one reason that the nation-state will never disappear, even if it does weaken, is because it is the ultimate olive tree – the ultimate expression of whom we belong to – linguistically, geographically and historically. You cannot be a complete person alone. You can be a rich person alone. You can be a smart person alone. But you cannot be a complete person alone. For that you must be part of, and rooted in, an olive grove. (Friedman, 1999, p. 31)

This excerpt exactly tells us how Friedman thinks about the local. It is an important part in everybody's life. Especially the concept of 'belonging' is present in this excerpt. But also the concept of demarcation, creating differences and to be distinguished is present in Friedman's view. It could even lead us to the exclusion of others, Friedman says. Because we want to control an olive tree, it is obvious that someone else cannot control this olive tree. You would lose your sense of home if someone else would take over the control over your olive tree (1999, p. 32). I believe that those two concepts together lead to the third important concept; identity. Indeed, if one want to visualize this it would look like this.

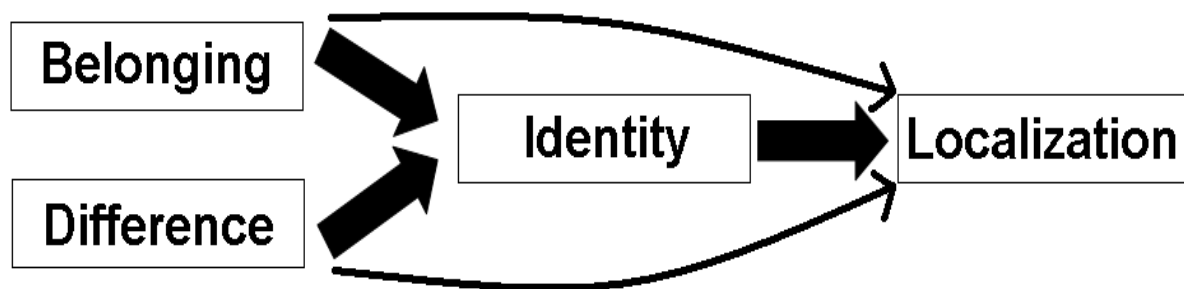


Figure 7

We have now seen my personal opinion about localization and the extent to which this corresponds with Friedman's opinion. But – as been said before – there are more interesting opinions about localization. And we will now turn to Carens', Schuerkens' and Langman's view of localization.

Joseph Carens is an expert in the field of citizenship, feelings of belonging and identity, especially when it concerns immigration. Although this research is not about immigrants, his expertise about belonging and identity can be useful to define localization.

Carens argues that 'belonging' consists of one's sense of emotional attachment, identification and loyalty (2000, p. 166). He admits that there are many ways of belonging to groups, but that only the membership of political communities can result in feeling like a 'citizen' of a community. Because political communities are groups with extensive self-government – or at least they aspire this – we can see towns, municipalities, provinces and states as the relevant concepts in his view. On the contrary to the conventional understanding Carens believes that people can identify with multiple communities. But these communities are becoming more and more homogeneous as a result of globalization. The European Union has taken away a lot of government rights from the nation-states, leading to a less powerful political community. And these communities are more and more looking like other communities. For example through the

introduction of one currency – the Euro – and legislations which apply for all states. And as a result of globalization states are looking more like each other also in a cultural way. We can eat the African specialties in The Netherlands, American multinationals can now also be found in The Philippines, and Brazilian people can now also live in Russia. These are some of the many things that have spread around the world – more quickly and more numerous – as a result of globalization.

In by far the most cases people feel most committed to their nation-state. But Carens argues that it is not necessary that people feel this way (2000, p.167). They can feel more attracted to another nation-state, to a region or to a province or city. Some examples are the Flemish and the Walloon in Belgium, the French speaking people of Quebec in Canada, the Basques in Spain and France and many immigrants who feel more attracted to their countries of birth. It would be possible to make a whole research about Carens view on citizenship, belonging and identification, but for the sake of this research it will be sufficient to leave it here.

Ulrike Schuerkens agrees with Friedman on a couple of things. Firstly she agrees that the local community in developed societies is being destructed (2004, p. 16) and that globalization is leading to cultural homogenization. She also understands that people could see globalization as 'Westernization' or 'Americanization', but she argues that this is not totally true – or at least not necessary. Another interesting sentence is the one in which she says that 'it became evident that the global cannot exist without the local' (Schuerkens, 2004, p. 20). She also agrees that localization does not exist without something to oppose to, whether this is another local culture or globalization. She mainly talks about cultural features which represent localization.

Her colleague – Lauren Langman – sees identities as the outcome of where one comes from, maintained through narratives and rituals. They lead to solidarity between people with more or less the same identity, and maintain social stability. "Structures of domination foster resistance" (Langman, in Schuerkens, 2004, p. 30), he argues. In this case we can see globalization as the dominating factor. The local behaviour then is the resistance. This is another explanation of why globalization leads to localization.

In the last subsection we have already made the step between this section and the next one. The section started with the message that localization is not a phenomenon per se, but that it is a reaction to something. And the last part of the section showed the link between globalization, localization and the global-local paradox again. Just as globalization alone cannot explain our changing development policy, also localization alone cannot do this. Of course localization leads to relevant questions. Is it selfishness which changes our policy, or did our view change from global to local unintentionally? Questions which will be discussed in chapter 4. But we need to put those two concepts together – globalization and localization – to come to an actual theoretical framework.

2.2.3: The global-local paradox

Once we have determined the concepts of globalization and localization we can start determining the actual aim of the theoretical framework, the global-local paradox. This topic has been brought up in the preceding two sections but will be defined more specifically here. I will first try to explain what the global-local paradox means in my own words and – also important – what it means in my opinion. I will discuss the mutual consequences of globalization and localization. What does localization and globalization mean? But also how they reinforce each other, because there is an interesting play between the two. They both create threats for each other, but also opportunities. After this section the view of Friedman will be clarified by means of some of his examples, but also with some present examples.

The global-local paradox is the tension which arises from the interplay between globalizing forces and localizing forces. These are two forces which appear quite opposing, but which also reinforce each other. Globalization leads to more homogenized behaviour and less differentiation. Globalization leads to many benefits – merely economically – but one of the disadvantages is the loss of identity and anchorage. As a result people start looking for new ways of separation and differentiation from others. This also implies belonging to some others, a very important feature of identity. We lay more emphasis on the features we share with our fellow men instead of the features which are adopted all over the world. In a way we accentuate the stereotypes which exist about us. This can be about habits, religions, buildings, events etcetera.

Localization does not only mean that people feel more associated to local communities, but also to their country. At first sight this may not look local, but a global scale a country can be seen as local. A simple calculation – 16.5 million Dutch people divided by 6.7 billion world citizens – teaches us that feeling Dutch makes us belonging to only 0.25% of all the people in the world and dissociates us of the other 99.75%. And the contradiction is that on the one hand the national government is becoming less powerful because of globalization and the realization of the EU and its European constitution, while on the other hand we are becoming more and more attached to our 'Dutch identity'. For example, a report of princess Maxima which told us that there is not one single Dutch identity – which does not even mean that we do not have an identity – caused many displeased reactions (H.R.H. Maxima, speech, 2007). If there is one person who has seen a great part of The Netherlands and can be unbiased – because she is an outsider – it is princess Maxima, and yet many people felt wronged by this judgement. It led to many responses with the tendency that the Dutch identity indeed does exist.

Which are these Dutch features which we feel associated with? One can think of buildings – wind mills, bell gables, but also the Delta works – events – Liberation Day, Queens Day, but also football matches of the national team – habits and traditions – toleration, conciseness – or even more stereotype features like cheese, tulips, wooden shoes, our flag, the colour orange or the royal house. All of these features can be disputed as well as there can be many more features that are not mentioned here.

Other places and groups which people can have a connection with are among others cities, municipalities, regions, religions, family and associations. An example of belonging to one of these more small-scaled places is feeling 'Limburgs'. Most of the above mentioned features – buildings, events, habits etcetera – do also apply for this identity. 'Limburgers' would associate themselves with a burgundy lifestyle, a typical sort of pie called 'vlaai', a dialect, the mines etcetera.

Another side of the paradox is that globalization gives localization a platform to present itself on. Internet makes it possible to introduce your language, movies and pictures to people all over the world. Cable TV does the same, and faster and cheaper transport systems provide a greater opportunity to export and import all kind of products, but also to travel yourself. In a way people who move to other parts of the world can take their 'local' with them. In this way globalization seems to have a positive influence on the local.

But the downside for the local is the homogenizing effect of globalization. Multinationals which take over the power from smaller national and regional cooperations. No longer do we have a local supermarket, now we have multinationals like Ahold who give us Albert Heijn to shop. And our money is no longer managed by local banks, rather it is invested in and by large banks like Goldman Sachs, Nomura Securities and ING. We used to get our food from our local snack bar, nowadays we go to McDonalds, Pizza Hut and Burger King. In former times we went to the cafeteria for a drink or to lunch, now it is Starbucks and Subway. We shop at H&M and Zara, drive cars from countries all over the world and drink Heineken and Pepsi... We could go on and on about this, but the fact is that globalization simultaneously suppresses the local and gives it an opportunity to become stronger and present itself.

After this section about my own perception of the global-local paradox I would like to show you Friedman's view on the topic, and look at what he intended with this concept. But his examples will be provided with other – more recent – examples one can think of. Friedman wrote a whole book about the global-local paradox and in this book he used the Lexus as a representation of our globalization and the olive tree as a representation of our localization. The Lexus stands for an ultramodern car factory which was almost completely runned by robots, which Friedman has just visited. It represents technology, economic prosperity and modernization. The Lexus therefore is the example of the globalization and the multinationals which it creates. It could just as well be Nike, IKEA or one of the multinationals mentioned in my personal vision, who decorated the cover of Friedman's book. The olive tree stands for the pieces of land over which the Palestinian and Israeli people are still arguing. It represents belonging, identity and roots. What struck Friedman most was that those two antipodes were taking place at the same time. But it is also important to notice that localization is not something that keeps a couple of people busy. Rather it is present in everybody. We cannot fit people in to two categories, the globalists and the localists. "Half of the world – sometimes half the same country, sometimes half the same person – was still caught up in the fight over who owns which olive tree" (Friedman, 1999, p. 31). It also does not say that the people who are still fighting for olive trees are not participating in the globalization system. It could be true that they do not (yet) have a Lexus, McDonalds, Microsoft and Nike. And if this is the case they do not benefit from the globalization

system but they are probably providing and facilitating the system. Through working for those companies for low wages, or by buying products from the local shops which are the 'competitors' of those multinationals. Friedman would say that those people are not yet 'downloading' from the system, but only 'uploading' (1999).

In former times olive trees were threatened by other olive trees, nowadays these threats are reduced. The new threats are coming from the Lexus. One of these threats is that it tends to make every olive tree identical. It homogenizes, standardizes and makes everything and everyone anonymous. And that is exactly the opposite of where an olive tree stands for. An olive tree tries to make a place special for people, so they can belong to it and dissociate themselves from other (people's) olive trees. Because of that there is a struggle between the Lexus and the olive tree, between globalizing forces and localizing forces. They reinforce each other in an interesting loop – or better – a positive spiral.

A good example of those homogenizing and standardizing global forces are the multinationals. Of course we can say that McDonalds leads to the same food in all parts of the world. But when we zoom in at the concept of McDonalds we can see that they do make exceptions, exactly because of the local preferences. We – Dutch people – are totally used to eating a 'McKroket', but it is not sold in any McDonalds in another country. The same applies to 'kasjroet' McDonalds in Israel which comply with the 'halal' dietary laws. These are two interesting examples of the global threatening the local, but the local struggling to keep its identity.

Especially the link between globalization and localization is tangible, globalization leads to more localization and there are many examples of this process. Friedman also has examples, also about the local stimulating the global. He calls it an example of the olive tree exploiting the Lexus, but one can also call it the Lexus making use of the olive tree. It is about the following example:

The olive tree exploiting the Lexus is the story that came to light in the summer of 1999 about Adolf Hitler's racist manifesto Mein Kampf, which is banned in Germany by the German government. You cannot sell it in any German bookstore, or publish it in Germany. But Germans found that they could order the book over the Internet from Amazon.com and it would come in the mail in a way that the German government was powerless to stop. Indeed, so many Germans ordered Mein Kampf from Amazon.com that in the summer of 1999 Hitler made Amazon.com's top-ten bestseller list for Germany, insisting that the English translation was not covered by censorship, and that it was not going to get in the business of deciding what its consumers were allowed to read. However, after this was publicized, Amazon.com was so bombarded with angry E-mails from all over the world that it stopped selling Hitler's works. (Friedman, 1999, p. 37)

At least it is an obvious example of how a local situation can stimulate the global forces to operate. But we can also look at much more recent examples of the local exploiting the global. How often do we see advertisements for authentic holidays in centuries old civilisations? They try to strengthen their local identities by using global media and global money. These

advertisements can be seen on international television and radio stations, magazines and above all on the internet. All of these media provide people with information of those local civilisations. And once tourists start to go to those places, the local civilisation earns money and can invest this in keeping the region authentic. Of course there are also exceptions. Some places become more standardized and homogenised as a result of tourism. For example think of Greek and Turkish seaside resorts.

And we do not only see this local exploitation of the global in poor countries or regions that are isolated from other parts of the world. It also happens here in the Netherlands. To stay in the holiday sector, who did not hear of 'camping at the farm'? A successful concept which makes use of traditional local identity. In some regions people can play 'boerengolf', which can be translated as 'farming golf'. It is like golf, but not on a golf course. Instead it is played in the meadow-lands of the farm, right between the cows. And if you go to the Frisian Islands, you can make a tour to the seals and shell islands. Every region uses its own specialties and curiosities to attract visitors. But they all do use global media to reach those people.

Friedman has many more examples in his book which all illustrate the various – sometimes complex – relations between the global and the local. Sometimes there is tension between the two, sometimes the one exploits the other, sometimes they even work together and sometimes they ignore each other. But my favourite example of Friedman's book is the one about the olive tree – local – trumping the Lexus – global – after which the Lexus trumps back the olive tree. It is the perfect example of the fact that they reinforce each other in a way that looks like a loop or spiral. Moreover it is not only an example of something which happened some years ago, but something which is still happening at this moment, be it in a different country. I will try to summarize this example here because it is a rather large example to quote. After this summary the current look-a-like situation will be presented.

In the late 1990s India wanted to resume testing its nuclear weapons. But this had two disadvantages. Firstly India was – and still is – a relatively poor country which can use its money in a better way. And second it would result in sanctions from other countries. But they tested them anyway, mainly for their pride. This resulted in satisfied people in all levels of society. India is a large country and should have the right to do whatever it wanted, it was about respect. Indeed, although they knew it would bring in – global – sanctions, they did it anyway. In the conviction that respect was more important than a few sanctions, and even more important than roads, electricity and water! It looked like the need for an olive tree had prevailed over the need for a Lexus.

But soon the global forces struck back at them. It turned out that a team of Moody's Investors Service had come to India. Moody's is a powerful adviser for investments. After the events which happened in India, they came back to the country to check the safety of investments in India. And they downgraded the safety-advice of India from 'safe' to 'speculative'. Other investment advisers did also change their advice, which resulted in a worse position for the Indian economy, especially for its companies. India is a country with low saving rates, so these companies could not get their money in their own country. And borrowing it from international

markets became more expensive because of the higher interests they had to pay, as a result of the 'speculative' safety-advice. And therefore the global trumped back the local forces soon (Friedman, 1999). At this very moment Iran is trying to do the same as India did in the late 1990s. Their nuclear program is a potential threat to the world and many countries have condemned it. It may be clear that the international community is going to provide sanctions for Iran (NOS, 2010a). But which sanctions can and will be applied has to be seen... Because we have seen that the safety-, economic, political, environmental, and many other dimensions are intertwined. And that a change in one of them can have a major impact on other dimensions!

2.3: Summary

This chapter has explained why I have chosen for the global-local paradox of Friedman in order to explain the changes in the Dutch development sector. It has also handled on three theoretical concepts – globalization, localization and the global-local paradox. Those first two concepts are necessary to understand the third one. And the third one is important for the first empirical chapter of this research, chapter 4. In that chapter it will be examined whether the global-local paradox can explain the situation in the development aid/cooperation sector in the past decade. That there have been many developments because of globalization, and its paradox with localization, is certain. Those developments – and some of their consequences – have been discussed in this chapter. Many examples have been given from Friedman's books, from present-day experiences and from situations in my personal life. But describing these developments and its consequences also leads to new questions. Some of these interesting questions have already been formulated throughout this chapter. For instance, the link between the flattening world and changing development policies. And the interconnection between the many dimensions, does this mean that there is also a connection between prosperity and solidarity, or are there even other changing dimensions which we did not see? Or is it not the globalizing effect, but the localizing effect which explains the changing development policy? Are we more aimed at our local/national wellbeing instead of global wellbeing then some decades ago? These are all questions which will be answered in chapter 4, in which the link between this theoretical chapter and the actual empirical chapter will be made.

But first there will be a justification of which research strategy and material has been used, as this is partly depending on my theory. It will explain why I have chosen this theory, that is why I think this theory can help in answering the research question and to achieve the aim of this research. And secondly why certain strategies do fit with this theory. The same applies for the chosen material in relation to the theory. Those subjects will be raised in the following chapter.

CHAPTER 3: **Methods**

Research model: The research model is a schematic and strong visual reproduction of the steps which have to be taken in order to achieve the goal of the research (Verschuren & Doorewaard, 2007, p. 19). Research strategy: If you are interested in a profound study of a complex case. Then you choose for a strategy which is known as a case study (p. 23). Research material: Possible data sources are people, but also objects, situations, media or documents (p. 23)

In order to carry out a research it is important to use methods. Not only is it a sort of a common thread through your research, it also leads to a more effective way of doing research. Whole books and guidelines have been written about how a research should be structured and carried out. It ensures you to think your research through before you begin. Consequently, one does not execute any unnecessary actions. Someone who is going to look at one particular company will not select 40 companies, and give them all a survey. At the same time it would not be likely that I should take an experiment in order to achieve the goal of this research. The same applies to the research material.

The objective of this chapter is to make clear which research -model, -strategy and -material have been used. On the hand this is to help you understand how this research has been composed, but on the other hand it is also a sort of validation of the way I have carried out my research. It should prove that I have thought my research through before I began.

Chapter 3 consists of three sections. The first section shows and explains the research model. As the quote of Verschuren and Doorewaard already mentioned, the model should make clear which steps have to be taken in the research. Figure 8 has to make clear that this research consists of three steps, which are also being explained in this section. Section two clarifies the choice for a research strategy, although I would argue that it are two strategies. It also makes clear why other strategies are not suitable for this research. The third and final section deals with the research material. The main items of this section are the choice for COS and Friends Indeed as being the cases, and the chaise for the persons who have been interviewed.

3.1: Research model

Figure 8 is a retrenched version of figure 3. It has been surrounded by several colours to clarify the various parts of this research. This research is composed of three parts. The first part is the theoretical chapter, which discusses Friedman's global-local paradox. It confronts the concepts of globalization and localization, which are more or less opposing. Chapter 2 explains the interesting interaction between those two concepts, also by using examples from the current world situation. This first part can be seen in the yellow box in figure 8.

The second part tries to explain the national policy in the field of development aid by using the theory which has been discussed in part one. For this purpose it is important to first define this policy. Subsequently this policy can be understood or explained by the global-local paradox. This part of the research is pictured in the blue box and can be found in chapter 4 of the research.

Finally – in the third part – the consequences of the national policy for DAOs are being discussed. These consequences for the development sector will be supported by two case studies, about COS and Friends Indeed. This part will be discussed in chapter 5 and is being represented in the red box of the figure.

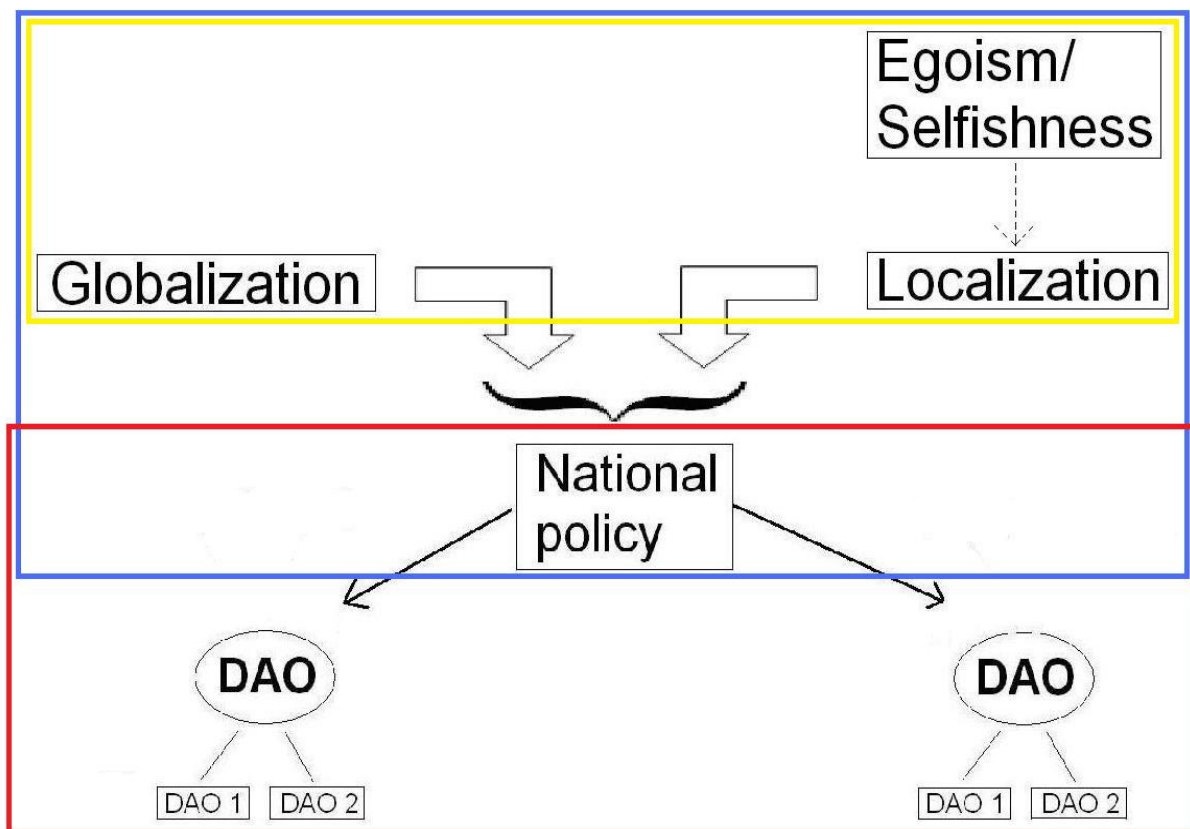


Figure 8

3.2: Research strategy

For this research a case study will be conducted, this imputes that the emphasis will be on depth instead of breadth. This means that less research units are chosen, but these units can be examined more thoroughly, which implies that this is a qualitative research instead of a quantitative one. A disadvantage is that the results are less generalizable. As it happens not a lot of data are processed in figures and tables, but the available information is being contemplated, compared and in some cases interpreted. According to the theory, a case-study is an empirical research. In contrast to desk research the researcher will have to go into the field

to collect information. Of course this is true, because there are a couple of people who are being interviewed. But in practice it will also be a kind of desk research, because much information is accessible in documents and literature. The cases are chosen by selection instead of random sampling. So in this research there has been searched for two applicable cases which will help me best to give answers to the (research) questions. The cases in this research are two DAOs, a geographical one and a thematic one. Therefore this research will contain two cases. Advantages of a case study are the flexibility in comparison with a survey or an experiment and the holistic outcome of the research. When doing holistic research one has a more complete and overall picture of the subject. This is especially useful when one has the aim to change an existing situation. (Verschuren & Doorewaard, 2007, p. 185).

As been said before this research will not only be a case study. Chapter 2 and a part of chapter 4 contain a lot of desk-research. The aforementioned cases will hardly be discussed in these chapters. The emphases will here be on the theory, especially on Friedman's one. This involves a lot of searching, skimming and reading, which is necessary in every research. While part of my aim is to explain the changing national policy in the field of development aid in recent years, it is important to understand the theory which has to explain this.

Till so far the official and theoretical explanation of the chosen strategy. This paragraph will explain why a certain strategy is chosen in combination with the subject. The case study as research strategy has been chosen because of some practical purposes. It may be clear that an experiment was not a serious consideration in this research for it requires all the other factors to be neutral or eliminated. And secondly the experiment should last for a long period because I am interested in a transformation over time – 12 years to be precise! Another consideration could be a complete desk research, but this has not been done because it would overlook some interesting and important information. I am also interested in developments in present times and it would be questionable whether these are available in documents and literature. Therefore a case study would be an obvious choice. Due to a limited time span the number of cases has been restricted to two. The choice for COS and Friends Indeed will be explained in the next section.

Recapitulating this research consists of two strategies. Desk research plays an important role in the first part of the research because the theory of Friedman is almost fully based on his books, the same applies to Carens', Castells', Langman's and Schuerkens' theories. The second and third part of the research are more based on a case study strategy with corresponding features like interviews. This research is deductive as well as inductive which is nicely described by the sand glass shaped research model in figure 8. At first there is deduction which means that a general law or theory is being projected on a particular situation. In this case the global-local paradox is being projected on the Dutch governmental development policy. But after this there is induction which means that a couple of specific situations lead to a general law or theory – which hopefully can be applied to more situations. Translated to this research this means that the outcomes of the two cases should lead to outcomes which are applicable to other cases.

3.3: Research material

In searching for appropriate cases it would be recommendable to have two mutually exclusive DAOs. That means that the thematic one does not have a geographical focus, and the geographical one does not have a thematic focus. This would be beneficial because it will be clearer why an organization did or did not lose their allowances. If an organization which has a geographical focus as well as a thematic focus – or not geographical or thematic focus – would lose its allowances it will still be questionable why this is. If one of my cases does lose its allowances it is not self-evident that this has to do with the geographical or thematic focus, but it is more plausible. It has just been explained that this research is not about doing experiments, but in this case the purpose is to keep as many elements as possible stable (Vennix, 2005). If a change in focus then results in a change of allowances one can ascribe this to the change in focus. It has to be mentioned that it is impossible to keep all elements stable but one should try to do this where possible. That is why there has been searched for a pure geographical and a pure thematic case. It turned out that it is very hard to find a geographical DAO that does not have a thematic focus. But eventually two suitable cases have been found.

The first case, the thematic one, will be COS, the former *Centrum voor Ontwikkelings Samenwerking* (Centre for Development Cooperation), and now called the *Centrum voor Internationale Samenwerking* (Centre for International Cooperation). COS is a centre of knowledge and expertise in the field of development and international cooperation. It uses this knowledge to inform and advise private sector, schools, citizens, governments and companies. It tries to stimulate others to implement projects and does some projects itself. By doing so COS tries to improve the awareness and involvement of people with development work (COS, 2009). I chose COS as my thematic case because it mainly focuses on one theme, awareness and information. And it does not exclude certain geographical areas from its work. COS supports people and organizations that want to implement projects in all countries of the world. Maybe COS does not look like an obvious case in the first instance because it is not about helping poor countries/people itself. For a thematic case one might think of an organization which is aimed at children, women, health, water, nutrition, education, peace etcetera. But awareness is a theme just as well. Another important reason to make COS one of the cases is because I did my internship at this organization. Therefore I have some relations within the organization and a reasonable impression of it already. Indeed there is also a practical consideration in this decision.

The second case is an organization with a more geographical focus. It is important to notice that there are almost no organizations with just a geographical focus, and no thematic focus. There are organizations with only a thematic focus and no geographical one, but the other way around this is not the case. Or one must see the many small private sector organizations, that do have a certain village as focus, as an example of this. But most of the times these organizations do also focus on a thematic aspect and very often they do not get money from the government which makes them not suitable for the research. Therefore it was hard to find a suitable thematic case. Finally the organization Friends Indeed was found. They are geographically aimed at 15 fishing villages and twelve tribal villages in the East of India which means that there

is a clear geographical focus. And they aim at many and diverse themes. One could say that the focus is on children, but they try to help children in a broad way. Building schools, giving micro credit to adults, education for children and adults, water, sanitation and health care, HIV-aids programs and farming programs are some of their issues (Friends Indeed, 2010). Therefore one can say that they are not specialised in one particular theme. It could be mentioned that a DAO which is established in a particular country could also be seen as a geographical DAO, but they have not been received in this research for a couple of reasons. Since this research is about Dutch national policy and Dutch DAOs it would not be convenient to select a DAO which is established abroad. And secondly it would not be easy to contact – or even interview – them to collect information.

In order to make this research successful there are a couple of people who have been interviewed. Of course the policy officer of COS Gelderland – Moniek Kamm – has been interviewed. She was able to explain how COS is trying to reach its goals and how this matches – or not – with the policy which is being advocated by the government. Since she has been working at COS for quite some time she could also compare the policy of the various ministers. A nice accidental circumstance is that she is also abreast of other DAOs – especially PIs – with which COS cooperates. It will also be not surprising that Anne Legeland – the director of FI – has been interviewed. She is involved in FI ever since this organization has been established. Interviewing her was useful because she had a lot of information about the relation between PIs and the government and because they used many kinds of funds to get allowances from. A third interview took place with Ted van Hees, whose current occupation is policy adviser at Oxfam Novib. He is being interviewed because he – and Oxfam Novib – has a closer relation with the actual policy makers at the government. For example he knew Herfkens and Koenders personally. And he had an interesting different approach because he has worked at EURODAD. A last interview has been executed with Iris Smalbrugge who now is a policy adviser at the Dutch ministry of foreign affairs. Interviewing her was important because she could explain the government's side of the matter. Since she studied political science and has worked for a political party – D66 – she was able to tell me something about the political dimension of governmental policy.

All those persons have been interviewed with the help of a semi-structured interview guide. This means that there were some questions which needed to be asked and that a specific sequence has been followed, but also that there was a possibility to talk about other relevant subjects or to formulate a question in a slightly different way. All people who have been interviewed can be called informants because they provide information about something else – their organization or employer. Only Anne Legeland could also be called a respondent because her opinion is pretty much the basic rule for the policy of FI.

In order to present a thorough and reliable research it is important to collect information from as many sources as possible. These sources can be seen in two fields. First one could make a distinction between people, media, documents, literature and reality (Verschuren & Doorewaard, 2007), but there is a second – more obvious – distinction between the various actors/parties in a situation or problem. This research has tried to achieve triangulation by using people, media,

documents and literature as sources. The first three mainly in the empirical part, the latter especially in the theoretical part. And although the theoretical part is focussed on Friedman's theory, I hope that it may be clear that the opinion and critiques from other scholars have also been mentioned and sometimes discussed. A last form of triangulation has been the involvement of various actors or parties. The main actors are the DAOs and the government. Those have been both been heard in this research and the opinions of both actors have been discussed. To make this triangulation complete I have drawn a third actor into the research, namely Oxfam Novib. Ted van Hees – who is their policy adviser – could give useful information because he stands between the both main actors.

All together this leads to the research model which has been presented on page 11 in the extended version and on page 31 in the retrenched version. Most research models have to be read from left to right, but it may be clear that this model has a vertical course in order to present the time component in a horizontal way.

CHAPTER 4:

Explaining the national policy with the global-local paradox

The obscurity also shows up in the broadly mottled picture of the Dutch policy in relation to development aid: the one day a minister shows up who strokes children's heads in Columbia or Yemen, the next day he tries to call attention in the G20 to the need for capital in development countries. The one day he approaches the business sector for corporate social responsibility, the next day he negotiates about the redevelopment of emission trading rights. The one day he criticizes the way in which the price of fertilizer is being kept high in an artificial way, the next day he pleads for women's rights. The international arena is large, very large, with players like the United Nations, the European Union and the World Bank, who all have an own agenda. The question is how to operate adequate in this arena. (WRR, 2010, p. 32/33)

The resignation of Koenders is a nice example of the changing governmental policy and the unpredictability for DAOs. As each new cabinet – and corresponding new minister – leads to adjusted rules, other accents and new countries. This chapter will discuss the last three ministers of development cooperation and their areas of special attention. Each section will take care of one minister. This research looks at the national development policy since 1998. The year 1998 is chosen for a couple of reasons. Firstly because modern globalization – globalization 3.0 – started around 2000. Secondly the limited time span of this research has implications for the length of the period analyzed. Therefore the starting date had to be around the year 2000. 1998 was chosen because this was the year in which a new administration – with a new minister of development cooperation – came into power. This new minister was Eveline Herfkens of the PvdA, she was the successor of her political associate Jan Pronk.

Each section is composed of several subsections with topics, like NGOs, countries, conditions and critique. After these sections there will be a section about the resemblances and differences between the various policies. Finally there will be an elaborate section about the link between the global-local paradox and the national policy. That final section is at the same time the objective of this chapter since the first part of the research question is to explain the national development policy on the basis of the global-local paradox.

A concept that will frequently be discussed in this chapter is the NGO. Non governmental organizations are organizations which can act independent of the government. They do not have to follow the same policy as the government, in fact they are often established because they do not agree with the policy of the government or the implementation of their policy. But there is a paradox in this situation because they often get a large part of their budget from the government. And in order to receive this money, they have to meet certain conditions which the government has formulated. This makes the NGOs more or less dependent and this strikes the autonomy of the organizations. We will come back to this in chapter 5.

NGOs are often called Civil Society Organizations (CSOs), although CSOs are a slightly broader concept than NGOs alone. For example trade unions and sport clubs can also be called CSOs, but they will rarely be called NGOs (Center for Civil Society Studies, 2003). What is also important to understand is that NGOs do not only exist in developed countries, but also in developing countries! And it makes a difference whether developed NGOs or developing NGOs receive the money or execute projects.

4.1: 1998-2002, Eveline Herfkens

Herfkens became minister of development cooperation at a time when the effectiveness of aid became a point of discussion. That is why Herfkens chose for more selection criteria. Thereby it became clear that The Netherlands maintained a bilateral development relation with 119 countries in 1997 and Herfkens wanted to reduce this number (Herfkens, 1998). She wanted to only have relations with countries in which there was:

- solid social-economical policy
- good governance
- obvious poverty (not more than 925\$ GNP per capita) and in need of help.

To take into account continuity there were no new bilateral programmes started in countries in which The Netherlands were not represented yet, and also countries which already had a large bilateral relation with The Netherlands were consolidated to prevent capital annulment. This resulted in a bilateral relation with the following 19 countries: Bangladesh, Bolivia, Burkina Faso, Eritrea, Ethiopia, Ghana, India, Macedonia-FYROM, Mali, Mozambique, Nicaragua, Pakistan, Sri Lanka, Tanzania, Uganda, Vietnam, Yemen, Zambia and Zimbabwe.

There were also 3 countries whom The Netherlands wanted to have a special relation with. South Africa was chosen to support the political transition after the Apartheid, Egypt because it was on the edge of a new development stage and the Palestinian Authorities in order to support the peace process in the Middle-East (Herfkens, 1999). This list did change a little bit in the following years, but to a large extent this was the geographical bilateral policy during Herfkens' governing period.

But next to this geographical programme she also focussed on three thematic fields. These three were the environmental program, countries with a possibility for a business sector and the human rights, peace & good governance.

The environmental program consisted of Brazil, Cape Verde, China, Colombia, Ecuador, Guatemala, Mongolia, Nepal, Peru, Philippines and Senegal.

The business sector countries were Albania, Armenia, Bosnia, Cambodia, Colombia, El Salvador, Georgia, Guatemala, Guinea-Bissau, Honduras, Kenya, Moldova, Namibia, Nepal and Rwanda.

The human rights, peace & good governance program did contain Armenia, Bosnia, Cape Verde, China, Colombia, Cuba, Ecuador, El Salvador, Georgia, Guatemala, Ivory Coast, Jordan, Moldova, Nigeria, Peru, Philippines and Thailand (Herfkens, 1999).

Note that many countries are mentioned more than once in these lists!

Another change during Herfkens' term of office was the turn from sending help and experts to the receiving countries to sending money. Herfkens concluded that technical assistance was no longer viable. Instead of making and doing things for other countries, we should enable them to do their own projects. They had to become self-reliant (Ministry of Foreign Affairs, 2000). Although the aforementioned countries and conditions were about bilateral relations, Herfkens was more optimistic about multilateral aid. International organizations could provide more efficient and effective aid than governments could via bilateral relations. These international organizations were the IMF and the World Bank (DPRN, 2009).

NGO's

The policy document 'Civil society en structurele armoedebestrijding' (Civil society and structural poverty reduction) was published in 2001. This document had the objective to make clear how CSOs could contribute to development cooperation in the coming years. Some of the results of this document are listed below.

- CSOs are best supported by other CSOs.
- Recognition of the autonomy of Dutch CSOs by the Dutch government. "The relation between the government and CSOs has to be characterized by dialogue and horizontal relations".
- New roles for Northern CSOs, in which the control of community composition is more the responsibility of the Southern CSOs than before. This leads to other ways of financing. (Ministry of Foreign Affairs, 2001)

All these results point at changing power relations. The Dutch government should see Dutch CSOs more as partners and give them more autonomy. But at the same time these Dutch (Northern) CSOs should see the Southern CSOs more as their equals. These are some nicely formulated results in a report of the ministry. But there are also more critical notes about Herfkens' policy with respect to CSOs. DPRN has a good view of the matter since it is a notable network of development experts and policymakers who analyze the Dutch development policy among other things. Kamm is one of the policy officers of COS Gelderland and had to deal with the policy of Herfkens at that time.

Her attitude towards CSOs in the North was less positive. Herfkens believed that these organizations acted disturbing rather than supporting – as a result of a lack of knowledge and equality – with respect to the autonomous development of a civil society in the South. (DPRN, 2009, p. 11)

Herfkens was not highly interested in the things which happened in The Netherlands. She was mainly active in government projects, and was less interested in what happened here. She was more or less against do-it-yourself, that was my perception. (M. Kamm, personal communication, February 24, 2010)

As we saw in the prior discussion on bilateral aid, Herfkens chose for more conditions. In the field of NGOs she decided to use the same approach. Ever since 1965 there were several NGOs – NOVIB, ICCO, Cordaid and later on Hivos – which received a great share of the budget to finance development projects, under the Co-financing Program, also known as the MFP. At first they had to render an account for everything they did with the money, but later on they received more freedom. Herfkens did not like this idea and made more precise and stricter criteria. This not only applied for these organizations but also for other organizations which received financial support. She gathered them in the Theme-based Co-financing Programme, also known as the TMF. The idea was that organizations had to justify their policy on beforehand for a period of four years instead of afterwards.

Critique

Criticisers of her policy zoom in on the fact that many of the chosen countries are not based on the conditions which can be found in Appendix 1. The countries seem to be chosen on a basis of existing development relations and importance for the Dutch national situation, that is trade relations with the country or social and cultural relations between the receiving country and The Netherlands (Hout & Koch, 2006). There are some reports about whether the right countries have been chosen when looking at the criteria, but that is not the focus of this research. It can also be mentioned that Herfkens continued the multilateral help, which was being contested in these times.

In the field of NGOs she was criticised for the marginal role which Northern CSOs should play in development cooperation and her lack of interest for activities within The Netherlands (DPRN, 2009; Kamm, pers. comm., February 24, 2010). The four major NGOs which received money from the government were not pleased with the fact that other organizations – like Plan Nederland and Terre des Hommes – were also allowed to apply for MFO-money (Volkskrant, 2000). This meant that the same amount of money should now be distributed among six organizations instead of four.

Conclusion

Eveline Herfkens was the successor of Jan Pronk, and although they were member of the same political party, their policy strongly differed. Herfkens' policy was often mentioned as '*de-pronking*', even though she stated that her policy followed the line of Pronk's policy. She reduced the number of countries which received development aid from The Netherlands. In doing this she focused on good governance, solid policy and obvious poverty. And she made exceptions for countries which focused on the themes of environment, peace, human rights and business sector possibilities. Criticizers say that she merely chose countries which had an intensive trade relation with The Netherlands and countries with social and cultural relations with The Netherlands. Therefore she would have chosen the countries which were the most beneficial for The Netherlands.

Instead of sending people to developing countries, those countries should become self-reliant. Herfkens was not a great fan of bilateral relations anyway, instead she believed in multilateral

relations via the IMF and World Bank. She focused more on Southern NGOs and saw a smaller role for the Northern NGOs since she thought that those organizations were more disturbing than supporting development. In order to have a better and more coherent justification policy she introduced stricter conditions for countries as well as NGOs.

4.2: 2003-2007, Agnes van Ardenne

It may strike readers who pay close attention that the period of 2002-2003 is missing in this story. In this period there was no minister of development cooperation in The Netherlands, Agnes van Ardenne was State Secretary of development cooperation in this cabinet (Balkenende I). The critique about downgrading development cooperation from a ministry to a state secretariat led to the fact that there was room for a ministry of development cooperation in the following cabinet of Balkenende. Nonetheless this first period will also be considered in this section about van Ardenne.

The most well known change introduced by van Ardenne with regard to Herfkens was the choice for 36 'partner countries' instead of the 49 countries which received aid at the end of Herfkens' period. Calling this countries 'partner countries' implies that the relation should be based on equality, they should become partners. To start with this list, van Ardenne wanted to make one list instead of the various lists Herfkens used. She measured all countries and came to the conclusion that the following 36 countries needed development aid from The Netherlands.

1. Afghanistan	13. Ethiopia	25. Pakistan
2. Albania	14. Georgia	26. Palestinian Authority
3. Armenia	15. Ghana	27. Rwanda
4. Bangladesh	16. Guatemala	28. Senegal
5. Benin	17. Indonesia	29. South Africa
6. Bolivia	18. Kenya	30. Sri Lanka
7. Bosnia-Herzegovina	19. Macedonia	31. Suriname
8. Burkina Faso	20. Mali	32. Tanzania
9. Cape Verde	21. Moldova	33. Uganda
10. Colombia	22. Mongolia	34. Vietnam
11. Egypt	23. Mozambique	35. Yemen
12. Eritrea	24. Nicaragua	36. Zambia

Figure 9: (Van Ardenne, 2003, p. 32)

In making this list van Ardenne mainly focused on poverty and good governance. This does not mean that all countries with no good governance are not taken up in this list. One could think of Afghanistan as a good example of this. But in those countries without good governance the improvement of the governance was one of the sectors on which the aid focuses. The aid would focus on no more than two or three sectors per country. That the aid focuses on poverty can be seen in the exit of countries like Brazil, China, Ecuador, El Salvador, Namibia, Peru and the Philippines, all relatively rich countries. Some countries without good governance did also disappeared from the list, Cambodia, Guinea-Bissau and Zimbabwe are examples of this. Just as some countries were removed from the list because the Dutch aid in these countries had

been so small that it could not be called effective and efficient to stay there, as was the case in Bhutan, Honduras and Nepal. All together we come to 13 countries which have been removed from the list (Van Ardenne, 2003, p.20).

Van Ardenne's policy was also aimed at a regional approach. She mainly focused on Sub-Saharan Africa and – to a lesser extent – on the Balkan countries (Van Ardenne, 2003b; NCDO, 2006). Especially Sub-Saharan Africa had her attention because this was – and still is – the poorest and most vulnerable part of the world. The main focus in this continent should be on hunger, poverty, conflicts, inequality and environmental degradation.

In a broader sense van Ardenne focused on more themes, which is a little contradicting because she wanted to focus on less countries and less themes. But in a letter in which she describes the main structure of her basic principles she mentioned the following accents:

'Integral policy', 'coherent policy', 'regional approach', 'emphasis on Africa', 'quality and effectiveness', 'private sector', 'partnerships', 'sustainable development', 'migration and development', and the 'millennium goals' (Van Ardenne, 2003b).

Many of these accents do overlap. Thus the integral and coherent policy almost have the same meaning. Both imply that money which goes to poor countries through development cooperation should not be earned back through trade barriers and taxes. Therefore other ministries and the Dutch government in total should not have policy which opposes the policy of another ministry. And also the accents of regional approach and the emphasis on Africa are complementary.

Another important feature of her policy is that she went even further than Herfkens in developing conditions and measurement for countries and especially NGOs. The proposals for allowances had to be more specified and elaborated. An example of these conditions for allowances is the following.

First there is a threshold examination, in which it is checked whether an organization has enough support and whether it is active in various countries. Next to it, the organization will be judged on transparency, effectiveness, partnership policy and the rate of innovation. Finally the program is being screened by means of conditions like policy relevance, sustainability and visibility of the results. (Van Oudheusden, 2007)

Van Ardenne introduced all these measurements in order to make the development sector more effective. Another way to make it more effective was to pursue a coherent policy, and one has to look further than the development sector alone in this regard. The coherence between policy sections is important for this aim. We have seen the example between 'giving money' and 'earning it back', but there should also be consistency between peace processes and weapon trade. As well as consistency between our labour market and closed borders (NCDO, 2006). That is why van Ardenne closely cooperated with other ministries like the ministry of integration & immigration, the ministry of foreign affairs and the ministry of agriculture, nature & food quality.

NGOs

In the field of private initiatives and NGOs van Ardenne also sought to ensure that they aimed at the same countries as to governments cooperation. This made it important to make agreements about how those two ways of development cooperation could become complementary. Of course organizations can choose not to aim at countries which are taken up in van Ardenne's list, but they had to choose for countries on the DAC-list – the list of poorest countries according to the Organization for Economic Co-operation and Development (OECD) – to have a chance of receiving money to execute their projects. Van Ardenne also proposed to unite the TMF program and the MFP. But since these programs did not end till 2007 she had to wait till then to unite them into the Medefinancieringsstelsel (Co-financing system), in short MFS. Eventually this MFS came into existence in 2007, what meant that the large NGOs – mentioned in the section about Herfkens – lost their immunity. Every organization had to write a decent proposal in order to receive allowances, with small NGOs having just as much chance as large NGOs. We have seen in Chapter 1 that this could have disastrous consequences for some NGOs, like PLAN Nederland. That van Ardenne was dedicated to small NGOs was also confirmed by Moniek Kamm – policy member of the COS. “Agnes van Ardenne was quite committed to small scaled private initiatives and the role of Dutch NGOs in development cooperation in the world as well as in The Netherlands” (Kamm, pers. comm., February 24, 2010).

An interesting choice of van Ardenne was to focus on business corporations in development cooperation. One of the aforementioned accents is the private sector. But besides the civil society, van Ardenne explicitly took into consideration the business sector in this field (Van Ardenne, 2003a). Corporations can contribute to development cooperation by ‘maatschappelijk verantwoord ondernemen (corporate social responsibility). This MVO means that corporations take the interests of developing countries into account in their actions. They can invest in developing countries and pay their employees a fair wage. The critique on this approach is that we could better invest in local corporations in the developing countries instead of investing in Dutch (multi)national corporations. But van Ardenne tackles this critique by saying that all those Dutch corporations have to search for a partner in the developing country and start joint ventures with them. Van Ardenne tells about an example of such a project.

It is not about the corporations, it is about what they do. We are now working with Unilever on taking a particular Tanzanian nut into production for vegetable oils and fats. In doing so we are helping the native population, people who are dependent on the forests in which they live. With pleasure we give Unilever an encouraging bonus to let this nut be gathered by the Tanzanian people in the future. My experiences are that these sorts of actions are not achieved spontaneously. (NCDO, 2006, p. 27)

It is also very important that this business sector enables the poorest people in a sustainable way to make a living. But it also includes giving developing corporations the chance to distribute and sell their products in a free market. In order to achieve this van Ardenne had the intention to develop a tailor-made program for each partner country (Van Ardenne, 2003a, p. 11/12).

Critique

This subsection will summarize the critique about van Ardenne's policy, just like the sections about Herfkens and Koenders contain a subsection about critique on their policy.

That van Ardenne wanted to measure and evaluate the development sector even more thoroughly was not received well by everyone. Some critics thought that it resulted in too many numbers which had to be put into tables and schemes without these resulting into actual relevant indicators (Van Oudheusden, 2007). Furthermore, an empirical test showed some interesting results. In the first place it turned out that the poverty of a country was not of such a great importance as had been told to be taken up in the partner countries list. And also the criterion of good governance is less emphasized than it was in Herfkens' period. Finally, also geostrategic considerations were important in the choice for certain countries, like Indonesia and Suriname (Hout & Koch, 2006). For a more elaborate empirical evaluation of this partnership policy I refer to the complete document of Hout & Koch.

Conclusion

We can summarize van Ardenne's features in a few lines. Her aim was to support the poorest of the poor, that is why she made a new list with partner countries. Critics mention that there are many poor countries which are not on the list and some countries which are on the list are not so poor. In her choice for countries she aimed at a regional approach, especially focused on Sub-Saharan Africa. In contrast with her predecessor she saw an important role for private sector initiatives and the business sector. She was quite dedicated to small scaled initiatives and was interested in initiatives within The Netherlands. On the other side she stopped established allowances to large NGOs, every organization had to propose very carefully for its allowance. In judging and measuring these proposals and projects she used many and very complicated conditions and measurements. All of this in order to make development cooperation more effective. A last mean for effectiveness was to make the Dutch governance policy in general more coherent. We can see that many of her features relate to Dutch domestic changes, and that there is less attention for the development process as a whole.

4.3: 2007-2010, Bert Koenders

The last minister whose policy will be evaluated is Bert Koenders. He was the minister of development cooperation in the fourth Balkenende cabinet. This was supposed to last till 2011, but during this collapsed on 20 February 2010. Since Koenders is a member of the PvdA – the Labour Party which left the cabinet – there is now a new temporary minister of development cooperation, CDA-member Maxime Verhagen. But since he will continue to execute the same policy until the new elections this research will only focus on the active period of operation by Koenders.

Countries

Koenders further adjusted the list with partner countries. During van Ardenne's period there were 36 countries taken up in the list of partner countries. Four more countries received substantial aid in the past few years. Burundi, DR Congo, Kosovo and Sudan, these were countries in a (post)conflict situation. Those 40 countries were re-allocated by Koenders. This resulted in a classification in three categories of countries which receive financial aid. Those three categories are 'accelerated reaching the MDGs', 'safety and development' and 'a broad relation'. Figure 10 shows us which country is classified in which category. The seven countries at the bottom of the figure are countries which will receive less and less money and will no longer be partner countries in four years.

Versnelde MDG-bereiking	Veiligheid & ontwikkeling	Brede relatie
Bangladesh* Benin Bolivia* Burkina Faso Ethiopië* Jemen* Ghana Kenia Mali Mongolië Mozambique Nicaragua Rwanda* Senegal Tanzania Uganda* Zambia	Afghanistan Burundi Colombia Congo, Democratische Rep. Guatemala Kosovo VR Res.1244 Pakistan Palestijnse Gebieden Sudan	Egypte* Georgië* Indonesië Moldavië Vietnam Zuid-Afrika Suriname**
Uitfasering van ontwikkelingssamenwerking in de komende vier jaar:		
	Bosnië-Herzegovina Eritrea Sri Lanka***	Albanië Armenië Kaapverdië Macedonië, FYR

Figure 10: (Ministry of Foreign Affairs, 2007, p. 34)

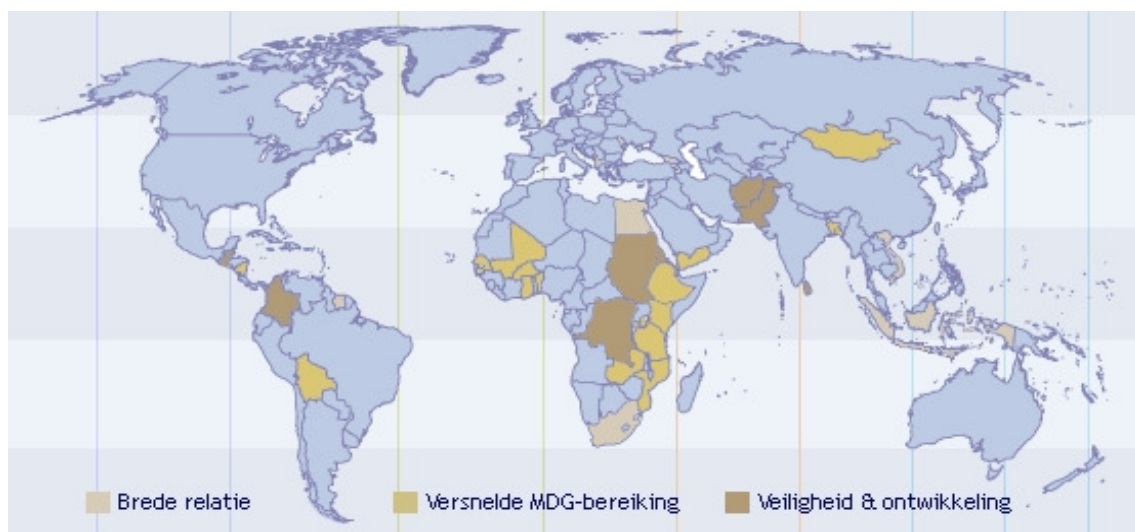


Figure 11: (Ministry of Foreign Affairs, 2008)

Themes

Just like his predecessors Koenders had a couple of themes which he found even more important than the other ones. And therefore he likes to lay an emphasis on those themes. This does not mean that other themes were being neglected, it rather means that the emphasized themes did get a little extra attention. One of them is the attention for fragile states. All countries in figure 10 with a * behind their name are countries with a (possible) safety problem. But also other countries can be mentioned as fragile states, like the countries in the second category, 'safety & development'. He would like to help those countries by strengthening the government structures, in order to improve their legitimacy and capacity to maintain safety and to provide social services (Ministry of Foreign Affairs, 2007).

A second theme which Koenders finds important is 'growth and distribution'. Development – or economic growth – is important to reduce poverty. But it is also important to look at the distribution of money or growth. "Structural inequality of chances – that is injustice – leads to economical inefficiency and therefore has a negative effect on growth" (Koenders, 2010, p. 50). Both concepts cannot be seen apart from each other, they are interlinked.

His third point of special attention is on one of the MDGs, namely the third one. "Promote gender equality and empower women" (UNDP, 2010). To achieve this goal Koenders founded the MDG 3 fund. This fund had to support projects which:

- Strengthen opportunities for post-primary education for girls
- Guarantee sexual and reproductive health and rights
- Invest in time-saving infrastructure for women and girls
- Securing women's property and inheritance rights
- Eliminate gender inequality in employment
- Increase women's share of seats in national parliaments and local governmental bodies
- Combat violence against girls and women (Ministry of Foreign Affairs, 2010a)

The last theme is the environment and energy. And there is a connection between this theme and the theme of growth and distribution. But this time the distribution is not about money and not about people within a country, it is about environment and resources and between people from the global North and the global South. Together with his colleague of VROM, Koenders made a policy memorandum in which they explained how The Netherlands could contribute to developing renewable energy in developing countries. This is important because there is a struggle for energy, but also because fossil energy leads to climate change and because – renewable – energy is important for economic development and achieving the MDGs. (Koenders, 2010; Cramer, 2007).

Koenders believes that financial aid alone is not enough to help poor people in the Third World. We have to focus on many other things to achieve this goal. His first main theme made clear that we do not have to ignore fragile states but help them to become stable. Of course there is a larger chance of failure in these countries, but when it does succeed it contributes more to solving the problem than supporting relatively stable countries. Therefore Koenders is also

focusing on politics and power relations in development cooperation. In order to achieve goals like saving the environment, developing renewable energy, and distributing growth in a fair way he encourages the business sector and environmental organizations to participate in the development process (DPRN, 2009). This results in a section which reminds us of Friedman's view on dimensions that cannot be seen apart from each other.

Besides he searches for linkages between combating poverty and other major global problems like migration, peace & safety, environment, energy, the financial world order, global governance, trade & investment and food security. (DPRN, 2009, p. 13)

NGO's

In consequence to the MFS – introduced by minister van Ardenne – which lasted from 2007 till 2010, Koenders was due to produce and implement a MFS 2. This MFS 2 should last from 2011 till 2015, which is the moment when the MDG's are targeted to be reached. The tenders and proposals for that period should be handed in about now. The tender for large NGOs has been closed in November last year, but other organizations do not have any clue about the exact conditions for proposals. This leads to a lot of uncertainty in the field, particularly for small NGOs. Koenders wrote a policy memorandum about the role of NGOs and private owned initiatives. But the final policy structure is not put on paper yet. And since Koenders no longer is the minister of development cooperation, there is much uncertainty about the nature of this forthcoming policy (Kamm, pers. comm., February 24, 2010).

However, despite the recent change in the political arena with the demise of Balkenende IV, it is still of relevance to give an overview of Koenders' view on NGOs and private owned initiatives. Koenders stimulated the EEN campaign, a project which tries to create awareness and support for development cooperation and the MDGs. And he is also into private owned initiatives, more than his predecessors. "What is new, is that PIs – that is local development organizations – are now being formally acknowledged as a group at its own. And it is also acknowledged that they can have an important contribution to the total budget and aid from The Netherlands" (Kamm, pers. comm., February 24, 2010). Those PIs and NGOs should be complementary, what means that they should also focus on countries which are already being supported by other ways of – mainly bilateral – aid. Koenders classifies the societal organizations into four categories. Namely the broad and thematic development organizations, seven societal organizations with an own framework of allowances, international societal organizations and finally those small private owned initiatives. He finds it very important that all these organizations do cooperate well and are well adjusted to each other. He also calls this coherence, but we have to see the concept in another way than we did with van Ardenne. Koenders mainly talks about coherence between development organizations where van Ardenne talked about coherence between the various ministries in The Netherlands. Koenders also admits that his policy differs from the policy of van Ardenne, but at the same time promises that he will follow the main lines which are implemented by van Ardenne (Ministry of Foreign Affairs, 2009a).

One can also see this coherence and cooperation in his policy for MFS II. In the past there were 74 proposals which would be eligible for allowances, but Koenders reduced this number to 30. The consequence is that organizations have to cooperate to make one proposal, they have to form partnerships. All those partnerships should distinguish from each other, they should concentrate around one or a couple of themes. Koenders introduced this in order to prevent fragmentation (Ministry of Foreign Affairs, 2009a). Koenders tried to reach his goals and push actors, organizations and countries in his direction by financing the ones who adopt his view. There are all kind of funds like the MFS, MDG 3 fund, Schokland fund and the EEN campaign.

Critique

Just like Herfkens and van Ardenne, Koenders has critics. Terre des Hommes argued that it was not clear which amount of money went to which theme, which is especially important when the use of development aid is being questioned (Telegraaf, 2008). From the other side there are development organizations who find that Koenders' policy is not sufficiently innovative. He created great expectations with his speech about 'International cooperation 2.0' and his policy memorandum 'Samenwerken, maatwerk, meerwaarde', but the actual policy did not come up to those expectations (ICCO, 2009a and Cordaid, 2009). A WRR-report about development aid was being presented in January 2010. This report critically evaluated the Dutch development aid in general. It also had some recommendations for Koenders. Some of the most remarkable ones are about focusing on fewer countries, focusing on global processes instead of classical aid, letting go the 0,8%-standard – the international agreement is 0,7% - and focusing on long term self-help (WRR, 2010).

Conclusion

Koenders subdivided the partner countries of van Ardenne into three categories. His thematic focus is on four themes: fragile states, growth & distribution, gender equality/women rights and environment & energy. He also believes that development aid alone is not enough to solve the poverty problem. He focuses on politics and power in fighting poverty, this proves that he sees the problem in a broader way. He also sees many dimensions, including global processes like the financial crisis. Koenders preaches cooperation, partnerships and coherence. Not only between development organizations but also in combination with the business sector and environmental organizations.

His policy memoranda for NGOs were focused on PIs, youth and networks (Kamm, pers. comm., February 24, 2010), but unfortunately he was not ever able to present a final policy about this topic. He did establish a couple of funds – like the MFS, MDG 3 fund and the Schokland fund – which supported organizations who operated in field which he found important. In a report which evaluated the policy of the last 4 ministers his policy was being summarized as a combination of Pronk's policy and Herfkens' policy (DPRN, 2009)

4.4: The common thread

Now we have seen the policy per minister it is time to place them in a bigger picture. We have already outlined the main themes per minister. Therefore the focus will now be on a few fields and how they evolved during the last 12 years. Some fields which can be perceived are:

- the partner countries,
- the focus on multilateral-, bilateral-, NGO- or PI-cooperation,
- the funding schemes,
- the main themes and accents of the ministers,
- and some remaining characteristics.

The partner countries

We can see a clear decrease in the number of countries which receive development aid from The Netherlands. Pronk – the minister of development cooperation before Herfkens, from 1989 till 1998 – did maintain aid relations with a lot of countries, the estimates vary around 90 to 100. Herfkens immediately made clear that she wanted to reduce this number to 20. Indeed she made a list of 19 geographical partners of The Netherlands which received aid. But besides this, she also chose 3 themes for which she wanted to support countries. This resulted in 49 countries on Herfkens' list.

Van Ardenne reduced this list to 36 countries. Despite her emphasis on Sub Saharan African countries, all of those 36 countries were already on the list of Herfkens. That is 13 countries disappeared from the list and no new countries were added to the list. In the following years Burundi, DR Congo, Kosovo and Sudan did also receive substantial aid as being countries in a (post)conflict situation.

Koenders reorganized this list – with 40 countries – by subdividing the countries into three categories, 'accelerated reaching the MDGs', 'safety and development' and 'a broad relation'. He also selected 7 countries out of the second and third category which had to be phased out between 2007 and 2010.

The funding schemes

An important indicator for the consistency of the Dutch national policy is the way of funding. We can say that there have been quite some changes in this field in the preceding 12 years. The MFP had been a well know funding program since 1965 with the same actors since 1978 (Hoebink, 2006). Other NGOs received funding via many other programs and ways. The first changes have been made during Herfkens' period as minister. She introduced Plan Nederland and Terre des Hommes into the MFP. She did this because the four other MFOs – Oxfam, ICCO, Cordaid and HIVOS – had a sort of monopoly, and Herfkens thought they were abusing this. She called this new division MFP-broad and she also introduced a MFP-narrow. This MFP-narrow was meant for smaller and more specialized organizations, the ones who got funding from all kind of programs before. This MFP-narrow was later renamed as TMF. We can see all

this in figure 12. It may also be clear that these changes are placed in the period 2002-2006 – during van Ardenne's period - but that is the period in which they came into force. Just like the changes after 2006 were made by van Ardenne, but came into force during Koenders' period. The same applies for Koenders' policy, which will come into force in the coming years. Van Ardenne decided to combine the MFP and TMF into the MFS. The most important consequence of this change is that the MFOs are not assured of a certain amount of money, while they were during the MFP. A second program is made for non-Dutch organizations, SALIN. SALIN stand for Strategic Alliances with International NGOs. Those two programs lasted from 2007 till 2010 (Hoebink, 2006).

Koenders programs should last from 2011 till 2015, the year in which the MDGs should have been reached. Whether his policy will make it till then depends on the new minister, who comes into power earlier because of the collapse of the cabinet. Koenders dropped the SALIN program and he continued the MFS program. This MFS 2 did contain less money – also because of the financial crisis – and is adjusted at a few points. Probably the most important adjustment is that no more than 30 proposals will be granted, which forces organizations to cooperate with each other and form partnerships. Besides this MFS he also has some other funds like the Schokland fund and the MDG 3 fund.

What I would like to make clear whit this paragraph is that one could see a constantly changing policy since 2000. And at the same time this is more or less the year which globalization 3.0 started, according to Friedman. We have already seen that globalization 3.0 stands for more interaction with people all over the world, and also that it has led to constantly changing circumstances and opportunities. The world is in motion all the time. This can be seen in the policy which apparently is outdated every four years. But not only is it changing every four years, it is also heading in a certain direction. It started with large allowances for a few major organizations and some smaller allowances for many fragmented organizations. During the next period the allowances became more structured, and since 2006 the MFS became into force. This implied more conditions with the risk of losing your allowances when not adjusting to the conditions. And also a new funding scheme called SALIN came into existence, which financed interactions between international DAO and Dutch DAO. Finally Koenders has aimed even more on partnerships and cooperation. And he also made the MDGs a central goal of development cooperation, among others through the Schokland fund and the MDG 3 fund.

All of this leads to my conclusion that there are many similarities between globalization 3.0 and the development policy since 2000. Therefore I would like to argue that the changing policy is a consequence of globalization 3.0. A constantly changing time in which people from all over the world are interacting with each other.

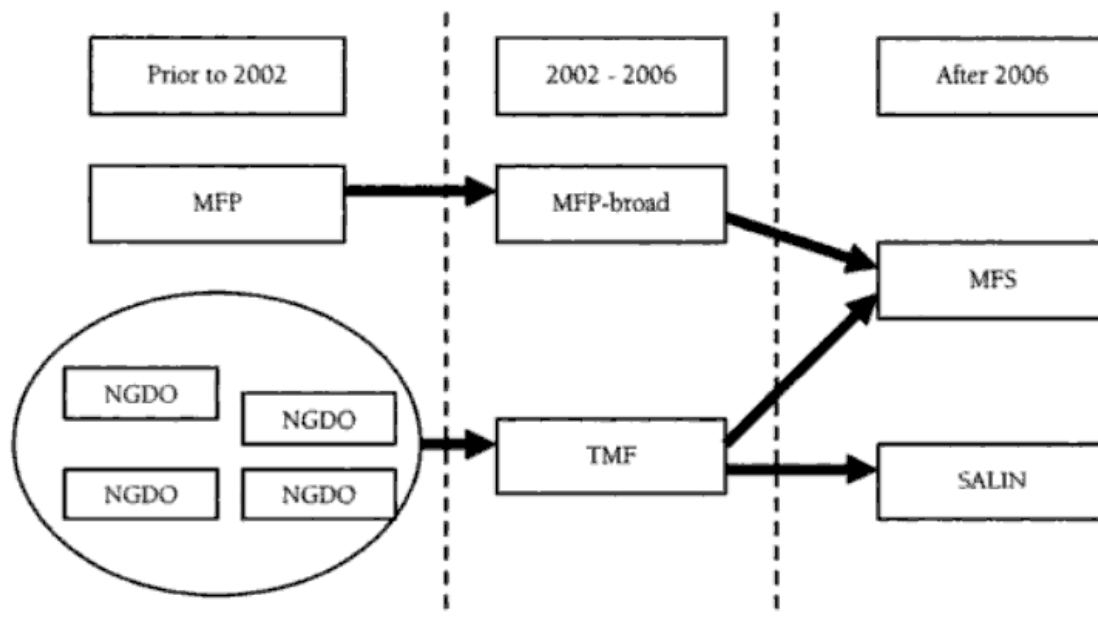


Figure 12: (Hoebink, 2006, p. 34)

The figure presented above can be seen as the period of Pronk's and his predecessor's policy, the period of Herfkens' policy and the period of van Ardenne's policy. Koenders policy can be characterized as a new MFS, MFS 2. But also as the disappearance of SALIN and the emergence of some – smaller – funds.

The main themes and accents of the ministers

One of the common – but also most obvious – themes of the ministers was poverty. This sounds pretty self-evident when dealing with development cooperation. Nevertheless all three ministers mention it explicitly in their policy. It probably means that they wanted to aim at countries that are at the bottom of the prosperity spectrum instead of countries that are advancing like China, India, Brazil and Argentina. We can see these countries slowly disappearing from the partner lists of the ministers.

Good governance is another common thread in the national policy of the last 12 years. It was one of Herfkens' indicators to choose countries for her list. And van Ardenne also thought that good governance was important. But she did also adopt some countries who did not have good governance, but there it was one of her most important aims to achieve good governance. Koenders did not talk about good governance, but about fragile states. And fragile states are very often the opposite of good governed countries. Therefore one can say that he was also about installing good governance in those countries. Recapitulating, Herfkens selected her countries on good governance, and van Ardenne and Koenders also selected instable countries and tried to install good governance there.

The business sector is a theme which is also mentioned in every minister's policy. Herfkens wanted to invest in countries where there was a possibility for a business sector to originate, she focused on businesses within developing countries. The other two ministers were more about involving Northern businesses in development cooperation. This could be via MVO, by giving opportunities to poor people in the South. And they did not mind if the Northern companies also made profit of it, as long as dealt in a fair and sustainable way.

PvdA ministers Herfkens and Koenders also mentioned the environment as an important theme. Herfkens selected some countries to receive aid from The Netherlands because of their environment. Koenders was more talking about the distribution of negative environmental effects around the world. His theme 'environment & energy' was more aimed at sustainability, and about commodities, environmental degradation and pollution. In this sense we can also see van Ardenne's themes 'sustainable development' and 'MDGs' as environmental themes. That is because MDG 7 is also about a sustainable environment for all people. And this resulted in 'environment & water' as one of her themes in the policy memorandum which followed a few months after the letter with her basic principles (Van Ardenne, 2003a).

There are a couple of themes which can also be highlighted, but who are less consistent than the aforementioned themes. One of those themes is partnership. All three ministers talk about partnership, but all in a different way. Herfkens meant with partnership a more horizontal relation between the Dutch government and its DAOs, but also a more equally based relation between Northern and Southern DAOs. This can be seen in the fact that we do not send our own experts anymore, but let them build and execute their own projects. So no longer a hierarchical relation but more of an equal relation. Van Ardenne pointed at partnerships between countries, between governments. Mainly between giving and receiving countries, but also among giving countries to make their aid more effective. And only in the last resort between DAOs, people, businesses and the government, like the example of Unilever in Tanzania. Koenders' main aim of partnerships was the relation between Dutch DAOs, they had to cooperate more. He tried to achieve this goal by promoting alliances and financing a maximum of 30 proposals for allowances.

The step between partnerships and coherence & complementarity is not a big one. Coherence and complementarity played a more important role in the past few years. Especially van Ardenne and Koenders mentioned these concepts as important aspects of their policy (NCDO, 2006; Ministry of Foreign Affairs, 2009b). Like has been said before, van Ardenne pointed at coherence between the various ministries of the Dutch government. Koenders accent was on coherence, consultation and cooperation between DAOs. Complementarity means that various kinds of aid could have a larger impact if they are adjusted to each other, which again requires cooperation and coherent policy. This coherence and complementarity fits in a bigger picture about looking at development cooperation as a multidimensional project. It has resemblances with Friedman's dimensions which determine our worldview. It will be discussed in the next subsection, in which the national policy of the last 12 years is being illustrated by the global-local paradox.

Another similarity between Koenders' and van Ardenne's policy is the accent on gender. Both ministers were advocates of equal rights for men and women. Van Ardenne started to emphasize this right and Koenders continued this policy (T. Van Hees, pers. comm., March 10, 2010). This resulted in an accent on MDG 3 and 5 in Koenders' policy, and even a special fund to achieve MDG 3 (Ministry of Foreign Affairs, 2007; Ministry of Foreign Affairs, 2010a).

Remaining characteristics

It cannot be called a theme but another consistent line can be seen in the conditions and rules. For countries as well as for development organizations. All the ministers used a lot of indicators and conditions in order to come up with a list of countries. But also DAOs had to report a lot more. Till the Pronk-period organizations were quite assured of their allowances and they had to report afterwards. But since the period of Herfkens organizations were no longer assured of their allowances and had to report in advance. This trend continued – and some say it even increased – during van Ardenne and Koenders.

A second remaining characteristic is how their overall policy can be defined. How did development cooperation change in the last 12 years?

Briefly one can say that there has been almost no attention for analysis of (global) development processes after Pronk. Neither it is declared properly whether, how and to what extent the policy of the various ministers is based on results of empirical research. The policy lays a lot of emphasize on 'what' and 'who', less emphasize on 'how', and even less emphasize on the 'why' of development cooperation. (DPRN, 2009, p. 14)

4.5: The global and local influences on national policy

The aim of the first part of this research was to disentangle the national policy in the field of development cooperation in the past 12 years and to explain it on the basis of a scientific theory, namely the global-local paradox of Thomas Friedman. Friedman's theory has been discussed in chapter 2 while the national policy has passed in review in this chapter 4. I was wondering whether this theory could actually tell us something about the evolvement of development cooperation.

4.5.1: Globalization and the national policy

We have seen that the new age of globalization – called globalization 3.0 by Friedman – has started around 2000. Interestingly enough there have been quite some changes in the Dutch development policy since this time. These may be a consequence of the new relations and interactions in the world, provided by globalization 3.0. Although this research is not about the policy before 1998, it has been established on the prior section that the development policy before this period could be called more stabile. The MFP was already introduced in 1965 and lasted till 2002 in that shape. And also the fact that the minister of development cooperation –

Jan Pronk – had been sitting for 10 years points to stability and continuity in a way that his positions will not have changed tremendously during his period. Another reason why development aid worldwide may have changed is the threat of terrorism which is present since 11 September 2001. There has been a lot more attention for countries with possible safety problems like Iraq and Afghanistan. We can see this policy also in The Netherlands where Koenders focuses on Afghanistan.

This new age – globalization – was caused by three forms of democratization: the changing way of communication, the changing way in which we learn about the world and the changing way of investing (Friedman 1999, p. 45). These features of globalization can also be translated to development cooperation. One will see that globalization has (had) a large impact on DAOs and their policy.

Firstly, the changing way of communication has led to more communication between developed and developing countries. It made it a lot easier for DAOs to contact each other, but also to keep abreast of the progress of projects.

For the smaller organizations – like Friends Indeed – globalization matters enormously. Because the success of Friends Indeed is partly caused by the possibility to email with each other 10 to 20 times a day, by making calls, and by skypeing. I travel 2 or 3 times a year, with the most possible ease. Those are all things which could not be done 20 years ago. I have become intrigued by the mail, because I can get emails from India in the morning just like that. From that I had an insight in projects, and I was able to think along and cooperate. (A. Legeland, personal communication, March 9, 2010)

One of the problems of development cooperation in the past was the fact that one had to go to the country or region of destination in order to make arrangements and to control the implementation of a project. Nowadays one can use the internet, mail, phone, fax and other tools to contact other people or organizations. And the progress of projects can also be checked by means of internet and videos. Another example of the changing way of communication can be found in the language people speak. More and more people have the ability to understand, or even speak, English. This also has to do with the changing way in which we learn about the world, which will be discussed below.

Secondly, the way in which we learn about the world. 'We' learn about the world in a slightly other way because of internet since 2000. But 'they' are learning in a total other way about the world. People in the developing world are now witnessing images of the world by papers and radio, but also by (cable) television and even internet. This gives them a more unbiased view on the world and their situation, what leads to more self-awareness and self-confidence (NCDO, 2006). They know what the possibilities are and they want to achieve them, therefore they want to raise their voice and argue with 'us'. The changing way in which people learn about the world can also be taken literally. Many people in the developing world are being educated nowadays. This also leads to more self-confidence and more awareness of their situation and potential. Therefore we can now speak of interaction between the developed and the developing world

based on equality instead of a power relation with almost all the power for the developed world and an inferior position for the developing world. But at the same time it has to be mentioned that the developing world still has an arrear and does not have the best bargaining position.

A third change is the changing way of investing, which can be seen in more and more philanthropism. This form of development cooperation – alongside business funds – is becoming more important in the past years (Ministry of Foreign Affairs, 2009a). DAOs have to, and are becoming more creative in gathering their budget. They have to find an alternative in case their proposals by the national government fall flat. But also remittances have increased in the last couple of years. This is not an income for Northern DAOs, but it is for Southern DAOs, municipalities or families. That is why we can say that the way of investing is changing. The sources are shifting from governmental allowances to private and business contributions.

An important final remark is that these three democratizations are also interrelated. We have seen the relation between communication and learning. But one could also think of a relation between communication and investing. An example would be that migrants could easily ‘disappear’ in the past. But with the new means of communication it is easier to stay in contact. The people who stay back at home can watch the migrant, and the migrant can verify whether his remittances are used in a proper way. A same relation could exist between investing and learning. Since people in the developing world are learning about the relations in the world, and are able to receive news, it might be useful for multinationals to raise goodwill by investing in social projects.

Therefore it is justified to say that all of these democratizations are interrelated. But there is also an interrelationship between globalization and the democratizations. Friedman has called the democratizations causes of globalization. But I believe that the democratizations are partly also consequences of globalization. The fact that the democratizations are being influenced by each other – which points to a cause-consequence relation – strengthens my thought that the democratizations can also be seen as consequences of globalization.

A last cause and/or consequence of globalization is a changing – or fading – hierarchy. Friedman argues that nobody is in charge anymore. On the national level as well as on the global level. Instead of a vertical power relation there now is a more horizontal way of cooperating. We have heard this horizontal relation before in this research, and it means equality between parties – for example between Northern and Southern DAO, but also between countries – and partnerships between governments, companies and DAO.

Finally there are also some features of globalization which cannot – yet – be applied to development cooperation. It is not unlikely that this will change in the future, but for now these features have not reached the development sector in The Netherlands. Friedman believes that the national government is slowly losing its leading position when talking about power and authority. It is no longer the most important level. But in the development sector the national government still is by far the most important institution. One could argue that there is more interaction between superstates, states, DAOs and companies – like in the large congresses on

climate, safety or poverty. But the actual choices and decisions still have to be made by the states. Without the approval and permission of the states the other actors cannot undertake any actions. A great part of the Dutch budget for development cooperation is given by bilateral relations, and another great part reaches its destination via multilateral institutions. But also for DAOs allowances from the national government are essential, especially for the larger ones who often get more than 75% of their budget from the government (ICCO, 2009b). This means that DAOs can hardly exist without governmental support, which results in a sort of power relation for the national government, in this case the ministry of development cooperation. They can use it by making demands for other financing or for countries or themes in which the money must be used.

In his definition of globalization Friedman talks about the integration of markets. This means that there would be less barriers and restrictions – since the fall of the Berlin Wall – and more chances for trade. Because of that the law of comparative advantage could be applied and countries should focus on their specialties, and then export them. But although the protectionist policies have loosened a bit in the preceding years, there are still a lot of trade barriers and taxes. These barriers prevent trade between developing countries and developed countries in a fair way. But since a couple of years the Dutch government tries to make this contradicting policy – between giving money and raising trade taxes – more coherent (NCDO, 2006).

4.5.2: Using development cooperation for own purposes in globalizing times

Since the fall of the Berlin Wall there is one dominating political-economical system left, capitalism. Friedman says that this new world order can be called the period of globalization, opposing the Cold War system in which capitalism and communism were in conflict. But also in the age of globalization countries try to achieve a better – higher – position in the world order. And I can contemplate some ways to reach this goal by using development cooperation. China, among others, is one of the countries who have introduced a new phenomena, land grabbing. This means that governments or investors from China, Saudi-Arabia or India rent or buy farmlands from poor countries especially in Africa. They use it to grow food which can be traded in their own country. “The term land grab refers to the purchase or lease of vast tracts of land by wealthier, food-insecure nations and private investors from mostly poor, developing countries in order to produce crops for export” (Daniel & Mittal, 2009). It is a challenged phenomena because some people say it is a win-win situation – poor countries are getting money and wealthy countries with food insecurity are getting food – while others say that it is a ‘new form of agricultural colonialism’ (Oxfam, 2010). By all means I believe that it is a form of development cooperation by which the investing countries try to benefit economically, even though it is questionable whether the poor countries also benefit. But the countries like China are securing their food supplies and try to achieve a better position in the world order.

But not only other countries use development cooperation as a way to achieve a better position in the world order. This research is about the Dutch development policy, and The Netherlands are using development cooperation to maintain or reinforce their position in a globalizing world as well. Firstly there is the presence of The Netherlands in Uruzgan to help rebuilding

Afghanistan. This may be more of a safety issue, but it is absolutely related to development – or international – cooperation. It is obvious that the United States and the United Nations did appreciate the presence of The Netherlands in Afghanistan. And it is important to create goodwill by influential countries and institutions. One can use this goodwill in other situations and events. The Netherlands and Spain are two countries who did not belong to the original G20 – a group consisting of the 19 most important and influential economies of the world, and the European Union – but who are invited to the meetings of the G20. They owe this position to their willingness to support the economic recovery, their global trade relations and to their contributions to institutions like the IMF and World Bank (Parool, 2009). The fact that The Netherlands decided to retrieve from Afghanistan has led to rumours about losing this invitation for the G20 meetings (NOS, 2010b; Van Hees, pers. comm., March 10, 2010). This story also exemplifies how development cooperation can be important for a countries' position in the world order in times of globalization.

4.5.3: Localization and the national policy

Localization is a reaction to globalization. Globalization threatens the identity of people, it makes the world more homogenized. But people still feel the need to belong to someone and to achieve something, and they can do this by localizing (Van Houtum, Kramsch & Zierhofer, 2005). Localizing can link to specific communities, municipalities, regions or provinces. In this case it is about a country, The Netherlands. The EU and the Euro, among other things – which are results of globalization – have led to homogenization. Therefore people are sensitive to projects and actions which can increase their feelings of belonging. In the Dutch politics this was picked up by rightwing politicians. Just listen to the name of the next party, Trots op Nederland (Proud of the Netherlands). It may not be surprising that this party has a very restrictive immigration policy, a strict integration policy and that it wants to cut down more than 50% of the development budget (TON, 2010). Another party which uses this feeling of belonging is the Partij voor de Vrijheid (Party for Freedom). It maintains a strong and conservative position in the field of nationality and identity.

- Introduction of a quota for asylum seekers of at most 5.000 per year
- Immigration stop of nonwestern allochthonous people for 5 years
- History and national identity prominently in the curriculum of all schools
- Discharging the right to vote for local authorities for non Dutch people
- Discharging double nationalities
- A burqa ban and a ban on headscarves in public functions
- No new members to the European Union
- No new European constitution or handover of national authority to Brussels
- And perhaps the most important position for this research: Spending no money on development cooperation! Only emergency aid will still exist (PVV, 2010).

Geert Wilders – leader of this party – uses another feature of belonging. Friedman explained that demarcation and exclusion of others would improve one's identity and feeling of belonging. Localization needs something to dissociate from. This behavior can be seen as an objection to

globalization, which brings us to the global-local paradox. This rather short subsection about localization shows once again that localization does not exist in itself. Rather it needs something to oppose to, like in this case globalization.

4.5.4: The global-local paradox and the national policy

I have argued before that parts of Wilders' policy present features of localization. His localizing behavior is clearly aimed at withstanding the consequences and features of globalization. He does not want too many 'foreign' people come to The Netherlands, instead people who may come must adjust to our culture, people have to choose for one nationality (read identity). And finally he does not want to handover anymore of national authorities to the EU. It is mentioned that a weakening or fading government is a feature of globalization, and Wilders explicitly wants to strengthen the national government. The founding of the EU has taken a lot of authorities – like law- and policymaking – away from the national government, but it also took some parts of our identity away. Think of the official languages which are used in the EU, they make us homogenized. Or think of the Euro as our only currency which makes us homogenized. But also think of regions which are formulated by the EU, which unsettle our view of countries and regions. Thus Nijmegen is now on 'centre' of the Euregio 'Rijn-Waal', but people living in Nijmegen are used to be living at the border between The Netherlands and Germany. The same applies for the Euregio 'Maas-Rijn' which combines regions from three countries, namely The Netherlands, Belgium and Germany. And to make it even stranger, it combines three languages, French, German and Dutch.

If people should get used to this idea there is always another map which will confuse them. One can see in figure 13 that there are municipalities – and therefore people – who belong to more than one Euregio. The people of villages like Melick, Vlodrop and Posterholt do even belong to three of those regions!



Figure 13: (Province of Limburg, 2010)

All of these confusing classifications strengthen a perceived need for a strong identity to hold on to, and the PVV offers this. He gives people something to belong to – The Netherlands – which he tries to reinforce by emphasizing our common history, using only one language – Dutch – in official documents and information brochures, but also by improving direct democracy. Secondly he gives people something to differ from – other countries and foreigners – by decreasing the number of foreigners coming to The Netherlands, decreasing their rights to keep their own identity, resisting ‘Europeanization’, and – important for the development sector – decreasing or abolishing development aid/cooperation. In chapter 2 it is being explained that this combination leads to a strong identity, in this case a Dutch identity. This again reinforces the localization process.



Figure 14: (Wilders' way of localizing)

One could wonder why there is so much attention for the policy of the PVV in this subsection. That is because the party can be called the most rightwing and conservative party of The Netherlands which has become well known. And since it is very likely that the PVV will be one of the largest parties in the coming elections there is a clear link with the national government policy that is being explored in this section. Should Wilders' party make it to the Cabinet all the aforementioned proposals could become reality and there would be a very clear link between the global-local paradox and the national policy, not only in the field of development cooperation! It is not sure that the PVV will make it to this Cabinet, but the fact that a lot of people are thinking of voting for them makes it a very plausible possibility. It represents the rightwing of our political spectrum and the way in which localization plays an important role in this.

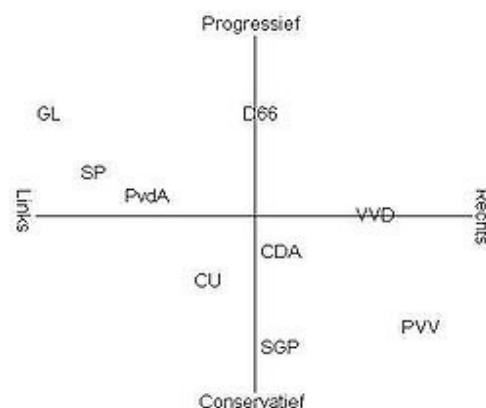


Figure 15: (Krouwel, 2006)

The other side of the political spectrum contains the Socialistische Partij (Socialist Party) and GroenLinks (GreenLeft). They are not just leftwing, but also more progressive. That means that they are more aimed at progression and development. And since a strong nation-state is the more conservative position, one could say that a weakening nation-state is one of the characteristics of a progressive party. It may not surprise you that the positions of GL and SP are more or less the opposite of the PVV. They are advocates of cooperation between countries and more solidarity with foreign poor people. Although it has to be said that the SP mainly focuses on poor people within the Netherlands. And helping them may sometimes have a negative impact on foreign poor people. For example, in the case of job security they are an advocate of 'closing' the borders for cheaper foreign labour. This influences migration policies in a negative way. A second note one should take into account is that GL and SP are two different parties who may not be seen as supporting exactly the same values.

- Migrant workers are a positive development, because they contribute to prosperity in The Netherlands as well as in their native country (remittances). GL
- More rights for asylum seekers to tell their story, and more rights during this period. GL
- The EU is important for transgressing conventions, supranational institutions and shared sovereignty. GL
- Expansion of the EU – mainly towards the Western Balkans – is desirable when these countries are ready for it. GL
- The development budget should increase to 1% of the GNP for all EU- and other rich countries, for The Netherlands this should be 1,5%. GL
- People have the right to hold two nationalities and the right to wear headscarves. GL
- The Netherlands have to aim at solidarity between the EU and developing countries. SP
- Free access of products from the HIPC to the European market. SP
- More influence of developing countries in IMF and World Bank policy. SP
- An increase of the development budget. SP (GroenLinks, 2010; SP, 2010)

It has to be mentioned that the SP is less progressive in expanding the EU and the authorities of the EU. But on all the other subjects the SP and GL do have an opinion which is contradicting the one of PVV. In many of their statements the phrases 'solidarity', 'equality' and 'cooperation' are used. Not for nothing the slogan of the SP is 'a society in which human dignity, equality and solidarity play a central role' (SP, 2010). This could be translated into a more horizontal way of working which has been mentioned by the previous ministers.

An interesting question would then be whether this solidarity also persists when our own prosperity and wealth is staying at the same level or even decreasing. The 'giving behavior' of people is mapped a few years later. Therefore the latest report of the 'workgroup philanthropical studies' has mapped the behavior of Dutch people and corporations in 2007. The current financial crisis could therefore have almost no influence on the outcome. But we can see that the percentage of our GDP per household has decreased since 2005, and also that the number of corporations sponsoring or donating to charity has decreased. On the other side we see more time spend on volunteering and corporate social responsibility (Geven in Nederland, 2009). One could say that we are less inclined to give money for charity, but instead we are more willing to do something – invest our time – for charity. The role of the crisis will play a role in the current

giving behavior of people since “economic slowdowns usually have a delayed and relatively small negative effect on fundraising income. A slight decrease in fundraising income is expected after one to three years” (Geven in Nederland, 2009). This negative effect is that 30% of the people are reducing their financial support. About 17% cuts down on the support, 13% completely stops giving. It also confirms that there is a trend in more doing and less giving (Onze Wereld, 2009). It is hard to predict whether this trend will persist when the current crisis is over. It seems likely that people are more willing to spend time instead of money because of the financial situation. In that case the trend should become more giving and less doing after the crisis.

Now it is too simple to claim that the leftwing in politics stands for globalization and the rightwing stands for localization (there are many more differences in their policies, like climate, economic cuts, welfare state and retirement age), but it is interesting to see the current political situation in The Netherlands. There has been a huge shift from voting on more or less ‘central and moderated’ parties to voting on leftwing or rightwing parties. It is a quite arbitrary choice, but I have chosen GroenLinks and SP as leftwing parties and VVD and PVV as rightwing parties. If we look at the elections for the House of Representatives for the period of 1994-1998 – just before globalization 3.0 – we can see central and moderated parties like D66, PvdA and CDA earned 95 seats, leftwing GL and SP 7 seats, and rightwing VVD 31 seats (NLverkiezingen, 2010). The remaining seats were for small parties who are not relevant for this research. If we then look at the prognosis for the coming elections we see a totally different division. The central and moderated parties – D66, PvdA and CDA – would get 70 seats, the leftwing parties 22 seats, and the rightwing parties – PVV and VVD – 46 seats (de Hond, 2010). Although it is arbitrary to position parties at a certain side and their policy can have changed in the past 14 years, I think these results make clear that there has been a shift of votes from the centre to the leftwing and especially the rightwing. The current division of seats is forcing the parties to form a quite leftwing Cabinet or a quite rightwing Cabinet, although this is also influenced by the controversy between the CDA and PvdA.

All these numbers bring me back to the resemblances of this situation with Friedman’s view, who believes that people cannot be fitted into two categories, being a globalist or being a localist. “Half of the world – sometimes half the same country, sometimes half the same person – was still caught up in the fight over who owns which olive tree” (Friedman, 1999, p. 31). I think that the current Dutch political situation describes this argument – of people hesitating between globalization and localization – in a very nice way. It represents the political discord of people in The Netherlands prompted by the situation in the world. Once again one should keep in mind that this political situation has to do with many other things besides the global-local paradox. Therefore it would be recommendable to carry out a separate study about the link between political parties and the global-local paradox.

We have now discussed the giving behavior, the emergence of political parties and the consequences for the way our country could be governed in the coming years. Those three subjects have been discussed in relation to the global-local paradox. A last link between the global-local paradox and the national policy is the platform to proclaim their story which globalization is giving to political advocates of localization. In the subsection about globalization

and the national policy we have seen that globalization has led to a great number of opportunities to communicate with each other, like telephone, television, skype, internet and mail. But it does not only give people the opportunity to use globalization – like Anne Legeland of Friends Indeed did – and expand globalization, it also gives a platform to people who advocate localization.

Firstly there is the elaborately discussed Dutch politician Geert Wilders. He made a movie – titled Fitna – about the dangers of radical Muslims and the Islam. He wanted to make clear that this is one of the dangers of foreign people. Thanks to globalization this movie could be watched by people all over the world via internet (Volkskrant, 2008). This is an example of globalization which gives localization a platform to present itself on. The same applies for the caricatures made by Danish cartoonists about Muhammad. At least they have used the same channels and their impact is the same. One could argue that the intentions of both do differ. Wilders presented his ideas because of a conviction, he believes that foreign people can in some cases be a threat for the Dutch (or European) population. The caricatures of the Danish cartoonist – Kurt Westergaard – are not made out of this conviction and can be called needless offensive.

The second example is Dambisa Moyo, a Zambian writer and economist who believes that development aid is harming developing countries and Africa in particular. She supports a local approach for the poverty problem. Her main reasons are that development aid is encouraging corruption and poor governance and leads to dependency (Moyo, 2009). This message has reached billions of people around the world because of media which are made available by globalization. Not only did she write a book – writing books was possible before globalization 3.0, although it can now be transported, published and therefore bought in a cheaper way – but she did also reach many people by giving interviews which were being broadcasted on television and internet and by texts which were publicized on the internet.

4.6: Summary

Summarizing we have seen large changes in the field of development since the introduction of globalization 3.0. There has also arisen a new world system – globalization – which forces countries to behave in another way to achieve a good position on the international ladder, we have seen examples of China and other countries who are ‘using’ Africa, and about The Netherlands and their position in the G20. The three democratizations of Friedman could also be translated to development cooperation, just like the increasing horizontalization and cooperation instead of hierarchical relations. Only the fact that the nation-state would be losing its power and authority and the opening of borders is not present in development cooperation. Localization has also led to some developments that are present in the development sector. We have seen that there are political parties who use the perceived need for localization in the Netherlands in a very strategic and efficient way to promote their party. There are developments in the past 10 to 15 years which have led to this perceived need. While at the same time, other parties are promoting globalization and are also having success. This results in a division in the political field which has great resemblances with Friedman’s theory of the global-local paradox. Finally there were examples of advocates of localization who were using globalization as a platform to carry out their message.

This chapter intended to show the similarities between the global-local paradox and the national policy, especially in the field of development. It can be said that especially globalization and the global-local paradox can explain parts of our governmental policy, although it is impossible to argue that the global-local paradox caused this situation. At least one could say that there is a relation between global and local forces and the Dutch development policy, but it is not sure whether this is a causal relation because there are many other factors which can influence the policy of the government. And those factors could not be removed or switched off. I would like to state that Friedman's theory can be very useful to understand – or even explain – the political situation in The Netherlands, especially in the field of development cooperation. But I would also like to add that the global-local paradox cannot cause a situation, it can only explain it. Besides one has to keep in mind that his theory is based on information which is 5 to 10 years old, and this is quite long in a period like this – globalization – in which many things are moving, developing and changing in a very fast way. Now we have analyzed the national policy we can look at the consequences this has for DAOs.

CHAPTER 5:

The consequences for the Development Aid Organizations

Just like the Dutch government Dutch NGOs first of all could specialize in specific countries. Dutch NGOs could focus on a limited amount of countries with who they can maintain a long lasting and profound relation...A second possibility for specialization is thematic. The Netherlands should specialize itself with respect to content and should spend a substantial share of the development budget on programs in the fields in which The Netherlands are good and have expertise. This could be about programs in the field of agriculture, water, the constitutional state or HIV/Aids and sexuality...The Dutch government could facilitate this process of professionalization. (WRR, 2010, p. 270/271)

The WRR report quoted above suggests a geographical and/or a thematic focus of the Dutch DAOs. The fact that such a WRR report is published proves that development aid is a hot issue, especially in combination with globalization and localization. It means that the position of development aid needs to be reconsidered. Globalization has led to some developments – like remittances, foreign investment, but also migration, climate change and safety issues – which make it necessary to reconsider the position of the Dutch development aid (organizations) in the bigger picture. Not only the focus on countries, regions or themes has to be discussed, but also the autonomy of DAOs is at stake. Indeed, the position and living conditions of poor people in developing countries are the reasons why the development sector has to be discussed, but a healthy and solid situation for DAOs is a premise in order to achieve this.

This chapter will provide the final information which is needed to answer the research questions in the conclusion. The influence of changing governmental policy on various DAOs will be discussed in this chapter. The situation of those DAOs in globalizing – and localizing – times will get a chance, also in comparison to former times. Especially the financial situation of the DAOs will be emphasized. Another objective of this chapter is to point at the changing – or should I say fading – autonomy of DAOs. As a consequence of their financial situation, DAOs are becoming more and more dependent on the government. A final objective is to discuss the earnest of geographic and thematic blind spots which are being created because of changing governmental policy.

The goal of the research was to answer the question how changing governmental policy influences the situation of DAOs. The global-local paradox and the national policy on development aid thereby provided the context, setting particular conditions for DAOs. Hence this was discussed in the prior chapters. Here we move on to the impact and consequences for the direction of DAOs. In order to achieve this goal there have been two cases which have been studied more profoundly. As been told before there are many sorts of DAOs. Organizations that are depending on governmental support and organizations that are not, and the distinction between their aims can be made. Some have a geographical focus, others have a thematic

focus. Since this research is about organizations that depend on the government, I had to choose one geographical dependent case and one thematic dependent case.

Those two cases – Centre for International Cooperation (COS) and Friend Indeed (FI) – and the consequences of changing governmental policy on their programs, financial situation and autonomy will be discussed in the first two sections of this chapter. After this we will move on to the same consequences for DAOs in general in section three. The consequences can be seen in the field of finances, but also in the field of policy. Finally some possible consequences of globalization and localization and the paradox between the both – like losing autonomy and causing blind spots – will be taken into consideration. Autonomy will be discussed in the fourth section, as section five will be about the possible geographical and thematic blind spots caused by changing governmental policy.

5.1: Centre for International Cooperation (COS)

As been told before COS is an organization which has knowledge about development cooperation. This knowledge is being used to inform and advise private sector, schools, citizens, governments and companies. It tries to stimulate others to implement projects and does some projects itself. By doing so COS tries to improve the awareness and involvement of people with development work (COS, 2009). I would like to refer to chapter 3 for people who want to learn about COS in greater detail.

Now we have formed a picture of COS we can start with reporting the consequences of the national policy in the past 12 years on the policy of COS. COS is being subsidized by the NCDO. This means that they are not financed by the MFS, because they are an organization which focuses on support in The Netherlands for development aid. But also – or maybe especially – the allowances of these organizations are under pressure (Internationaale Samenwerking, 2009). Like many other organizations in the development sector COS is dependent on government allowances. At national, but also on provincial and municipal levels. Figure 16 shows that 65% of COS' assets consisted of allowances. This percentage changed slightly during the years but COS is still to a large extent dependent on allowances. Figure 17 is a budget report of 2005 till 2009 without the irrelevant figures. At the bottom of figure 17 the national allowances as a percentage of the total assets have been merged. For the year 2001 (figure 16) this percentage was 40,3%.

Assets		
Allowance NCDO	fl	260.000
Allowance Province of Gelderland	fl	140.000
Allowance Municipality of Nijmegen	fl	22.000
Remaining assets	fl	223.000
Total	fl	645.000
Expenses		
Staff	fl	500.000
Organisation	fl	75.000
Projects	fl	60.000
Onforeseen	fl	10.000
Total	fl	645.000

Figure 16: (Adopted from COS 2001)

<i>COS - GELDERLAND, NIJMEGEN</i>					
<i>BUDGET 2009</i>					
22-10-2008					
	2009	2008	2007	2006	2005
	Concept budget 2009	Approved budget 2008	Balance sheet 2007	Balance sheet 2006	Balance sheet 2005
Allowance NCDO	295.620,00	295.620,00	278.023,00	171.878,00	171.878,00
Additional allowance NCDO	20.000,00	17.470,00	40.781,00		
Total assets (A)	604.050,00	594.410,00	588.355,00	506.066,00	489.286,00
<u>National allowances as a percentage of the total assets:</u>	48,9% (52.3%)	49,7% (52,7%)	47,3% (54,2%)	34,0%	35,1%

Figure 17: (Adopted from COS 2006-2009)

These figures tell us that COS has depended for around 50% on national allowances in the past few years, although this dependency has increased somewhat over the years. This means that if the NCDO gets less money this will probably work out in the level of allowances given to COS, with consequences for the total budget of COS. Furthermore, given that overhead – staffing costs in particular – amount to 60% of the expenses, then it is clear that a loss of income will have consequences for the employment at COS. Now it has been decided that the budget of the NCDO will be reduced from around 33 million to 11 million and the total budget for support activities will be cut in half from 60 million to 30 million (Koenders, 2009). All of this leads to uncertainty at COS about the future.

Moreover the NCDO is going to lose its authority to provide allowances. In the future the allowances will be handed out by the government itself. This has all been decided by minister Koenders. Now that the minister has resigned from his position it will be the question whether his policy will be continued. It is undecided whether this resignation has any effect on the decisions made by Koenders and whether possible changes are positive or negative for COS and other DAOs. Therefore the elections of 9 June 2010 will be important for the future of COS as well as for the future of development cooperation in general.

Moniek Kamm, one of the policy officers of COS, explains other consequences of (changing) governmental policy for COS. The interview with her took place at the moment that the cabinet had just collapsed, which introduced a new period of changing policy through a cabinet under resignation, elections and a new cabinet with probably new ministers. Since Koenders' policy looked rather positive for COS (Kamm, pers. comm., February 24, 2010) but also was not still completely accomplished it will be waiting for the elections to see whether this resignation has had a negative consequence for COS. A positive consequence is almost impossible because Koenders' policy seemed to match with the policy of COS. Besides it is questionable whether there will be a minister of development cooperation in a next cabinet (Gruppen & Ariëns, 2010). The post of ministry of development cooperation is a rather contested one, which can also be seen by the fact that the minister of development cooperation is a minister without an independent own portfolio and by the fact that we have not always had a minister of development cooperation. Even in a recent history we had a cabinet without a minister of development cooperation (Balkenende I). With the current financial crisis and the intended expenditure cuts it is not inconceivable that the post of minister of development cooperation – which is already open to question – will be cancelled.

Since Koenders' policy has not been fully implemented yet it is not fully clear what the conditions for allowances are going to be. He did write some memoranda about support for development cooperation and these explicitly included some positive statements for COS. Firstly privately-owned initiatives – PIs – are being seen as a separate group and its importance for development cooperation is being admitted. His new allowances program – which he could not fully implement because of his resignation – also included youth and networks as important elements next to the focus on PIs (Koenders, 2009). These themes were received well at COS because they do also focus on them (Kamm, pers. comm., February 24, 2010).

The dependency of COS on the government can also be seen in various projects which COS executes for the government. "Some projects take place by order of the government". "Each year the ministry declares a few priority policy themes. And we – the COS – do some extra things around these themes". Furthermore she adds how: "The national policy leads us into particular alliances with organizations that are doing the same". The consequence of this is: "Every now and then we are confronted with projects of which we think: Ok, we have to do this, otherwise we cannot do that" (Kamm, pers. comm., February 24, 2010). This means that COS has to do some concessions to the government in order to be able to execute some own programs. But also the question whether the people at COS see themselves as a NGO leads to the conclusion that COS is dependent of the government.

I think that the most people at COS think of COS as a NGO. Personally I have difficulties with this, after all we work almost exclusively with governmental money and we ought to adjust to the conditions and the policy of financing authorities (foreign affairs and the province). But formally we are independent and if you are not a company you call yourself a NGO, although GO would be a better name in my opinion.
(Kamm, personal communication, April 8, 2010)

Changing governmental policy must also be seen in a larger time span than this year. Thus also the choice for a time span of the past 3 ministers of development cooperation in this research. This gives insights into longer term changes in governmental policy on development aid and its consequences for DAOs. Thus, for instance Herfkens did not really focus on support activities and was more interested in the governmental projects. Van Ardenne was much more interested in small scaled initiatives and the development aid activities within The Netherlands. The opinion of Kamm about Koenders is a bit ambiguous. On the one hand his policy did match with the ideas of COS as we have seen before, but on the other hand the elaboration of his policy took a long time and was not finished the moment he was forced into collective resignation. He also seemed less interested in small scaled initiatives than Van Ardenne. But at the same time he calls attention to support in The Netherlands for development cooperation and the MDGs (Kamm, pers. comm., February 24, 2010).

Finally there are some remarks which are also interesting since they are about COS in relation to the governmental policy, the actual subject of this research. Although the people at COS are convinced of the importance of support for development cooperation they also see a kind of paradox in support activities. It is a kind of self-maintaining policy of the minister. He focuses on support for development cooperation in order that people find development cooperation important, which leads to the demand for a minister. Also development cooperation is one of the most measured and verified sectors in The Netherlands although it is a relatively small amount of money which is spend in this sector. Therefore Kamm thinks that the attention on conditions has been exaggerated. And besides diminishing governmental allowances, the provincial allowances are also uncertain for the coming years, also because of expenditure cuts at this level (Kamm, pers. comm., April 8, 2010).

All of these aforementioned findings lead to the conclusion that COS is fairly dependent on the government. This is not such a bad thing because COS – and other people – are aware of the fact that a part of COS' job is to execute governmental projects. This also explains the doubt about being a NGO or not. But since there is a lot of uncertainty in the government at this moment there is also a lot of uncertainty at COS – and about COS – right now. Kamm phrases it as follows. "All in all it are enormously uncertain times and it is not unthinkable that in the course of the year people have to be laid off. Our management and board are now considering in which way this have to be settled" (pers. comm., April 8, 2010). It may be clear that there are changes at governmental level, but since they are still afoot it is not clear whether they will be positive or negative for COS. What is sure is that this lasting situation of uncertainty is detrimental for COS. A last positive remark is that COS does have the possibility to argue with the NCDO about projects and conditions if they do not agree with some of them. Indeed it is not a one-sided relation but more like a relation with interaction and mutual input (Kamm, pers. comm., February 24, 2010). It has to be mentioned that the information for this section for the greater part has been acquired by some annual reports and personal communication with Moniek Kamm. This could give people the chance to doubt about the usefulness of this information. I could only argue that (although a personal conversation always leads to some subjectivity and own opinions) Moniek Kamm is a policy officer at COS Gelderland, and therefore an expert – and probably the most suitable COS-member for an interview – in this field.

5.2: Friends Indeed

FI is a completely different case than COS. Not only is FI a geographically aimed organization which aim is to help some specific villages in the East of India. It also sort of lacks a thematic focus. FI focuses on many diverse themes, like education, sanitation, health care and micro credit. As mentioned before FI is a privately-owned initiative and gets its money from other sources than COS does. They also do not get allowances via the MFS or the future MFS II, as FI is too small for this. Just like many development aid related organizations FI is influenced by changing policy at the national level. But since the MFS and allowances for support organizations are changed the most, and FI is not depending on them, the policy changes do not influence FI so much. FI is being financed by three governmental funds and several equity- and private funds. According to Legeland – the cofounder and director of FI – it is important to have multiple funds in order to be sure that your organization can survive if one of these funds ceases to finance, that is for the continuity of the organization. The three governmental funds are Impulsis, KPA and the Schokland fund. These funds will now be explained and at the same time the problems and changes in them will be discussed.

Impulsis is the front desk of three DAOs, namely ICCO, Kerk in Actie and Edukans. It is financed by money of the ministry of development cooperation, and therefore we can say that this fund is (partly) depending on the outcome of the MFS II. Since India will not be one of the partner countries Impulsis will not get money for projects in this country, although Impulsis has some excellent projects in India (Legeland, pers. comm., March 9, 2010). This does not mean that Impulsis can no longer finance those projects in India, but they do not get governmental money for this purpose. Therefore it is doubtful whether FI will still receive money from Impulsis in the future.

KPA is a program financed by NCDO. It finances small-scale initiatives in the field of development cooperation. More precisely it is a sandwich program that doubles the money raised by organizations for a project to a certain limit (NCDO, 2010). But the problem with this fund is that the status of the NCDO is changing. NCDO has always been a combination of advising, financing and even executing projects itself. But Koenders has changed its mandate, and in the future the NCDO will only be a centre of knowledge and advise (Koenders, 2009). This also means that the KPA – a program through which the NCDO gave allowances to PIs – will come to an end. Therefore FI will no longer have this fund available. The money which belonged to this fund – around €18.000.000,- for four years – would be made available through another fund or program but Legeland does not rely on it (pers. comm., March 9, 2010).

The Schokland fund finances projects which contribute to a faster realization of the MDGs. The tribal villages of FI did meet this requirement and were therefore financed by the Schokland fund. This is a quite stable source of income since this guarantees money till 2014 (Legeland, pers. comm., March 9, 2010). The only potential snag is that money from the Schokland fund may not be used in projects which are financed in another way by the Ministry of Foreign Affairs. Therefore FI has to be careful in deciding which money is going to projects in the fishing villages and which money is going to projects in tribal villages.

Since FI is a typical PI, which is being unselfishly led by citizens in order to improve the living conditions of poor people in developing countries, this shows that the income composition of a PI differs from the income of larger DAO. The biggest difference is that PIs often have multiple – smaller – funds. This is also the case for FI. It has three – direct or indirect – governmental funds alongside some equity- and private funds. As the example of PLAN Nederland shows it is important to have multiple sources of income in order to secure the future of FI. This already says something about the changing governmental policy. According to those organizations the policy changes so frequently that a stable policy for the organization can only be secured by having multiple sources. In the case of FI this has led to a secured program till 2013 despite of the changing and omitting funds (Friend Indeed, 2010; Legeland, pers. comm., March 9, 2010).

The opinion of Legeland about changing governmental policy is mainly that it has a negative influence on PIs and development cooperation in general. She observes changing policy but she does not worry for her own organization because “I have money from the Schokland fund and I am a rather good recruiter” (Legeland, pers. comm., March 9, 2010). Her background as being a lawyer will probably play a role in this successful recruitment. She focuses on India and will remain doing this even though the government alters its course. But she worries more about other organizations who do not have those capabilities and this fund. “I refuse it and I am strong enough to take this position. But indeed I think that a considerable number of organizations will have to reduce their activities. Within now and one and a half year I expect to see dozens of organizations – who all have good projects – just disappear” (Legeland, pers. comm., March 9, 2010).

Therefore one could argue that the consequences of changing governmental policy do hardly affect FI. But it does not affect FI because it anticipated the development of national policy and consequently decided – and had the opportunity – to raise non governmental funds, thereby assuring diversity in its sources of income. This means that the national policy does not have a direct influence on the policy of FI. But the fact that FI chose to look for other ways of financing implies that FI reckons with the possible changing policy on a national level. The fact that FI is almost independent for governmental policy changes in the short term does not mean that they are pleased with the current governmental developments, decisions and policy. Legeland thinks that the policy is not consistent even though the government may be convinced that it is consistent. Besides she believes that this policy cooks the goose of other organization that are not able to find other and multiple sources of income. To the utmost extent this is a result of the changes in partner countries. Also the uncertainty and turbulence in the field are points of critique. “We are now living in 2010, and nobody knows what has to be done in 2011” (pers. comm., March 9, 2010). Other examples of uncertainty are the question where the 18 million euro of KPA went, and the fact that many organizations cannot make a decent program as a consequence of the MFS II which still did not allocate money to organizations. A consequence of this uncertainty is that a lot of people are not sure whether they still have a job next year, and this leads to “crippling side effects” (Legeland, pers. comm., March 9, 2010). When asking Legeland whether FI adjusts its program to the policy – and allowances – of the government she spoke matter of factly. “We do not change our strategy and we do not focus on another country. I am not going to adjust my policy to the government. Instead I will just try to raise more funds at

the market” (pers. comm., March 9, 2010). That organizations are subordinated to the government if they get allowance from them is true, but it is not aggravating Legeland says. Whether one is being financed by the government or by another fund does not matter. One will always have to conform itself to the demands and conditions of the financier (Legeland, pers. comm., March 9, 2010). One could argue that the market for funds from other sources is limited. Thus, if policy changes of the government lead to reduced financial support, many organizations will have to find other funds. And some of them will fail since the market is limited. This might also be the reason why some organizations cannot diversify their sources of budgeting.

A last displeasure of FI is more concerned with the content of the national policy. FI focuses on India while the Dutch government seems to focus on Africa more and more. Of course this is not just a random choice. Van Ardenne – and to a lesser extent also Koenders – decided to focus on poor countries. Since many of the poorest countries are located in Africa this leads to a focus on this continent. On the other hand India is a middle income economy (World Bank, 2010) with an increasing middle class. The questions which countries are more effective to invest in and which countries have the greatest necessity to invest in are two different ones, but they are the ones which lead to the disagreement between FI and the Dutch government. Whereas the countries in Africa are poorer it seems logical that the Dutch government want to help them first. But Legeland has another opinion.

One can always say: ‘Everything to the poorest countries’. But it is not clear whether this generates the most effect. You know why our programs in India are so successful? We are located in a completely remote area where the income is less than 50 rupee cent a day [as a result of which children are often forced to work]. But when investing a bit of energy into the plight of this group of children, they can be accelerated to the economy, because this is not far away, it is accessible. And if I do the same in Africa, this economy is much farther away. And those children cannot reach it, because there is too little activity. Of course I understand that something has to be done in Africa. But I also think that the very middle income countries need to be strengthened. Then one has a faster result which also leads to a faster economic result, as a result of which the poor people can be supported even more. I think that we have to work on both fronts. (Legeland, pers. comm., March 9, 2010)

What Legeland tries to say here is that India has a larger middle class than the most African countries. Therefore it would be easier to help people from the one class to another, since the ‘distances’ are smaller. In Africa it would take a lot more efforts to help people from poverty to a sustainable independent life. Once those Indian people have reached a higher class, they will also work and consume. This would accelerate the economy again. Her argument sounds a lot like the take off model of Walter Rostow (1960). He argues that countries go through five stages in order to become a wealthy and economically stable country. How fast an economy grows partly depends on the stage a country is in. Legeland would then argue that most African countries are in the first stage, while countries like India are in stage 2 or 3.

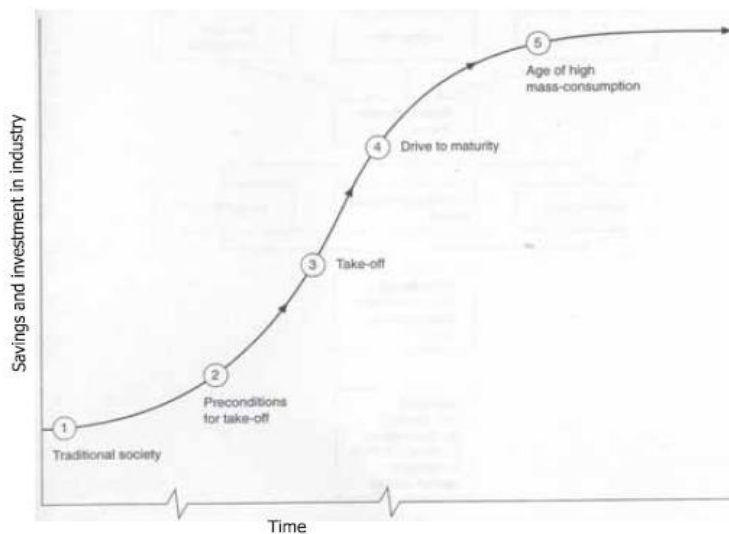


Figure 18: (Potter, Binns, Elliott & Smith, 1999, p. 51)

Like one can see in figure 18, there is much more growth between stage 2 and 3, and between 3 and 4. Therefore she argues that it would be more effective to – also – support countries which have already reached stage 2 or 3, instead of only helping the poorest countries.

In conclusion FI tries to be as independent from the national government as possible. But the fact that they try this implies that changing national policy does influence them, since they want to be independent in order to avoid unexpected losses of income. Furthermore, Anne Legeland does not agree with the national policy on many points, but argues that it will affect other DAOs and PIs much more than it does with FI. And in the end there is also a disagreement about the countries which should be focused on. The next section will now be more about the – financial – consequences of changing governmental policy for DAOs in general.

5.3: The influence of changing governmental policy for DAOs in general

We have seen what the implications of the national policy are for two particular organizations, COS and FI, but now we are going to look at the consequences for DAOs in general. The example of PLAN Nederland has been mentioned in the first chapter and will be discussed here further in order to illustrate the consequences of changing governmental policy for DAOs. But also the amounts of money and percentages, and what they mean for the organizations are part of this subsection, because this helps to explain how important the allowances are for various DAOs.

Individual DAOs are aloof about their dependency on the government. That could have to do with keeping the name of an autonomous and independent organization towards outsiders. Donors have less faith in organizations who dance to the government's feet and therefore these DAOs do not like to make those (financial) numbers public, also because of the commotion this causes in relation to the overhead expenses of many DAOs. Many people argued that too much money sticks to the fingers or is used to maintain the bureaucratic organization (Onze Wereld,

2007). Especially smaller organizations are reserved in sharing this information. Large MFOs are more open in sharing these data. To give you an impression of their dependency on governmental support their national allowances have been presented as a share of their total budget for 2008.

Organization	Allowance	Total budget	Percentage
Oxfam Novib	123	191	64
ICCO	124	139	89
Hivos	66	100	66
Cordaid	125	171	73

Figure 19: (Governmental allowance as a share of the total budget)

It can be seen that two thirds of budgets of DAOs come from national allowances. Also observe that from 1 January 2009 at least 25% of the total budget must consist of gifts, donations and funds from outside the Ministry of Foreign Affairs (Ministry of Foreign Affairs, 2009a). This has also led to questions about the position of ICCO (Koenders & Hirsch Ballin, 2009). ICCO decided to solve the problem by starting an alliance with other organizations that get more than 25% of their budget from other activities, like Edukans and Kerk in Actie. This is a rather artificial solution and it points us at the actual problem, the great dependency on national allowances.

Belgium has a databank about the financial situation of more than 100 DAOs. These data have been collected by all kind of organizations, but there were 62 DAOs which had a total budget of 437 million. This leads to an average of more than 7 million per DAO, which means that the participating organizations were quite large. This provides an insight in the relation between allowances and other forms of income. Therein it is quite a unique project in Europe and it shows the difference between The Netherlands and other countries in the amount of allowances received by DOAs from the government. In Belgium only 37% of the budget of DAOs consists of allowances. And these allowances consist for only 67% of federal – or national – allowances. This means that the share of national allowances in Belgian DAO's budget is 25%.

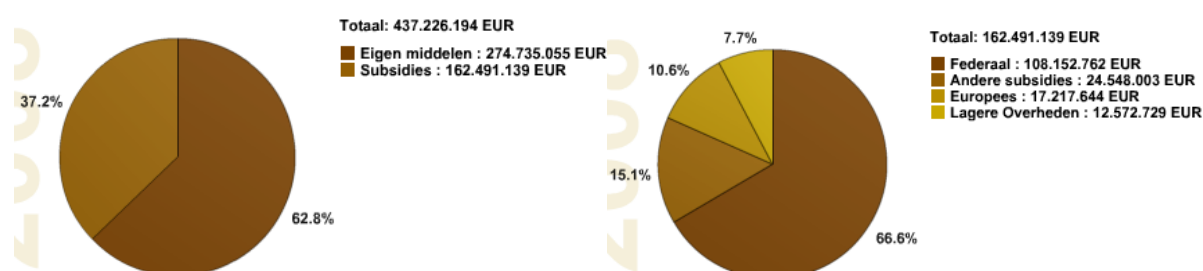


Figure 20: (NGO Openboek, 2010)

One can imagine how important it is for DAOs – especially in The Netherlands – to sustain allowances from the government. Some say that it is positive that the Dutch government spends so much money on DAOs, but on the other side it also leads to great dependency, which is a problem by itself.

One of the most famous examples of problems caused by changing governmental policy is the case of PLAN Nederland. From 2000 till 2007 Plan received allowances as being a MFO in the MFP. But its proposal for the MFS was being rejected, as a result of which they did not receive any money instead of the 144 million they applied for. Their only income from the government was a cutting back allowance which will last till 2010. They have now applied for allowances in the framework of MFS II (Plan Nederland, 2009). The rejection of their proposal led to the termination of service of employees in the following years. Temporary staff did not get a contract renewal and retiring employees were not replaced. PLAN thought that it had to phase out 10 FTE in the first year and 35 FTE in total if it cannot compensate the lost allowances (PLAN, 2008), but this turned out to be a little bit too anxious. There is also some good news for PLAN, in the proposals for allowance under MFS II they have made it to the second round, which makes it more likely that they will get a structural allowance from 2011 till 2015 (Ministry of Foreign Affairs, 2010b).

Employees of the ministry of foreign affairs are aware of the effects which a policy change can have on DAOs. For example the new MFS allowances which have been announced recently. Iris Smalbrugge, a policy adviser at the Dutch ministry of foreign affairs, explained: "That is tough. It is about large amounts of money. That is difficult, this is an exciting period for organizations, because they just do not know. It is very touchable, it could actually be that you have to fire people. Or that some projects cannot be executed anymore" (2010). Anne Legeland speaks of crippling side effects of (changing) governmental policy. Nobody knows how much money they will receive and whether people can keep their jobs, which makes it hard to make policy (pers. comm., March 9, 2010). Other people, like Kamm, are more optimistic and see other opportunities for organizations to get money. Kamm mentions the organization Be More in Nijmegen. And she also sees organizations – and especially the business sector – who find it too much troubling to get a few thousand euros from the government and prefer to contact their relations and partners (Kamm, pers. comm., February 24, 2010).

The allowances of the government must lead to problems for organizations because there is around 425 million euro available per year and the proposals for MFS II are around 700 million euro in total (Van Hees, pers. comm., March 10, 2010). And as we know Koenders announced that a maximum of 30 proposals will be rewarded, but 43 organizations or alliances applied for allowances (Ministry of Foreign Affairs, 2009a). At this moment the number of proposals who might get allowance has been reduced to 20. Therefore many organizations will get less or no money at all. This leads to uncertainty among the DAOs, to dismissal of employees, maybe even to complete upheaval of DAOs, and to the rejection of projects. It may be clear that all of these consequences will have adverse effects on developing countries. The influence of changing governmental policy on DAOs in general is being illustrated by the commotion which was being caused by the division of possible allowances by the ministry of foreign affairs. Since 31 March 2010 the 43 proposals for allowance under MFS II have been reduced to 20 proposals that might get allowance. All the media reported about the division and – even more important – about the alliances and organizations which dropped out. The organizations were waiting for this moment for some months, and can now be relieved (e.g. PLAN) or disappointed and upset (e.g. Aidsfonds and Solidaridad). This decision was one of the key moments for the course of

development cooperation in the coming years. According to Koenders it should lead to renewal or modernization of the sector and to more cooperation (Vice versa, 2010). Although some organizations said to be surprised or confused about the decision – mostly the drop outs – big surprises did not arise. The two organizations who proposed for allowance on their own – without forming an alliance with other organizations, like Koenders demanded – dropped out and all of the large organizations and alliances are still in the race (Ministry of Foreign Affairs, 2010b). For more information about the policy and demands of Koenders I would like to refer to chapter 4, section 3 and 4. The media attention for this process and for this decision has been enormous, which indicates that governmental decision making – and therefore governmental policy – is important for DAOs and has a clear impact on their policy. Indirectly we are coming to the topic of dependency and autonomy, which will be discussed in the next subsection.

The consequences for DAOs will be discussed more profoundly in the next two subsections by giving particular attention to the issues of autonomy of DAOs and of geographical blind spots.

5.4: Autonomy

This research was based on the presumption that DAOs are being influenced by governmental policy to such an extent that it would affect the autonomy of DAOs and that in turn this might produce blind spots, in a geographical as well as in a thematic way. These blind spots will be discussed in the next subsection. One can see a strong paradox in being a NGO and depending on governmental allowances. Being a NGO – literally: a Non Governmental Organization – implies that one operates in parallel to the state, outside its influence. Thus, a NGO should ideally then also not rely on the state for funding, given the implication this will have for its autonomy. But can we talk about NGOs if 50% of their budget is dependent on the government, a number which is not unusual, as we have seen in the preceding subsection. There is a kind of split between the motive to become a NGO and the need for money. The people at COS see the tendency that many people raise organizations or projects because they are dissatisfied about – or disagree with – the work of the government. There is discontent about the current situation and therefore those people want to alter the course. But in order to establish activities along this line, funds are required. For this, many organizations find themselves dependent on states for at least part of their funding. The consequence is that, in order to receive money from the government they have to adjust their policy to the national policy. Yet this policy was what they were dissatisfied about in the first place (Kamm, pers. comm., February 24, 2010). Another argument of Kamm is that state policy and its conditionalities have led to non-optimal solutions. This applies for Koenders' condition of alliances in proposals for MFS II. His argumentation was that this leads to more cooperation and more coherence. Another reason to make alliances or to cooperate is that organizations need to get 25% of their budget from private organizations or persons. Some organizations do fuse with smaller organizations that have a great percentage of private budget. All of this in order to meet the 25% condition. An example is ICCO who made an alliance with Kerk in Actie and Edukans. Some of the employees of those DAOs did say that it led to internal friction and to non-efficient working conditions, also producing a certain culture shock (Kamm, pers. comm., February 24, 2010). The other policy makers had a more moderated opinion about the autonomy. Their response sounded more like the Dutch saying

‘Wie betaalt, die bepaalt’, which means that the person or organization which pays does also determine what will happen with the money. Especially Legeland agrees with this saying. One will always be dependent on the one who finances, whether this is the government or another financier (pers. comm., March 9, 2010). But she agrees that this will strike the autonomy of an organization. Iris Smalbrugge (personal communication, March 24, 2010) from the ministry of foreign affairs and Ted van Hees from Oxfam Novib argue that this dependency might have been a lot worse. They prefer to count their blessings as being a Dutch DAO in the development sector. Smalbrugge points at the high percentage of ODA that is being spent on Civil Society Organizations. And besides, NGOs are not forced to use allowances of the government. They may just as well exist without financial support from the government, to remain completely autonomous from the government. At the same time it is questionable how realistic this last option is. One has to keep in mind here – as in this whole research – that many people are biased by their employer or situation. A clear difference of opinion between the policy makers of COS & FI and the Ministry of Foreign Affairs may have become clear from this subsection, but also from preceding and following (sub)sections. The opinion of Oxfam Novib’s Ted van Hees lies between the small DAOs and the ministry. Also in the field of autonomy he argues that The Netherlands enjoys a good reputation. One does not have to fall in step with the Dutch policy in order to receive allowances. He believes in a sort of interaction and negotiation between the government and DAOs (Van Hees, pers. comm., March 10, 2010). This may be possible to a certain extent for MFOs like Oxfam Novib, ICCO and HIVOS. But smaller organizations do not have this possibility, since they have hardly any political bargaining power. And as it is estimated that The Netherlands count between 7000 and 8000 PIs (Schulpen & Hoebink, 2008), it would be impossible to let them all have a voice in a dialogue or negotiation. Finally Smalbrugge and Van Hees would like to emphasize that budget monitoring and other evaluation criteria are used to check whether organizations use the received money for the purposes where they say they would use them for. And not whether they use them for themes which the government likes (Smalbrugge, pers. comm., March 24, 2010; Van Hees, pers. comm., March 10, 2010). This is again a doubtful statement because the organizations would not receive the money in the first place if their program or projects do not fit in with the governmental policy.

Autonomy sounds like an ideal which should always be aimed for. But one can also think of reasons why autonomy is not the one and only solution. The MFOs did have a large degree of autonomy, especially before the nineties. But in these nineties the autonomous position of the MFOs was being criticized by part of the society. The MFOs received money without explaining what they were going to do with it, which raised questions (De Baaij & Boekestijn, 2006). This example is being mentioned because one should understand that autonomy is not the holy truth. It is not that bad that organizations have to account for their activities and projects to their financier. But we have to keep in mind that there is a difference between rendering account and being dependent.

A last example is about the development of NGOs in Denmark, Sweden and Norway. The relation between these NGOs and their national government has already been discussed in an article in 1996. These Scandinavian countries are more or less similar to the The Netherlands. They do all give around 0.8% or more of their BNP to development aid and also the amount of

money which NGOs receive from the government as a percentage of their total budget is more or less the same (Steen, 1996). The author concludes that DAOs are not only depending on the government, but also the other way around. Especially the larger DAOs do have the opportunity to interact with the government, which is harder for smaller DAOs. He argues that it is not so much of a problem that there are power relations between the DAOs and the government, but that there will always be paid attention to – and discussion about – who influences whom. Findings which are more or less comparable to the ones which have been ventilated in this research.

Summarizing we can conclude that every premise, condition or claim strikes at the roots of autonomy. Not only the government influences the policy of a DAO but also other financers, even the small ones. That raises the question when one can call itself autonomous. To play devil's advocate; an organization is also dependent on its private members or donors who donate €50,- a year. Does this strike its autonomy too?

5.5: Blind spots

Another consequence of influence of the national policy on the policy of DAO is the formation of blind spots. We can distinguish two sorts of blind spots, geographical- and thematic ones. Geographical blind spots can be found when countries or regions are being ignored or neglected. One can speak of thematic blind spots when specific themes are being underrepresented or lacking in all – or at least most – of the aided countries. The next subsection will handle the geographical blind spots, while the thematic blind spots will be discussed in subsequent subsection.

5.5.1: Geographical blind spots

One of the most famous books on geographical blind spots has been written by Dirk-Jan Koch (2009). He explicitly looked at the blind spots in a geographical way – not in a thematic way – on the basis of around 75 NGOs and their back donors, which resulted in some interesting findings. The four most important results of his research were:

- Poor countries do not attract more DAOs
- DAOs are more inclined to invest in good governed countries
- DAOs focus on countries where/which their national government does also focus on
- DAOs concentrate in countries where other DAOs are also active (Koch, 2009)

There are many other interesting findings in this book, but these are the most important ones for this research. He also emphasizes the fact that DAOs do not tend to move from countries where they have been working for a long time, even if the conditions in these countries are improving. This has to do with networks which have been established, which DAOs want to sustain (Koch 2009). All these reasons lead to blind spots on the geographical map. Blind spots are countries or regions in the world which are being ignored by DAOs. They are not interesting for DAOs because of various reasons, like the four mentioned above. They are overlooked in governments' and DAO's search for suitable countries to invest in.

But we have to keep in mind that this is about DAOs worldwide, while this research focuses on The Netherlands and also on the blind spots created by the governmental policy. The opinions of my informants showed many resemblances. Kamm mentioned that the aid – worldwide – tended to focus on Africa nowadays. But also specific countries were caught in blind spots, like most recently Haiti. This is one of the most instable countries, yet the aid provided by The Netherlands to Haiti *before* the earthquake of 12 January 2010 was zero. The same applied for Afghanistan before the war started in 2001 (Kamm, pers. comm., February 24, 2010). Legeland believes that countries which do no longer belong to the partner countries list are rapidly becoming unaided. This is because MFOs do not double the money raised by DAOs for suitable projects anymore (because they have received this money from the government on the condition that they only finance projects in partner countries), which means that DAOs are going to focus on other countries (Legeland, pers. comm., March 9, 2010). Van Hees – policy adviser at Oxfam Novib – mentioned the choice in his own organization to drop Latin American countries. This was the consequence of diminishing allowances, the expectation of even less allowances in the future and their opinion that Latin American countries are more developed than African countries (Van Hees, pers. comm., March 10, 2010). An interesting counter perspective came from Iris Smalbrugge, policy adviser at the Dutch Ministry of Foreign Affairs. In the first instance she tried to justify the policy of the government by saying that DAOs who receive allowances from the government do only have to spend 60% of this amount in partner countries. The other 40% can be spend in any given country. A second remark was that this only applies for the Dutch development policy. Suppose that the Dutch policy leads to a blind spot on the geographical map, then this will probably be neutralized by contributions from other donor countries (Smalbrugge, pers. comm., March 24, 2010). This makes sense, but it contradicts the opinion of Kamm that most of the aid focuses on Africa. Although it has to be said that Kamm only makes this point for Dutch development aid. Regardless of the possible focus on Africa, let us look at the countries on which The Netherlands focuses, as compared to a list of least developed countries based on data of the World Bank, OECD and Koch. In his book Koch provides a figure about the division of aid per group of countries. He distinguishes four groups, the least developed countries, other low income countries, lower middle income countries and higher middle income countries.

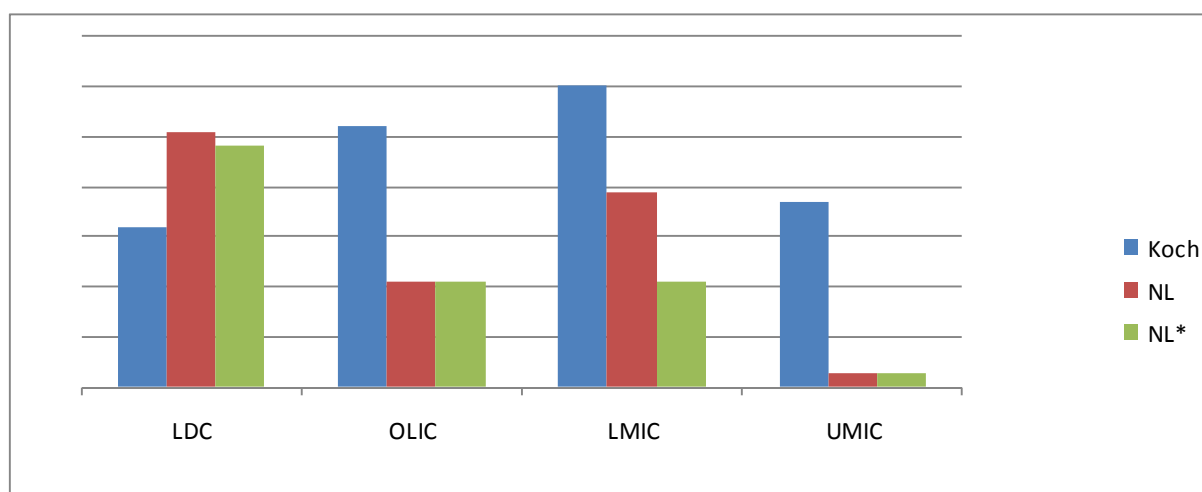


Figure 21

This resulted in a bar chart which demonstrates that the most aid per poor person is going to countries in lower middle income countries, followed by low income countries, upper middle income countries and only then by the least developed countries. One has to keep in mind that the aid is still going to poor people in these countries, but in relative terms this is less than for the countries in other categories, which makes it a remarkable finding. The proportions between those groups have been taken over in the blue bars in a new figure which has been made. But in this chart the partner countries from Koenders' list are also included. Koenders selected 40 countries, from which two countries are not on the data which have been used for Koch's research. Kosovo because it only declared independency in 2008, while the data are from 2006, and the Palestinian Authorities because they are not recognized as a state. For the other countries has been looked in which category they would fit in 2006. This resulted in the red bars in figure 21. The green bars represent the division of the Dutch partner countries after four years when seven countries should no longer be partner countries of The Netherlands. One can see that the accent is more on poor countries here, especially four years from now. What I wanted to prove with this figure is that a concentration on a few countries – and a blind spot for other countries – from the Dutch government does not have to lead to a blind spot worldwide. In fact it leads to The Netherlands filling up a blind spot of other countries/organizations. Once again I would like to remind you that this figure is a little bit like comparing apples with oranges since the blue bar shows 'Euro's per poor person from a couple of DAOs' and the other two show 'a division between countries in the Dutch policy'. This means that it is recommendable to execute a whole research on this topic to obtain a more reliable and more substantiated result.

A second geographical blind spot concerns countries without good governance. Many Western countries stay away from these countries or only invest there under strict conditions. But on the other hand we have also seen that some countries do not care about good or bad governance. The example about resource- and land grabbing in section 4.5 teaches us that these unstable countries are often used by crowded and/or infertile countries to complement their food supplies in exchange for money. Whether this is a good form of development cooperation can be questioned, but the fact of the matter is that countries like China, Saudi Arabia and India do invest in these countries. Another example of questionable investments from China is given by Kamm.

What is happening nowadays is that China – the European countries have a good governance principle, therefore they will not invest in particular countries or only under strict conditions if there is a bad regime – does invest in those countries. And they say: "Well, if we are allowed to take your raw materials and commodities, then we will build houses and schools for everyone". And they actually do that! Therefore they are welcomed everywhere with open arms. If this trend continues, then China is the major power of Africa. It is that simple. (Kamm, pers. comm., February 24, 2010)

This once again proves that there are always countries that fill up the blind spots of others. Good governance cannot be called the opposite of fragile states and states with sharp inequality. But one could argue that fragile states are often governed by 'bad' or corrupt regimes, and that good governance often leads to more stable states. The Netherlands do focus

on some of these countries, like figures 10 and 11 show. Again in doing so The Netherlands oppose the international trend of DAOs as being discovered by Koch. Therefore I think one can say that if the Dutch policy creates blind spots, that this is being neutralized by other donor countries. And even more so, the Dutch policy seems to 'fill up' those blind spots which are being created by international DAOs. But to confirm this assumption further research is being required.

The first two results from Koch's research have been discussed in this section. The third result is also a heavily discussed one. But in The Netherlands this is more or less a criterion, 60% of the money which is received from the government should be invested in partner countries of The Netherlands (Ministry of Foreign Affairs, 2009a). Therefore it may not be surprising that Dutch DAOs focus on countries which are also being focused on by their government. Probably DAOs would like to focus more on other countries but are being restrained by their government and their allowances (Kamm, pers. comm., February 24, 2010; Legeland, pers. comm., March 9, 2010; Van Hees, pers. comm., March 10, 2010).

5.5.2: Thematic blind spots

When thinking about blind spots another thing which comes to mind is themes, a focus on themes (rather than a geographical bias) can also lead to the identification of themes which are being neglected. The section about geographical blind spots showed some imperfections and led to critique on the national government from my DAO's informants. But in the thematic field there seem to be far less problems. The explanation for this is twofold. Despite the emphasis in policy on particular themes by the ministers of development cooperation, there has always been enough room for DAOs to also focus on other themes. If one does not comply with the policy intensification of the minister, this will not say that the proposal is not eligible for allowances. One *will* get fewer points in that field in evaluations, but this can be compensated in other fields (Smalbrugge, pers. comm., March 24, 2010). Just look at the next four policy intensifications of Koenders and one can imagine how broad those themes are. His focus was on 'safety & development' which can also be called 'fragile states', 'growth & distribution of growth', 'gender and sexual and reproductive health and rights' also known as 'women's rights' and finally on 'sustainability, climate & energy' or 'environment' (Ministry of Foreign Affairs, 2007). It may be clear that one should be able to fit almost every program or project into – at least – one of these categories.

Another explanation is that themes can be interpreted in a broad way. For example one of the themes of Koenders was women's rights.

What Koenders says is still very broad. If one talks about women's rights, it will still be possible to hang everything under this, from education till healthcare. So there is still an escape, as long as one aims it at women. Well, I do not think that has to be a bad thing, because one can even take along men in this. It is a matter of formulating, so that might have been worse. Yes, I look at it more as of a coat stand, I think one could fit in a multitude. (Legeland, pers. comm., March 9, 2010)

Thus a lot of projects can be classified as focusing on women's rights. It does not require much imagination to understand that a project about HIV/Aids can concomitantly also be seen as improving women's rights (Smalbrugge, pers. comm., March 24, 2010).

Therefore one could argue that the national development policy leads to geographical blind spots when looking from a Dutch perspective, but that this is not problematic because these blind spots will be neutralized by other donor's accents, and vice versa. As we have seen in the comparison with Koch's analysis of DAOs, these tend to focus on another sort of countries than The Netherlands. Of course this research is very limited on that subject and one has to read other researches – like the one from Koch – in order to form a more profound picture. Indeed he does see blind spots from an international perspective. Thematic blind spots in the Dutch development policy are even harder to find. This is because the policy in this field is less directing and less stringent, but also because projects could more easily be labelled to pursue another goal.

5.6: Summary

This chapter has taught us what the consequences of changing governmental policy are for DAOs. The first two sections showed the consequences for the two cases, COS and Friends Indeed. It seemed that COS is depending on the government, especially in a financial way. 50% of their assets are coming from the government and this percentage is only increasing. It is even questionable whether COS can be called a NGO. A second consequence is the obscurity which arises from the governmental policy. The fact that every minister has his/her own preferences is not the biggest problem. But at this moment the collapse of the Balkenende IV administration and the changing role of the NCDO lead to indecisiveness at many points.

The problems for Friends Indeed are of a slightly different kind. They have multiple sources to gather their income. Three of them are governmental sources, the others being private- and equity funds. This construction has been created in order to get round the dependency on the government. Nevertheless their opinion about the governmental policy is rather negative. They fear for the continuity of other PIs and strongly oppose the country choice of the government.

An analysis of DAO in general showed that most large organizations are even more dependent, many organizations receive around 75% of their income from the government. Some organizations come up with artificial and forced constructions in order to raise the required other 25%, like the example of ICCO with Edukans and Kerk in Actie shows. An example of the consequences of too much dependency has been illustrated by the situation of PLAN Nederland. And also for the forthcoming MFS II the organizations applied for more money than available. Advocates of the governmental policy could say that it is positive that DAOs are depending on the government to a large degree. This implies that the government spends much money on the non governmental sector.

The fourth section proved that there will always be a paradox between the need for money and the desire to spread your own ideals. This paradox about autonomy has been discussed in

section four. Although Kamm still was dissatisfied with the autonomy of DAOs, most other informants showed a more neutral or positive opinion about the governmental policy. Van Hees argued that the policy is better than in many other countries, and that there is a sort of interaction between DAOs and the government. Legeland mentioned that there will always be a dependency on others, whether this is the government or a private investor. Governmental policy adviser Smalbrugge reminds us that organizations still have a reasonable amount of money available to spend on one's own discretion. And a final point is that nobody is forced to use governmental money.

The last section discussed the blind spots which could arise from changing governmental policy. In the geographical part Koch's findings have been presented and partly contested. He mentions that blind spots do arise on a world scale. Smalbrugge argues that The Netherlands do not contribute to this phenomenon because 40% of the allowances may be spend in any country. And she explained that blind spots created by one country will be cancelled by the preferences and blind spots of other countries. An analysis of Koenders' country choice confirmed this for the Dutch policy. Also Koch's finding that we will only invest in countries with good governance has been invalidated by the example of land grabbing by China and other countries.

The second part of section five concerned the thematic blind spots. We can conclude that thematic blind spots are not an issue. There are some preferences, but every organization should be able to receive money for their themes. Besides those themes are very broad and many projects can be related to such a theme.

Now that we have had an introduction, a theoretical chapter, a chapter which explains the methods used, and two chapters for answering the two parts of the research question, all of this information will be used to come to a conclusion. Therefore the next chapter will answer the research question, and will also give some policy recommendations and recommendations for further research.

CHAPTER 6: **Conclusions and discussion**

The preceding chapters have provided the information to give an accurate and correct answer to the research question. In this conclusion the research question will be answered. This research question has been stated and explained in chapter 1 and sounds thus:

How can the global-local paradox explain the changing national policy in the field of development aid in recent years...

...and (how) does this changing policy influence the situation of DAOs?

We have noticed that this question consists of two parts, a theoretical part and an empirical part. The theoretical question has been facilitated in chapter 2, after chapter 1 introduced you to the subject. Chapter 3 has explained and justified why particular methods have – or have not – been used. The theoretical part of the question which has been stated above has been discussed in chapter 4. Chapter 5 has then discussed the empirical question. Although these questions have been divided into sub questions which were intended to give answers to the research question, the actual results and findings will be presented in this chapter. The first section will deal with this, the main topic of this chapter. A second section will be about some policy recommendations for DAOs as well as for the government. Since this research had a limited time span this section will be limited to some possible and modest recommendations. The final section of this chapter – and therefore also of this thesis – will present some discussion points which originated from the research. Those discussion points do often lead to questions which could be answered in further research and therefore the third section will also be about some recommendations for further research.

6.1: How can the global-local paradox explain the changing national policy in the field of development aid in recent years?

The first question is whether the global-local paradox can explain the changing national development policy. In order to answer this question I revert back to the discussion of chapter 4. This showed that the policy of the national government can be considered to be continually ‘changing’. After describing and comparing the policy of Herfkens, Van Ardenne and Koenders one can conclude that they all had their own marginal preferences which were being felt by DAOs. These preferences varied from partner countries to main themes and from funding schemes to financing via DAO-, bilateral- or multilateral aid. Whether the national development policy had changed was not a question, but a presumption. The subsections discussing the policy of the various ministers confirmed this view. The actual question is about the relation between the global-local paradox and the changing national development policy. And also this question was more or less of a presumption because the question started with ‘How can...’ instead of ‘Can...’.

It may be clear that there is a relation between the global-local paradox and the changing governmental policy, since it was my intention to come up with a theory which could explain the changing policy. But – like mentioned in the discussion of chapter 4 – it is very hard to determine whether or to what extent the global-local paradox influenced the policy. Some evidence of globalization which can also be seen in the development sector is the following. Globalization has led to – an increase in – assaults and terrorism. The Dutch development aid has made a special category for countries with safety problems. And some of these countries – like Afghanistan, Sudan, Sri Lanka and the Palestinian Authority – are often linked to assaults and terrorism. Secondly globalization has led to a new world order: no longer will there be a combat between capitalism and communism. There are examples of countries that use development aid to strengthen their own position in this world order. The examples of China and The Netherlands have been mentioned in this research.

The third link between globalization and the development sector can be found in the horizontalization of power relations. In the development sector we can see this in more equivalent relations between Northern and Southern DAOs, but also between the government and DAOs as being mentioned in policy documents (Ministry of Foreign Affairs, 2001).

According to Friedman globalization has also led to new ways of communication, investment and learning or gathering information. These ways of communication – e-mail, fax and phone – investment – philanthropism and remittances – and learning – cable television and internet – have also been of major importance for developments in the development sector. And it has made it easier for people to be active in the development sector. They do not need to be member of a large organization in order to 'do' development aid. This can best be seen in the establishment of PIs in recent years. Figure 22 shows us that more than 34% of the PIs in a research of 2005 have been established between 2000 and 2005. One could argue that PIs do not persist very long but I would like to argue that the consequences of globalization have led to an increase of PIs.

Year of foundation	Percentage Organizations (N = 279 ²)
Van 1960 t/m 1969	2,9 %
Van 1970 t/m 1979	7,9 %
Van 1980 t/m 1989	16,5 %
Van 1990 t/m 1994	14,0 %
Van 1995 t/m 1999	22,6 %
Van 2000 t/m 2005	34,8 %

Figure 22: (Bouzoubaa & Brok, 2005)

The link between localization and development policy is not so clear. Still we can see some political parties who adapt to localization. TON and PVV are two parties who try to use the feelings of belonging and identification of Dutch people. They are not – yet – in the government, but in view of the growing popularity of especially the PVV the influence of localization on governmental policy may become clear in the near future.

We have now discussed the relation between globalization and the development policy and between localization and the development policy. But also the relation between the global-local paradox and the policy has to be discussed. It turned out that it is hard to find examples of this paradox explaining national development policy. Although the aforementioned examples cannot be seen solely as global or local – there is always some kind of interaction between those two – we had to look at the national government at a larger scale in order to find global-local processes. Chapter 4 has clarified the increasing shift of voters from central parties to leftwing or rightwing parties. And I have argued that rightwing parties are having a more localized view while leftwing parties are having a more globalised view. Since the latest cabinets have been more or less central coalitions – with the exception of the Balkenende I cabinet, which only lasted for 86 days – their policy has not been influenced by tensions between localists and globalists within the government or between the government and the opposition. But the shift to leftwing and/or rightwing parties makes this scenario more likely in the future. And their localising or globalising views are especially seen in the field of development since they talk about the development budget, migration, adaptation and nationalities. A second link between the paradox and the national policy is that the globalization gives not only a podium to people who are proponents of globalization, but also to advocates of localization. The example of Wilders who could use Fitna – a movie which could be made and spread as a result of globalization – to advocate localization has been discussed in this research.

6.2: (How) does the changing policy influence the situation of DAOs?

The second question is whether – and how – this changing governmental policy in the field of development cooperation influences the situation of DAOs and their policy. Many preceding researches have made clear that DAOs are dependent of the government to a certain extent. But the conviction that changes in the national policy affect the DAOs has been caused by the two case studies in this research. The policy of COS as well as FI has been changed – and will be changing – as a consequence of changing governmental policy. COS has a financial dependency of around 50% on the government. And now that the funding schemes for support organizations are going to change – or should I say decrease – this will be felt at COS. The fact that the national policy for the coming years is not finalised means that COS and many other support organizations cannot make their policy for the coming years. But what is worse is that they will almost certainly get less money from the government as a result of which they run the risk of having to reduce their workforce. This even raises the question; can COS be called a NGO?

But also FI witnesses the changing policy of the government. Because the government occasionally changes its policy, FI decided to become less dependent of the government. They spread their assets over multiple funds. And not only governmental funds, but also some equity- and private funds. Those equity- and private funds are important in order to become more independent of the government. Whether FI then becomes dependent of other organizations and institutions will be discussed a little further on. Many other PIs do not have the possibility or ability to raise so many other funds and are even more dependent of the government. This is a disturbing observation since the governmental allowances are changing again. We have seen

that the KPA program will end and that changing partner countries lead to fluctuations in the assets – and therefore budgets – of ‘organizations’ like Impulsis. This means that PIs are to a large extent depending on governmental money, while the conditions to get this money are constantly changing. Perhaps the figures in figure 22 are indeed not only depending on a large increase of PIs, but are also due to the fact that PIs cannot persist long if they are dependent on governmental money.

It is tempting to jump to general conclusions about DAOs, based on these two case studies. But since these are just two of thousands of PIs and other DAOs in The Netherlands, and since they cannot represent all other DAOs like the MFOs, these conclusions may not be generalized without doing any research on other organizations. Nevertheless I would like to argue that an average DAO is largely dependent of governmental money. This became especially clear when looking at some MFOs. The fact that the government has to oblige them to gain 25% of their assets from non governmental funds – and the fact that they are having trouble to achieve this – says something about the great dependency. Therefore I think that it is dangerous that all these organizations together can apply for amounts which are much higher than the maximum amount of money which will be granted (Vice Versa, 2010). Many organizations will get less or no money for the period 2011-2015. They have to find other ways of financing on a very short notice in order to avoid problems in their policy as well as in their workforce. One of the most striking examples in this field has been PLAN Nederland in the MFS I. I could think of two major problems originating from dependency on the government. In the interest of the DAOs, autonomy is becoming a problem, which indirectly has negative consequences for developing countries. A more direct problem for those – people in – developing countries is the origination of blind spots, both geographically and thematic.

This research leads to the conclusion that the autonomy of organizations is being affected by the financial dependency. It is an interesting thought that many DAOs – especially PIs – are being founded because of some sort of discontent with the policy of the government, but that they are depending on the government in order to get money. Even though this sounds unfair, the government does not force organizations to ask for allowance by them, on the contrary. DAOs in The Netherlands are even relatively autonomous (Smalbrugge, pers. comm., March 24, 2010). This debate raised a question for me; when can an organization call itself autonomous or independent? Are DAOs not always depending on other people, organizations or institutions? It has been argued before that even the smallest contributions of private people lead to dependency. Those people do not say it out loud, like the government does, but they do also have conditions and demands for the DAO to spend its money on. Only they do not announce them on beforehand, but if the donors are not satisfied with the program or projects of the DAOs, they will not give money a next time. And since DAOs need this money they will consider changing their program. The same applies to other donors like equity- and private funds and to other governments like provinces or the EU. Therefore a DAO will only be autonomous if it does not depends on other people or organizations for its money, and this will – almost – never be the case. Even an organization like the Bill & Melinda Gates Foundation has other investors who give money to the fund (Gates Foundation, 2009). Even though the foundation could probably also operate well without those other investors. Therefore it is

questionable whether this foundation could be called dependent. But this debate gives me the conviction that an organization cannot be independent, and that the dependency on the government – although it is fairly large – is neither obligatory nor undesirable.

This leaves us with only the blind spots as being a possible problem for DAOs. We can divide the blind spots into two categories, the geographical ones and the thematic ones. Let us start with the geographical blind spots. It would be cynical to say that it is a fault on the right side of the political spectrum that the policy of the government is always changing, and therefore the focus countries are also. Koch (2009) has presented some reasons for blind spots worldwide, and some features of it. Where worldwide development cooperation seems to focus on middle income countries, the Dutch development cooperation is more aimed at low income countries. And also the feature that badly governed countries are not being aided seems to be untrue for The Netherlands. Indeed two of Koch's other claims are partially true for The Netherlands – DAOs do focus on the same countries as their government does, and DAOs do concentrate in countries where other DAOs are also active – but these claims are being fulfilled because of governmental conditions. DAOs are obliged to be active in the same countries as the government to a certain extent, which also implies that they are active in the same countries as other – Dutch – DAOs. But organizations are still free to spend 40% of their allowances from the government in other countries than the partner countries of the government (Smalbrugge, pers. comm., March 24, 2010). Recapitulating I would like to argue that geographical blind spots are not that big of a problem as they are often called.

The prevailing opinion about thematic blind spots is that they do not exist. Although the minister has some themes which are being emphasized, there are still relatively many possibilities to focus on other themes. And also within these policy intensifications all themes could be fit in. That is a second advantage; projects can be interpreted in many ways and can therefore also be fit in other themes or categories. As a result there are no thematic blind spots to be found in the Dutch development sector.

Concluding one could say that the first part of the research question could be answered as follows. There are many features of the global-local paradox which can also be seen in the Dutch development policy. So many that it cannot be called coincidence. Therefore the changing national policy in the field of development aid in recent years can be quite good explained by Friedman's global-local paradox. One exception is Friedman's argument that the borders are opening and that the nation-state is losing its power and authority. I cannot find this phenomenon in the Dutch development policy. It is also important to take into account that the policy can be explained by the paradox but that this does not mean that the paradox can also predict the changing Dutch development policy!

The conclusion about the second part of the research question is different than I expected when I started this research. Of course changing national policy does have an influence on DAOs, but this influence is not as big as I expected it to be. We have seen examples of situations in which organizations had to change their policy because of the changing governmental policy. But it is also being argued that DAOs will always have to depend on others since they do not have their

own money. And therefore they will always have to adjust their policy to the fancies and desires of their financiers, whoever these may be. Also the possible downsides of being dependent of the government – losing autonomy and creating blind spots – have been invalidated, or at least have been played down. Therefore I would like to argue that although the situation of DAOs is being influenced by changing governmental policy, their situation would not be very different if they were less dependent of the government. This means that the influence of the Dutch national development policy on DAOs is not that great. But since dependence of one person, organization or institution can be quite risky, it is recommendable to spread your dependence among multiple actors. And because most organizations depend for more than 50% of their assets on the government it would be recommendable to become less dependent of the government. This recommendation brings us to the next section of this chapter, the – policy – recommendations.

6.3: Policy recommendations

A couple of suggestions have come to mind during this research. As the preceding subsection has already made clear it could be wise to spread your income dependency over multiple sources. This research has shown some examples of large organizations who depend for more than 60% of their income on the government. Oxfam Novib is one of them, 64% of their income is coming from the government. Around 15% is depending on private donors like you and me, and 8% is given by the 'Nationale Postcode Loterij' (Oxfam, 2008). With 64% Oxfam Novib is even one of the least dependent DAOs. Since these allowances of the government can come to a sudden end – like PLAN experienced – it would be better to be more equally dependent of the various sources. Of course I do understand that it is impossible to quadruple the income from private donors or from lotteries, but finding other funds would improve the continuity of an organization. If it is possible it is also recommendable to spread your income over multiple governmental funds, like FI did with Impulsis, KPA and Schokland. An additional advantage of depending on many private donors is that it is not likely that they will all suddenly stop supporting a DAO, which makes them a more solid and reliable source of income.

A suggestion for the government might be to pursue more consistent policy. This could be achieved by extending the period for which the policy applies. This period has been four years in the past decades. Since the millennium goals have to be reached in 2015, the policy for this period has been extended to five years. But this one year is not the solution. I am suggesting a period of something like a decade, in which only small changes can be made. This also implies that the minister becomes less powerful. His or her authority has to be adjusted. It is important to maintain some possibility for changes because the world situation is still changing and will be changing in the future. Besides it is important that there is some kind of a safety net for DAOs who suddenly fall out of the financing system – in this case the MFS II – of the government. But I understood from the PLAN-example that this is already the case. Other suggestions which have already been applied are to cooperate with other departments where development aid touches other policy fields, and to cooperate with other countries in the field of development aid. Not only with other Northern countries but also with developing countries.

A last recommendation will be for DAOs, but especially for PIs. It turns out that only a few organizations do receive allowances from the European Union. A research about PIs in Gelderland showed that only 7,9% of the organizations used the EU as a source of income (COS, 2005). But actually there are quite some possibilities for DAOs and PIs to receive money from the EU. I did my internship at COS and it was my goal to find out whether there are possibilities for PIs to use the EU as a source. The result of that research was that it would be hard, but that there are possibilities. The downside is that it takes a lot of time to find out which fund is the right one for your organization, but the advantage is that EU allowances are about large amounts of money. Especially when organizations decide to make an alliance this could result in a positive cost benefit analysis. Since COS works with PIs instead of other DAOs, the focus of that research was also on PIs. Therefore I am not kept abreast of the situation for larger organizations. But the largest obstacle for PIs is that the amounts of money which were given by the EU were too large for them, as well as the time which had to be put into it. This would mean that there are also possibilities for DAOs.

6.4: Discussion and further research

Subjects which need further research are often also heavily discussed. And the other way around, if something is being discussed it would be recommendable to do – more – research into this topic. This research has brought up some of these topics. Some of them are heavily discussed; others are still surrounded by ignorance. I will start with the latter, the unfamiliar topics.

A first recommendation for further research would concern the blind spots. Thereby the focus would not be on the blind spots per se, but on the hypothesis that the Dutch development policy is opposing to the world wide trends. In other words, analyzing whether Dutch policy 'fills up' particular blind spots. A quick comparison between Koch's results and the partner countries of The Netherlands pointed to such a possibility. But since this comparison was based on amounts of money in Koch's case and the number of countries in this research it would be recommendable to execute a thorough research about this subject. In any case it would be interesting to compare the Dutch development policy with the worldwide policy. Despite of the fact that Koch is Dutch – and the fact that he used some Dutch DAOs in his research – it would be interesting to see whether the Dutch policy is opposing the world wide trend. Not only in the hypothesis about investing in poor countries, but also in the fields of other finding like, the investment in bad governed countries, the willingness to move from one country to another, the focus of DAOs on the same countries as their government and the focus of DAOs on the same countries as other DAOs. Not only the comparison between The Netherlands and the rest of the world would be useful, but also the comparison between countries would be useful in order to avoid blind spots on a world scale. Put differently, are we all focusing our aid on Africa, and ignoring Latin America and Asia?

Secondly the scale of this research was limited to the national level. As mentioned before it would be interesting to look at the influence of EU policy on the policy of DAOs, and it might be even more interesting to see what the influence of provincial policy is on DAOs. This last scale

would be particularly interesting for PIs since they are often largely dependent on provincial allowances. Another interesting topic in this field might be the relation between the various scales. That is the similarities and differences between the provincial and the national policy, and what that means for the DAOs. Do the various policies match, and if they do not, does this make it harder to get allowances for the DAOs? To a lesser extent the same can be done between the national and the EU level. At first sight it seems to me that the policy of the provincial level and national level should have a better match than the policy of the national level and the EU level. But perhaps this is a false presumption.

A more discussed question which sows discord among the experts concerns the usefulness of aid. Many people are convinced that aid helps poor people and countries to develop. Those people – and I am one of them – do not think about the question whether aid helps, but about how aid helps the most. But there are also people who do not look at how aid can be provided most efficiently; rather they doubt whether aid helps poor people at all. Some people do not even doubt it. They are convinced that aid has a detrimental influence on the development of poor people and countries. One of the most recent – and probably also one of the most noted – scholars who disapproves aid is the economist Dambisa Moyo. Already mentioned in this thesis her opinion is that aid not only fails to help poor people, it even makes poor people suffer more. Some of the detrimental effects of aid she mentions are large-scale corruption and general laziness. Furthermore aid also affects the export and undermines growth (Moyo, 2009). And she argues that she does not present anything new, she has cited other research like those of Peter Bauer and William Easterly. One can imagine that this is a heavily discussed topic and many research projects are trying to present the definite answer. It may also be clear that if it turns out that aid does not help – or even impedes – poor people and countries, that researches about policy and blind spots are useless. Therefore it is very recommendable to execute more research about this topic; does development aid work?

But as long as this has not been proved it will still be important to do research about development aid and its consequences. And although the conclusion of this thesis is that changing governmental policy is not much of an obstacle for DAO, the allocation of money for this purpose will play an important role and has to be evaluated accurately and systematically!

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Appendix 1: Criteria for the country selection

1. IDA-performance rating (top, upper, middle, lower, lowest)
2. Financial and social policy of the receiving country
 - (a) Financial policy/structure
 - (b) Social policy of the receiving country
 - (c) Efforts of the receiving country regarding gender issues
 - (d) Idem regarding the environment
 - (e) Idem regarding the 20/20 perspective
3. The situation with regard to good governance
 - (a) Integrity and effectiveness of the civil service
 - (b) Transparent management of public resources
 - (c) Absence of corruption
 - (d) Adequate monitoring of government finances
 - (e) A well functioning audit authority
 - (f) Proper parliamentary control of public expenditure
 - (g) Participation
 - (h) Separation of powers, independent judiciary
 - (i) Legal security for all
 - (j) A free and fairly elected parliament
 - (k) Human rights
 - (l) Relation between expenditure in social sectors and expenditure for defense
4. The degree of poverty and the need for aid
 - (a) GNP per capita in US dollars
 - (b) Internal social and geographical division of the poverty
 - (c) Relief efforts of other donors
 - (d) The degree to which the aid is being coordinated
 - (e) The degree to which the country has access to capital market/financing gap
5. Additional considerations
 - (a) Appreciation of the quality of the current development aid program
 - (b) The active role of a country in supporting the legal order in its region
 - (c) Socio-cultural relations with The Netherlands
 - (d) Economical relations with The Netherlands/ Scale of trade relationship (< 1 billion, between 1 and 5 billion, > 5 billion)
 - (e) Economical relations with The Netherlands/ Potency for redoubling in the next 5 years (small, average, large)
 - (f) Presence of *government-to-government* cooperation of other departments in the receiving country
 - (g) Attention of the parliament for the developing country (number of parliamentary questions/ number of parliamentary visits)
 - (h) Geostrategic importance of the receiving country
 - (i) Remaining considerations

Source: Deputy director-general of International Cooperation (2002)