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# Globalisation Demands Greater Integration of Foreign Policy and Development co-operation

*Two experts of Finnish Ministry for Foreign Affairs explain what is the present role of development co-operation in Finnish Foreign policy. Development issues are part of the global agenda today, and the global agenda is a more dominant sphere of interest in the work of the Finnish Foreign Service than ever before.*

Development issues have become an integral part of the international agenda in practically all multilateral forums. With regard to the UN and the Bretton Woods institutions this is only to be expected, as the primary aim of these organisations is to help the developing countries and areas. But additionally, and significantly, development issues have received considerable attention also in multilateral trade negotiations, especially in the context of World Trade Organisation. Perhaps the most important reasons for this are the end of the Cold War, the UN Millennium Summit of 2000, and also the terrorist attack of September 11<sup>th</sup>, which threw differences in the stages of development in various regions, and their link with terrorism, into the spotlight.

In Finland, development issues have been regarded as a natural and normal part of foreign policy and part of activities of the Ministry for Foreign Affairs. In the light of this, it may be useful to analyse the relationship between “development co-operation” and “foreign policy”.

It has been said that “foreign policy has no scruples” and is, by definition, the selfish furthering and safeguarding of one’s own aims. Development co-operation, then, is mainly a moral activity driven by the principle of international responsibility and a sort of obligation for solidarity, which engages rich countries in transferring resources to poor countries and also in finding other courses of action to erase developmental differences.

## Government level decisions and policies

Finnish development co-operation is currently directed by the government's last three decisions in principle that deal with development co-operation and/or Finland's policy on relations with developing countries from 1996, 1998 and 2001.

The government's decision in principle on September 12<sup>th</sup> 1996 made development co-operation a more essential part of Finnish foreign policy than it had ever been. In the decision, it was stated that "development co-operation is a central part of Finnish foreign policy". This was made possible by the fact that views within the Ministry for Foreign Affairs' Political Department and Department for International Development Co-operation had become closer to one another in the course of the 1990s.

The departments' approach to each other was furthered by the fact that the issues which were allocated to them on international agendas, mostly emanating from the UN, were also becoming increasingly similar. The government's decision in principle from 1998 on Finland's policy on relations with developing countries further enhanced the convergence of development co-operation and foreign policy. In this policy it was stated, among other things, that development co-operation is an instrument for developing country relations.

The government's 2001 decision in principle on development co-operation also af-

firmed the previously accepted close connection between foreign policy and development co-operation. In some respects, the 2001 decision also gives rise to a dualistic setting of objectives for international development co-operation: for example, the division into "long-term" and "other" partner countries has been made on the (implicit) understanding that, with regard to the latter, development co-operation can more flexibly be used as an instrument of the "general" foreign policy. In the long-term partner countries, then, the objective is more decisively and more unambiguously to reduce poverty.

" Development co-operation is now more essential part of Finnish foreign policy than it has ever been."

Together with the shaping of these decisions in principle on development co-operation, the concept of so-called "broad security" became more and more common in foreign

and security policy. In addition to traditional military threats, this line of thought also takes into consideration the "softer" security threats, such as environmental catastrophes, widespread migrations, and epidemics, which are all matters of importance for Finland's security.

This line of thought was connected to development co-operation in such a way that the development co-operation started to be perceived more and more clearly as a possible means of enhancing human security. The significance of the circumstances in developing countries to international security policy also began to sink in.

The basis for this line of thought lies in the series of UN Summits held in the 1990s,



**Development co-operation on the highest level.**

President Tarja Halonen and Professor Pentti Arajärvi visited Ngorongoro national park, Tanzania in February 2003.

during which a mutual understanding on a global level was reached for the first time on the international agenda's most central development issues. In Finland, and especially in the Ministry for Foreign Affairs, this list of issues came to be known as the "global agenda" (this term, however, never became widely used outside Finland).

The new, closer connection between development co-operation and foreign policy did not, of course, gain immediate overall acceptance. The development co-operation actors, both within the Ministry for Foreign Affairs as well as outside it, were concerned

that the objectives of development co-operation would be dominated by national egoism.

As the turn of the millennium approached, there was discussion in the Ministry, quite fierce at times, on what was really meant by development co-operation being part of foreign policy. Satu Hassi, who became Minister for Development Co-operation in the spring of 1999, considered that it meant that the objectives of development co-operation were also central objectives of foreign policy. Thus the development co-operation objectives that were listed in the

1996 and 1998 governmental decisions in principle – alleviation of poverty, prevention of global environmental threats, promotion of equality, democracy and human rights, increase of global security, and increase of economic interaction – should also be viewed as objectives governing our foreign policy actions.

### **Why is development co-operation a part of foreign policy?**

In the light of the above, one can recognise at least two objectives that the closer relationship between development co-operation and foreign policy was meant to foster. Firstly, Finnish foreign policy needed to adopt a more global dimension and take a more global line of action. This initiative had already gained importance through the 1995 EU membership, which put Finland in a position where it had to take a stand on events which, prior to membership, could just be observed from the sidelines. Secondly, the aim was to make Finnish foreign policy objectives more far-reaching. To make objectives of development co-operation an essential part of the foreign policy objectives would mean that they would be furthered by using all foreign political means.

Finland became a member of the European Union in the middle of the 1990's renowned series of UN summits. These summits created a basis for the first declaration on development issues accepted by all UN members at the highest possible political level: the Millennium Declaration and the development objectives included therein.

Such a shared development agenda, or declaration of “global partnership”, was possible as agreement was reached on two issues which were important to the developing countries and which had not been included in the so-called global agenda before – financing and trade. In the declaration, it was agreed that a separate high-level development financing conference would be held; with the result that it took place in Monterrey, Mexico, in March 2002.

Within the WTO, then, a mutual understanding was reached in Doha, Qatar, in November 2001 on taking into consideration development issues and developing countries' special needs in trade arrangements and regulations. This “global deal” or agreement on global partnership, based on the September 2000 Millennium Summit and the three major conferences held after it, can actually be seen as an attempt to broker an international agreement on the responsibilities between developing countries' national interests and international organisations.

In addition to the change requests imposed on the developing countries, the rich countries were spurred into actions that would support the developing countries' attempts to realise those changes. The rich countries' obligations are mainly connected to the amount of development aid, the terms of trade, and the improved availability of technology and essential drugs. The agreement, and compliance with the obligations will probably be the focus of development discussions for the next few years.

The hub of the agreement is probably that development co-operation is not seen as a separate entity or a political section of its

own. Coherence in all political action is now essential: trade policy and development policy as well as those policies conducted in all the other policy sectors should be aligned. In practice this is an enormous challenge, as can already be witnessed in the great difficulties encountered in unifying the EU agriculture policy and foreign policy.

The Millennium Declaration and the “agreement” it included can also be understood, in all their comprehensiveness, to have brought traditional foreign policy and development co-operation closer to one another. The declaration includes the values accepted by all UN members and, consequently, the view on the course of political, economic and social development. It can actually be said that there has never been more unanimity on objectives than there is today. A common “global agenda” really does exist. For example, the UN’s and the Bretton Woods institutions’ objectives are now more uniform than ever before. In addition, the national policies of almost all countries, including Finland, share a similar basis: an open market economy, democracy, good governance, human rights etc. Thus, the problem no longer hinges on this level, but on how the commonly agreed values are interpreted.

### **National and global interests**

Evaluating the relationship between development co-operation and foreign policy is almost impossible without assessing and defining the concept of “national interest”. In today’s international discussion more and more space has been given to the idea that

the concept of traditional national interest should be reconsidered and understood in a broader sense. The policy of national interest is not just conveying a policy that would in a short period of time confer the maximum benefit on Finnish society. National interest here and now is not necessarily what is best for a nation in the long run and in a broader perspective.

It could also be claimed that a “global interest” exists in addition to the national interest. In order to be a “good member” of an international community and a staunch participant in international affairs, Finland has good reason to contribute to those matters consistent with the global interest. Yet it is also possible to argue that national interests are the logical basis for contributing to global interests. Global stability and security as well as common efforts in environmental and health issues are also “useful” for Finland, i.e. they are in accordance with the Finnish national interest. What is more, the increasingly prevalent concept of Global Public Goods has been used as an argument for the uniformity of the objectives of development co-operation and foreign policy.

With regard to national and global interests one should be aware of two essential differences. Firstly, democratic decision-making has developed at a completely different level nationally than it has internationally. There is no “universal parliament” exercising juridical power, but at a global level – and especially regarding the global economy – the greatest authority is in the hands of supranational actors, whose decisions are mostly guided by the laws of market economy. In this respect, significant achievement is the concept of so-called

broad development financing confirmed by the Monterrey Summit on Development Financing, as it acknowledges the importance of private investments and trade in development financing.

Secondly, the time span at the national level and the global level is often different, especially when global development issues are discussed. At the national level, and thus in “traditional” foreign policy, the actions generally aim at achieving short-term objectives and at protecting the national interests of the near future. At the global level, the objectives and processes are long-term matters. This is particularly evident with regard to the principle of so-called sustainable development. Now the challenge remains to make short-term actions and actions based on democratic decision-making at the national level, and the market-driven actions, especially the developmental long-term actions at the global level, uniform and mutually supportive.

Securing an effective mode of action calls for a concrete step forward in creating ‘partnerships.’ Enhancing co-operation between the public and the private sector and civil society has to be more than mere rhetoric. At the global level, private companies in particular have a key role to play. The global economy and the multinational corporations have such enormous resources, that to successfully influence development demands greater uniformity between the private and the public sector in the future. Corporate social responsibility is one area where a lot of work still has to be done. In this respect companies could, for example, better and more widely than today adopt the values and objectives that have been agreed upon in the UN by governments. Market mechanisms (e.g. different consumer

movements and the pressure they exert) can also be used to strengthen companies’ ethical code of conduct. These are probably the only alternatives for increased public control and regulation at a global level. In this respect, the civil society has the important task of being the “global conscience”. There are several successful examples: The Ottawa Mine Ban Treaty, Jubilee 2000, which was in favour of scrapping the debt, and, in the private sector, measures like conducting a labour force policy that respects human rights and monitors the environmental impact of companies.

## Conclusions

Development issues are part of the global agenda today, and the global agenda is a more dominant sphere of interest in the work of the Finnish Foreign Service than ever before. The Johannesburg Summit on Sustainable Development and its follow-up is a perfect and concrete example of a process which also furthered both national and global interests.

Naturally, the more alike national and global interests can be defined the better. The 2002 Ministry for Foreign Affairs’ decision to constitute a new Division for Global Affairs ought to be seen in this light.

The Finnish Foreign Service is actually undergoing a sea change in terms of thinking and acting in global issues and foreign policy questions. It can even be said – as in the Ministry for Foreign Affairs’ 2001 account for parliament entitled “The challenges of the Finnish Foreign Service in the early 2000s” – that the division between national and global interests is in the process of disappearing. One premise for developing the role of the Ministry for Foreign Affairs is that the ministry is,

in any case, the only actor in public administration that has a comprehensive view of globalisation, not just a view from the standpoint of a certain sector. Thus it might be easy to open up and extend the viewpoint of the national interest which is typical of the sector ministries, and to introduce the global perspective. It should be justifiable to assume that, in the wake of the events of September 11<sup>th</sup>, such a broad view of national interests is better understood, in the same way that the events made more and more people understand the link between development co-operation and increased safety.

In one sense, the problems of the relationship between development co-operation and foreign policy are never-ending. If the objectives of development co-operation, namely the global objectives in the shape of the Millennium development goals, are really brought to the forefront of foreign policy and taken into consideration in a serious way in all foreign affairs decision-making, a lot has been achieved. But we still have a long way to go. And it is not realistic, or justifiable even, to assume that global objectives would ever be the sole objectives of foreign affairs. In the real world – in the democratic society, in the storm of different political views and pressures – trying to unify development co-operation, global objectives and all the other objectives of foreign policy is a continuous search for coherence.

Assessing the similarities or differences between development co-operation and foreign policy, one can simplify the situation and understand it as an interest-disadvantage way of thinking: On one hand, the more development questions are integrated into foreign policy, the better the chances of obtaining the desired

development and lasting results. This is because it makes interaction, influence and direct contact possible with those actors – both globally and in the developing countries – who have the power and the authority to make changes. Development co-operation is not merely running projects like we have done in past decades or just keeping an eye on development co-operation allocations. On the other hand, the more independent development co-operation is, the fewer compromises one has to make on development views, as political realism and other interests do not require as much attention, and the objectives of development co-operation can somehow be furthered more purely and with greater integrity – although the impact can this way be smaller.

At a practical level, this also requires consideration of how the administration of development co-operation and foreign policy will be organised. In Finland, most of the operational activities of development co-operation have now been assigned to other departments and divisions within the foreign ministry than the traditional Department for International Development Co-operation. In the bilateral field, regional divisions attend to the development co-operation as well as political, trade-economic, cultural and other affairs with the countries in question. The operative actor in multilateral development co-operation is the Division for Global Affairs. In other words, at the level of the *Ministry* – i.e. the body of civil servants – a fairly deep integration has already taken place, but among the *ministers* themselves the spheres of responsibility are still completely separate. This is, naturally, a potential source of tension.