Triangular Development Cooperation: An unexplained formation in international relations.

Lengfelder Christina.


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An unexplained formation in international relations

Christina Lengfelder

ABSTRACT

In the second half of this decade, triangular development cooperation (TCo) has emerged as a new form of development assistance, supplementing traditional technical assistance arrangements between northern and southern countries. TCo is comprised of three partners, typically with a middle-income country, serving as an intermediary between donor and recipient countries. This new arrangement presents a puzzle for existing conceptions of development cooperation. Northern countries give up part of their authority over resources, risking their strategically favorable position as a donor country. The rise of TCo can be analyzed in two areas of research; international relations theory and development studies. This paper discusses literature of both disciplines, with the aim of framing a research agenda for explaining donors’ intentions behind TCo. It provides an overview of how aid transformed into development cooperation throughout history as well as a review of the literature on motives for traditional aid provision. The last section concludes that existing theories are not sufficient to explain TCo and identifies a new area of research. In order to solve the puzzle of why donors engage in TCo, current changes in north south relations as well as the present international structure will have to be scrutinized, complementing the preliminary work of this paper.

Key words: cooperation, international relations theory, triangular cooperation, technical assistance, development

Introduction

In the second half of this decade, a new formation can be observed on the scenario of international development cooperation. Triangular cooperation (TCo) is the product of a recent reform of technical assistance, incorporating a middle-income country as an intermediary between donor and recipient countries. It is puzzling that apparently donors are willing to hand in authority over aid provision, risking their strategically favourable position in the international system. As TCo has been widely neglected by academic literature until now, this paper takes on the task of introducing the phenomenon with the aim of establishing a research agenda. Two camps of literature study the issue area of development cooperation; development studies and international relation (IR) theory. Due to a draught of communication between both, significant information has slipped though the fingers of researchers, sometimes leading to contradicting results of investigation. The first section of this paper fills one of these gaps. It identifies the inconsistence of the concept development cooperation (DC) with the definition of a cooperative act in IR theory. History of DC has left instructive footprints for understanding this discrepancy. Tracing down the origins of DC, the second part of the paper reveals the key factors that triggered the mutation from aid to assistance, and further to development cooperation. Following this, a literature overview of both disciplines contributes to understanding why states provide aid in general. Moreover, it is expected to find hints for explaining the new formation within the established theories on ODA provision. The main body of the paper introduces TCo into the literature, demonstrating its mode of operation and establishing a working definition. Finally, it is revealed that existing theories are not sufficient to explain TCo. They all neglect a crucial variable that

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is apparently responsible for the formation of triangular cooperation: change. The last part of the paper drafts a research agenda for future studies on TCo.

The concept of development cooperation
Varying definitions and nomenclature describe the act of a transfer of resources from one country to another; foreign aid, foreign assistance, development aid, development assistance, development cooperation, or simply aid. Two areas of scholarship have taken on the task of investigating foreign aid. On the one hand, schools of development studies and on the other, scholars of international relations theory. We identify a conceptual inconsistency which most probably results from a draught of communication between the two disciplines². This section reviews both disciplines, bridging the gap between them.

To begin with, implying the notion of foreign stems from the perspective of U.S. schools. The rest of the world uses the term development adding either aid or assistance (cp. Bauer 1993).³ There is no difference, whatsoever, in what is meant. all of these terms refer to “official flows of resources to developing countries” (Jayaraman & Kanbur 1999, p. 418), or, defined more extensively, to “subsides in the form of grants or soft loans from governments of relatively rich countries to those of relatively poor countries [...]” (Bauer 1993, p. 1). The expression development cooperation (DC) evolved in the mid nineties due to a shift in developmental policies, and is since then commonly used by development organisations such as UN agencies and NGOs, embracing the same concept as the above (Stokke 2009). Apart from financial flows, development cooperation includes much more integrative work, such as organisation, implementation, monitoring, and evaluation of projects and programmes. However, all foreign aid/assistance, development aid/assistance or cooperation starts with resource transfer from industrialized countries to developing countries.

Looking at the rather technical side of the concept, the Development Assistance Committee (DAC) distinguishes Official Development Finance (ODF) from Official Development Assistance (ODA)⁴. The more commonly used term, Official Development Assistance (ODA), is defined as “grants or loans to countries and territories on the DAC list of ODA recipients (developing countries) and to multilateral agencies [...]” (OECD 2009b). The difference between ODF and ODA is that ODF includes the additional part of “other official flows for development purposes which have too low a grant element to qualify as ODA”. This subordinates ODA to ODF, the former being one specific part of the concept of the latter, with special emphasis on grants. Considering this comprehensive definition, it is important to remember that DAC countries are not the only international donors (cp. Raffer and Singer 1996). A variety of other countries such as the Soviet bloc during the cold war, Iceland, Israel, China, OPEC and others have donated resources to developing countries. Recently, more and more emerging countries such as United Arab Emirates, Saudi Arabia, Korea, Venezuela, India, Kuwait, Brazil, and especially China have taken initiative with respect to DC (cp. Woods 2008). Their engagement, however, takes place on a much smaller scale and is not recorded in any way comparable to DAC. According to

² There are only a few authors revising both camps of literature and actually putting development studies within the framework of international relations theory. An excellent analysis stems from Sylvia Maxfield (2002), and an introductory textbook from Anna Dickson (1997).
³ There is no divergence between aid and assistance in conceptual terms (Serageldin 1995, p. 13). Aid and assistance can be and are used as synonym, following either foreign or development, depending on the author’s origin. For convenience, many authors leave out either foreign or development and simply refer to aid.
⁴ The complete definition of ODF is “Used in measuring the inflow of resources to recipient countries: includes (a) bilateral ODA, (b) grants and concessional and non-concessional development lending by multilateral financial institutions, and (c) Other Official Flows for development purposes (including refinancing loans) which have too low a grant element to qualify as ODA” (OECD 2009a).
⁵ In order to qualify as ODA, the definition goes on, the grant or loan has to be “(a) undertaken by the official sector; (b) with promotion of economic development and welfare as the main objective; (c) at concessional financial terms (if a loan, having a grant element of at least 25 per cent). In addition to financial flows, technical co-operation is included in aid. Grants, loans and credits for military purposes are excluded. Transfer payments to private individuals (e.g. pensions, reparations or insurance payouts) are in general not counted” (OECD 2009a).
John Ruggie (1983), due to the way DAC organises and records ODA it can be considered as a “quasi-regime”, consisting of a “generalized commitment to increase the aggregate volume and the concessional component of resource flows to developing countries, to share the burden of these flows equitably among donor countries, and to ensure that the terms of assistance not give a competitive advantage to any of the donor countries” (p. 435).

Ruggie states that it is only a quasi-regime due to three reasons. First, certain norms of the aid regime are rather targets (such as the 0.7% GNP for ODA), second, some of its components are unrelated, and third compliance mechanisms are few and weak in their nature (pp. 435, 436).

Reviewing IR literature with respect to development cooperation, a conceptually stunning point emerges. Most development literature refers to development assistance as development cooperation. What is more, even some authors with IR background share this expression (see for example Hawkins et al. 2006, p. 11; Stokke 2009). With the 1970s, and increasing attempt among governments to achieve cooperative behaviour, IR scholars devoted major effort into entangling the academic concept of international cooperation. This work has been fruitful insofar as scholars successfully established a commonly accepted definition of cooperation. Moreover, they identified a variety of circumstances under which cooperation is possible according to some scholars, and impossible according to others (cp. Milner 1992). However, through the lenses of these IR theorists, development assistance, strictly speaking, cannot be considered as a form of cooperation. Robert Keohane’s (1984) definition, agreed upon by the wide majority of IR authors until today (cp. Milner 1992), starts with a policy situation where “each actor’s policies (pursued without regard for the interest of others) are regarded by others as hindering the attainment of their goals” (Keohane 1984, p. 53). Following this situation, attempts are made by both actors to adjust policies. When both actors’ policies become considerably more compatible with each other, Keohane considers the act of policy adjustment a form of cooperation. In

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6 Ruggie’s definition on regimes is the most cited one in IR literature, in which regimes are “a set of mutual expectations, rules and regulations, plans, organisational energies and financial commitments, which have been accepted by a group of states” (cited in Keohane 1984, p. 57).
7 Mainstream IR authors on cooperation are divided between realists, liberals, and constructivists. Realists discard cooperation as almost impossible due to the anarchic international environment and Hobbesian self-interest, both of which cannot be mitigated due to the absence of an international authority (see for example Morgenthau 1948; Carr 1939; Waltz 1979; Waltz 1989). For these authors, international institutions do not help either, since they are built by, and used for, the interests of the powerful states (e.g. Gilpin 1981). Based on the same assumptions but systemic in its nature, neo-realist theory’s main concern with respect to cooperation is the possibility of cheating and the emphasis states place on relative gains (Grieco 1988; Mearsheimer 2001; Waltz 1979). States are not only concerned with losses of cooperative acts, but also with others’ gains that may be more substantial in relative terms. Through the lenses of power politics, states want to avoid that others gain more from cooperation than they do, which makes cooperative agreements almost impossible to establish. Directly opposed to this view, and up to now the most developed theory of cooperation, is the, in rational choice theory rooted, neoliberal institutionalist approach (NLI). NLI shares most of its assumptions with realism (self-interest, anarchic society), relaxing some of them, and thus coming to quite different results. From this perspective, states seek to maximize absolute gains through cooperation (cp. Keohane 1984). Their rational behaviour leads them to value cooperative activities with the aim of higher efficiency through specialization. In line with this analysis, states are less concerned with advantages achieved by others. The obstacle remaining for cooperation is merely the possibility of cheating or non-compliance of one of the parties integrated in the cooperative agreement. According to NLI, this concern can cause states to shift loyalty and resources to institutions. Institutions then facilitate cooperation by reducing uncertainty of the actors’ preferences (Keohane 1984, p. 97). Moreover, the shadow of the future (cooperation based on reciprocity) facilitates cooperation where there is sufficient prospect for a long term interaction as in the iterated prisoners’ dilemma (Axelrod 1984, 1997; Axelrod and Keohane 1985). Traditional liberal theory assumes the roots of state behaviour in national politics (Milner 1997). Different domestic structures lead to varying inclinations towards participating in security cooperation (Muller 2006). This Kantian approach mostly emphasizes cooperation between democratic states but is not able to explain cooperation between democracies and non-democracies or between two non-democracies (cp. Russet 1993; Doyle 1997). Finally, constructivists leave cooperation open to international change since structures are not fixed and preference not given but subject to formation (Muller 2006, p. 379). Thus, the full range of cooperative patterns is possible: highly competitive states without possibility to cooperate, and highly cooperative states, depending on what actors chose to do, or which environment they construct for their policies (Wendt 1992). The options for cooperation in constructivism are thus open and security communities or epistemic communities may facilitate it (see Adler and Barnett 1998; Haas 1992, respectively).
8 The most cited part of Keohane’s definition is, states cooperate “[...] when actors adjust their behaviour to the actual or anticipated preferences of others, through a process of policy coordination” (p. 51) (the definition’s origin is “The intelligence of
the case of DC, the identification of a conflictive policy situation at the outset is complicated. The problem becomes clearer if we consider a hypothetical situation: Two countries, one developed and the other developing that are not yet involved in a donor-recipient relationship. Do they necessarily hinder each other from achieving their respective goals? They may in some cases, such as trade relations or environmental policies in a world of interdependence, but not necessarily. Moreover, some scholars may even argue that providing DC is a situation of ‘harmony’ in the Keohanian sense, meaning, “actors’ policies (pursued in their own self-interest without regard for others) automatically facilitate the attainment of others’ goals” (Keohane 1984, p. 51). However, this argument implies the strong assumption that states give aid for their own benefit. The concept of harmony is only adequate if the donor country pursues strategic aid policies as a tool of foreign policy without regard for the receiving country’s necessities. Analytically, two motivations behind aid provision can be revealed: self-interest and altruism. Hence, the interpretation of the policy situation depends on the author’s Weltanschauung or affiliation to a certain IR theory. Therefore, we can neither universally declare that all type of development assistance is an act of cooperation, nor that it is one of harmony. The subject of donors’ motives for aid provision is widely debated in IR theory and development studies. The next section will provide an overview on this discussion and draw a conclusion that will further the understanding of the concept of development assistance or cooperation.

Literature review: Motives for ODA provision

For the overview on donor countries’ motives for aid provision, we will review three sorts of literature: IR theory, development studies, and quantitative research. The former two are the main disciplines that study DC. The latter scholars may belong to either of the former group. They apply, however, a methodologically quantitative approach. I decided to study these pieces of research separately since they suggest, probably due to just this distinction, different independent variables for explaining ODA provision than other authors (for a summarized table on motives and authors suggesting them see Annex I).

Only three of the main approaches of IR theory expand their analysis to the issue of aid provision. Little is known about the assumptions of constructivist and English school writers with respect to DC. Realist, liberal, and, to a lesser extent, Marxist theory, however, offer a wide spectrum of analysis for different time periods of history. Realists’ core argument is that aid is provided due to national self-interest as opposed to altruism. According to this approach, in the absence of a global authority, donors use aid as a foreign policy instrument to pursue their national interests (see for example Morgenthau 1962; Hook and Spanier 1998; Hook 2008; Patterson 1997). Realists had their heyday during the cold war, where even non-realist writers assumed strategic military reasons behind the provision of ODA (cp. Sagasti and Alcalde 1999; Lancaster 2007; Deegnbol-Martinussen and Engberg-Pedersen 2003; Hoy 1998). Especially classical realists argue that aid is driven by political-military strategies of nations. With respect to security concerns, donors are mainly interested in alliance building, meaning that they prefer provision of aid to countries that maintain formal defence or military access agreements with the donor country (cp. Walt 1989)\(^9\). Hans Morgenthau (1962), the father of realist theory, sets the foundation for analysis in his article A political theory of foreign aid, stating that democracy’ by Charles Lindblom (1965)). It is important, however, to consider Keohane’s complete definition, where the decisive part is the conflictive policy situation at the outset of the cooperative act.

\(^9\) Classical realism originates from ancient writings of Thucydides, Machiavelli, and Hobbes. Following their line of thought, international politics are driven by an endless struggle for power, which has its roots in human nature. Since justice and law have no place in this form of society, state leaders can only adopt to changing powers of world politics. Morgenthau and Carr develop the theory further, recognizing that politics is governed by laws (Carr 1939; Morgenthau 1948). However, since laws are created by human nature, they are based on interests defined in terms of power. Even more modern writers follow the strict assumptions underlying classical realism. In a Hobbesian world where self-preservation is crucial under anarchy, states are mainly concerned with their own survival, and world politics are determined by the interests of the powerful (Gilpin 1981).

\(^10\) Stephan Walt (1989) emphasizes the cold war as competition for allies, where the demonstration of superiority of each superpower’s social system is crucial. In his ‘balance of threat’ theory, states form alliances to balance against threats in the anarchical world without supreme authority. According to Walt, when states face an external threat (as the U.S. with the Soviet Block during the cold war), they ally with others to deter or defeat possible attacks.
foreign aid serves for supporting those U.S. interests abroad that cannot be secured by military means and for which diplomacy may not be appropriate (p. 301). In the aftermath of the cold war, which brought with it an apparent absence of a clear security threat, realist writers switched to the trade-argument, continuing to discard altruism as a possible motive for ODA. DC, they suggest, helps to tap new markets and establish trade relations (cp. Hook 2008; Patterson 1997). With the reappearance of U.S. security concerns in the aftermath of the 9/11 terrorist attacks, realists find new support for their military argument. They suppose that governments allocate aid towards states that identify their enemies as terrorists (Hook 2008), and thus constitute apt allies for the ‘war against evil’.

The liberal argument is more complex, suggesting different reasons for the transfer of resources from one country to another. Some are based on self-interest, others on altruism. In general, liberal authors propose the projection of ideologies and national values abroad and the desire to influence recipient countries’ policies as main motivation behind DC (Noel and Therien 1995; Baldwin 1966). National values may be capitalism, democracy, or human rights. Ideological interests can influence aid allocation in so far, as donors prefer to support countries with similar values as their own (Baldwin 1966). This argument was vital during the cold war where the world was sharply divided between communism and capitalism. Still, even after the end of the cold war, ideological reasons for aid provision do not cease to be relevant for liberal theory (Meernik, Krüeger, and Poe 1998; Lebovic 2004; Lumsdaine 1993). Rather, with recurrent security concerns in the aftermath of the 9/11 attacks, the spread of democracy once again becomes more pertinent due its link to peace and security, based on liberal democratic peace theory. Typically, liberal authors concentrate on domestic variables’ influence on international politics and vice versa (see for example Milner 1997; Moravcsik 1997; Putnam 1988).

There are various ways in which domestic variables may influence governments’ decision to provide aid: First, as advocated by Helen Milner (2006), constituencies and other domestic interest groups may pressure governments to adopt a certain mode of aid allocation. Second, Carol Lancaster (2007) suggests that aid as part of public expenditure is revised by executive and legislative, which may alter ODA levels. Third, there is reason to assume that governments’ political alignment, levels of domestic social spending, and the type of welfare state model play a role in the manner of a country’s aid allocation. The argument is based on the liberal belief that values (norms) and principles institutionalized within states are reflected in their foreign policy (cp. Noel and Therien 1995; Lumsdaine 1993).

David Lumsdaine (1993) is one of the only, but very influential and incredibly often cited, IR authors that suggest humanitarian reasons for DC. According to his famous argument, which is also the title of his book, states have a moral obligation to help poor countries. This becomes evident, he affirms, in the absence of direct benefits aid could entail for donor countries (except for tied aid, which is mostly a U.S. practise). Moreover, professional staff hired in international agencies usually consists of independent development experts who are unlikely to be inclined to further national interests through their daily work (pp. 27-32). Lumsdaine documents his hypothesis with data showing that ODA was...

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11 Developing countries, supporting one of the systems, were crucial for the United States and for the Soviet Union since their objective was the spread of the desired ideology. Again, the U.S. was the most cited example for this type of ODA due to its open interest in containing communism and spreading democracy and capitalism.

12 Democratic peace theory is rooted in Immanuel Kant (1932), who proposes that the cosmopolitan right (universal right of humanity), republican constitutionalism and a federal contract between states are necessary to achieve the perpetual peace. This theoretical approach was further enriched by Michael Doyle’s (1997) concern about the relations between democratic and non-democratic states and by Bruce Russett’s empirical research on wars between the 19th and 20th century. His conclusion is that violent conflicts between democracies are less frequent than between democracies and non-democracies, that violent conflicts between democracies and at least some kinds of non-democracies are more frequent than would be expected, and that if violent conflicts do arise between democracies, at least one of the democracies is likely to be politically unstable (Russett 1993, p. 36).

13 Noel and Therien (1995) find that the degree to which donors provide aid depends on the type of their domestic welfare state arrangement. According to their study, countries with social democratic welfare states are the most generous ODA providers. Contrarily, countries with liberal or conservative attributes contribute fewer resources to DC. Prior studies with similar approaches had already proved relations between left-wing ideology of governments and aid spending (Imbeau 1989). Furthermore, positive correlations were found between domestic social spending and ODA levels (Lumsdaine 1993). This way, DC can be seen as an extension of domestic income redistribution to the international level.
not primarily endowed to countries of economic and political importance to donors, but to the neediest ones\textsuperscript{14}.

There are only a few Marxist authors writing specifically about foreign aid. Traditional works of this approach focus rather on north-south relations in general than on ODA expenditure (see for example dependence literature such as Cockcroft, Frank, and Johnson 1972; Sunkel 1970; Cardoso and Faletto 1969). Deducing from this literature, DC in the Marxist view is one of the instruments for maintaining a world order favourable to the rich. The argument belongs to the national self-interest ones but is systemic in its nature. The current world system with its class relations are reproduced with the help of ODA payments. Similar to realist authors, Marxists put forward trade interests as rationale for aid expenditure. Since the west depends on the provision of cheap and abundant raw materials and on primary commodities from developing countries, payments are essential for save-guarding donors’ economic interests (Hayter and Watson 1985). Through Marxist eyes, the ODA system is a heritage from colonial times, which assures the continuation of dependence and imperialism (Hayter 1971; McKinlay and Little 1977).

There is less divergence between development scholars than in IR literature. Almost all authors studied agree that there is no single explanation for ODA provision (see for example Haan 2009; Lancaster 2007, 2008; Riddell 2007; Thorp 1971; Hoy 1998; Picard and Buss 2009; Sagasti and Alcalde 1999). They suggest combinations of reasons, which may vary in its proportions for each country\textsuperscript{15}. The traditionally assumed motive for ODA, military strategic interests, also meets with the approval of development scholars (cp. Lancaster 2007; Degnbol-Martinussen and Engberg-Pedersen 2003; Hoy 1998; Picard and Buss 2009; Sagasti and Alcalde 1999); it is, however, exclusively considered as valid during the cold war. After the fall of the Berlin wall, the military argument was replaced by the trade one. Most authors studied assume that DC is provided in exchange for export purchases, for tapping new markets, or to advocate trade liberalization (Thorp 1971; Pincus 1965; Lancaster 2007, 2008; Riddell 2007; Degnbol-Martinussen and Engberg-Pedersen 2003; Hoy 1998; Sagasti and Alcalde 1999)\textsuperscript{16}. Both arguments have in common the self-interest attribute. Different from the other two groups of authors, however, development scholars also repeatedly mention altruistic variables such as fostering development\textsuperscript{17}, humanitarian concerns, emergency needs, responsibility towards the poor, and solidarity (Thorp 1971; Lancaster 2007; Sagasti and Alcalde 1999; Lancaster 2008; Haan 2009; Hoy 1998; Riddell 2007; Huntington 1971; Ruttan 1989). They thus withdraw to a certain extent from the self-interest argument, yet, not disqualifying it due to their assumption of mixed motives behind aid provision. Moreover, this group of authors emphasizes the possibility of change in international policy and thus in states’ motivation for ODA expenditure. They put forward that the decline in security concerns

\textsuperscript{14}Instead of self-interest motives behind aid provision, he advocates that states engage in DC due to societal commitments to humanitarian relief, common norms within the donor community, and responsibility for societies in need. Moreover, he suggests that the development of the social welfare state paved the way for ODA, calculating that countries with strong domestic social expenditure are the ones with strong aid programmes. He is aware, however, that these reasons are not the only ones, but that “human beings are a mixture of self-interest, idealism, and pointless destructiveness” (p. 9). Since international politics is composed of them, he concludes, it is extremely difficult to judge intentions behind foreign policy.

\textsuperscript{15}The proportion of composition means that whilst for one donor military strategic motives together with trade interests are most important and the spread of democracy matters only marginally, for other donors, trade interests may prevail whereas military strategic motives and the spread of democracy play only a minor role. Some of the intentions behind aid provision are mutually exclusive (such as altruistic arguments and self-interested ones), whereas others may be complementary (Nelson 1968), and some may even interact with one another (Sagasti and Alcalde 1999). According to Robert Cassen (1982), the reason for which the different sets of combinations can vary between donor countries, are dissimilarities in historical and cultural traditions, in geography, colonial past, economic structures, in resources available, economic performance, or in domestic interest groups between donor countries (p. 7).

\textsuperscript{16}Klein and Harford (2005) additionally suggest energy supply as determinant for ODA allocation; a proposal that, surprisingly, is not frequently forwarded. More common is the general reference to ODA as a foreign policy tool (Lancaster 2007; Haan 2009; Picard and Buss 2009; Nelson 1968).

\textsuperscript{17}Fostering development does not necessarily have to be an altruistic variable. Since the 1970s, researchers increasingly suggested mutual interests of both donor and recipient countries in the development of a certain region. Therefore, donor countries’ desire to foster development in other countries could be triggered, to a certain extent, by national interests.
after 1990 together with preceding globalization, meaning easier access to trading partners and thus opportunities to advance economic interests other than aid, have triggered donor fatigue (cp. Degnbol-Martinussen and Engberg-Pedersen 2003; Picard and Buss 2009). Still, more frequent outbreaks of national and ethnic conflicts, which during the cold war had been kept under control by the two great powers, have again required elevated levels of ODA (Degnbol-Martinussen and Engberg-Pedersen 2003, p. 24). During the 1990s, a series of violent within state conflict broke out in the former Yugoslavia, several parts of Africa and in the former Soviet Union. They brought with them immense human suffering and large refugee flows (Stokke 2009). Therefore, the emphasis of aid during that time was on emergency relief, peace keeping, and humanitarian aid (Riddell 2007). In the aftermath of 9/11, however, donors’ motivation to provide security aid has been refreshed, due to the growing consciousness that weak and failed states are safe havens for terrorist organizations (see for example Lancaster 2007, p. 59; Riddell 2007; Haan 2009; Klein and Harford 2005)18. All these events of recent history and their respective consequences for ODA flows, confirm the argument put forward by Carol Lancaster that international incidents and trends are vital sources of change in the aid regime (Lancaster 2007, pp. 221, 222; Griffin 1991). The most surprising outcome of the literature review on development studies is that almost all authors examined in this field, suggest the provision of GPGs as one of the motives behind DC (see for example Riddell 2007; Lancaster 2007; Degnbol-Martinussen and Engberg-Pedersen 2003; Hoy 1998; Kanbur, Sandler, and Morrison 1999; Carbone 2007; Jayaraman and Kanbur 1999; Picard and Buss 2009; Fuehrer 1996; Huntington 1971; Sagasti and Alcalde 1999). The concept of GPGs, originally suggested by Kaul, Grunberg, and Stern (1999), implies that in the era of globalization, technology and interdependence have changed the panorama of international policy. A rising number of threats that can easily spread to developed countries constitute rationale for providing GPGs through DC19. It is especially remarkable that neither authors from IR theory nor the ones applying a quantitative approach mention GPGs as a possible motive for development cooperation.

Finally, Carol Lancaster (2007, 2008) proposes that ODA spending depends on the one hand on domestic and on the other hand on international pressures. The former argument was already discussed in the section on IR literature. The latter consists of several components, all of which are based on the assumption that ODA emerged as a norm or in John Ruggie’s words as a quasi regime, after World War II. First, it can be argued that countries learn from each other and adopt respective policies from one another20. According to this line of thought, proportional aid levels should be similar in all countries, whilst modifications in their levels would more or less follow the same pattern. Second, countries may care for their international reputation and thus hesitate to draw back from former commitments. In this case, aid levels become a political tradition, which makes them rigid over time (Pincus 1965; Mosley 1985; Imbeau 1989)21. Lastly, some authors suggest a bandwagon-effect in ODA. Two quantitative studies find that aid is provided to those countries to which other donors invest resources (Dudley and Montmarquette 1976; Mosley 1985). All of the three arguments assume international pressures to determine aid levels and/or destinations.

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18 In this new international setting, intentions behind ODA are more difficult to assess since some of them are interactive or complementary. Even though there is no direct relation between poverty and terrorist attacks (members of terrorist organizations usually belong to the middle class while their leaders often from part of elite groups), the perception remains that the gap between rich and poor and the divide between those two worlds are responsible for the emergence of terrorist attacks. Be it for the role of weak and failed states, or for the gap between rich and poor, both arguments suggest that fostering development gains on importance for the international community. This demonstrates that the threshold between security motives behind ODA provision and aid for development blurs after the 9/11 attacks.

19 Six GPGs have been agreed upon: peace and security, trade regimes, financial stability, health, sustainable management of natural resources, and knowledge (Carbone 2007; Kaul, Grunberg, and Stern 1999; Long and Woolley 2009).

20 On liberal theory about different forms of learning see Jack Levy (1994) and Joseph Nye (1987).

21 This logic is based on a long-standing finding of IR theory; that regimes are easier to establish than to dismantle. One time in place, a regime is difficult to tumble (cp. Keohane 1984; Krasner 1983). According to Krasner, regimes develop a dynamic of their own that can alter related behaviour and outcomes (p. 358). The establishment of the ODA regime was triggered by U.S. pressure for greater burden sharing. Since development was going to be a long time project, specialized professionals were required, which finally led to the institutionalization of assistance through aid agencies (Lancaster 2007, 2008).
Quantitative researchers find distinct motives for aid provision for different groups of donor countries. Some agree with development scholars on the point that motivations are mixed (Neumayer 2003; Imbeau 1989). With respect to the self-interest argument, these authors coincide with development scholars that military strategic reasons have declined in their importance and that they are being replaced by donors’ trade interests (Neumayer 2003; Dudley and Montmarquette 1976; Younas 2008; Schraeder, Hook, and Taylor 1998; Imbeau 1989; Berthelemy 2006). Developed countries’ exports correlate positively with ODA flows, which lets them deduce that donors provide aid in exchange for preferential treatment in trade relations. Opposed to the self-interest argument is the altruistic approach. Quantitative researchers have measured the correlation between ODA flows and income in developing countries in order to know whether donors allocate aid to the neediest countries. Alesina and Dollar (2000) are the only researchers that entirely discard the argument that ODA levels depend on economic needs of recipient countries. They advocate that political and strategic considerations as well as the colonial past of the recipient country are decisive factors for aid allocation. Other authors have forwarded the argument that former colonies receive higher levels of aid than other countries. It is assumed that donors struggle not to give up their influence in these regions, which had been established during colonialism, and from there on incrementally consolidated through commercial and political ties (Neumayer 2003; Alesina and Dollar 2000; Berthelemy 2006; Schraeder, Hook, and Taylor 1998). Finally, quantitative researchers coincide with development scholars that governments’ rhetorically claimed intentions behind DA are often quite different from their real ones. This especially seems to be so when assessing human rights issues, which donors claim to consider for aid allocation (cp. Neumayer 2003). Yet, statistically, there is no significant relation between receiving countries’ human rights record and received ODA.

Concluding we can say that throughout all groups of authors, the wide majority advocates donor countries’ self-interest as main motive behind engaging in DA policies. National interests may be military strategic considerations, trade or commercial interests, political strategic intentions, or simply the application of aid as a foreign policy tool. Since the end of the cold war and with the switch from a

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22 Berthelemy (2006) divides them in three categories; the altruistic (Austria, Denmark, Ireland, Netherlands, Norway, Switzerland), the moderately egoistic (Belgium, Canada, Finland, Germany, Japan, New Zealand, United States), and the egoistic (Australia, France, Italy, United Kingdom). This grouping does not coincide, however, with all authors. Most of them agree that the U.S. is interested in military and political allies, that France allocates aid mainly to former colonies, that Japan follows commercial interests in receiving countries, and that only some Scandinavian and other “like-minded” governments, such as Canada and the Netherlands provide aid to the poorest countries (see for example Schraeder, Hook, and Taylor 1998).

23 The measurement for this variable as well as its results are consistent throughout all studies. Authors use either GDP or GNP per capita rates and obtain only slight negative correlations with median significance levels (Younas 2008; Berthelemy 2006; Neumayer 2003; Meernik, Krueger, and Poe 1998; Trumbull and Wall 1994; Imbeau 1989). Additionally, two authors control for infant mortality rates, separating the measurement of physical wellbeing from the one of economic wellbeing (Younas 2008; Trumbull and Wall 1994). This is interesting since both studies find that ODA levels correlate positively with infant mortality rates, but are less significant in their correlation with income (negative correlation). Both independent variables represent a measure for humanitarian purposes of aid allocation, whereas the former measures physical wellbeing and the latter economic one. This can be interpreted as donors caring more for the physical than for the economic wellbeing of the receiving country’s population.

24 A frequently cited part of their paper summarizes their findings: “an inefficient, economically closed, mismanaged non-democratic former colony politically friendly to its former colonizers, receives more foreign aid than another country with similar level of poverty, a superior policy stance, but without a past as a colony” (Alesina and Dollar 2000, p. 33).

25 Most authors divide their analysis in two stages: the gate-keeping stage and the level stage. The former assesses the correlation between ODA as a dummy variable (receives aid or does not) and the human rights record of the receiving country. The latter considers ODA levels received by countries. At the gate-keeping stage, human rights records do play a role for the qualification as an aid receiving country (Neumayer 2003; Meernik, Krueger, and Poe 1998). This result, however, is conditioned by the measurement applied for human rights. One form of measuring the human rights record of a country is by looking at the political/civil rights of its citizens, and another one is by assessing personal integrity rights. The results for the gate-keeping stage are only valid for political/civil rights. On the level stage, none of the authors finds a correlation between positive human rights records and DA. What is more, Meernik, Krueger, and Poe find a significant negative correlation between received levels of aid and human rights. Capellán (2007) confirms insignificant correlations for the region of Latin America. Neumayer underlines that positive correlations do not even exist for the so-called like-minded countries that explicitly declare human rights as determinants for aid allocation.
bipolar world system to a changing international political context, there is not one sole security threat anymore. Hence, from the 1990s onwards, the strategic military interest argument has given way to the trade and commercial interest one in all three camps of literature. The argument that donors are interested in spreading national values such as a certain ideology appeals to all groups of scholars. The spread of democracy as independent variable is hereby quite consistent in its significance, whereas human rights records are controversial. Similar to ideology spread, most authors suggesting domestic policy variables to influence development expenditure stem from IR liberal theory. Nevertheless, some of them apply quantitative tools in their analysis, affirming the relevance of these variables. With this methodological double-check, we can conclude with quite some certainty that domestic policies are transported to the international level where they are reflected in ODA expenditure. A stunning finding of the literature review is the quantity of authors suggesting GPG provision as objective behind DC. Even more striking is the fact that all of the authors advocating this argument are development studies scholars. Finally, the most interesting, though by far not the most sustained independent variables are the altruistic ones. Fostering development, humanitarian concerns, responsibility towards the poor, solidarity, and emergency needs are mostly suggested by development scholars, even though some quantitative studies obtain significant positive relations between fostering development and ODA expenditure. David Lumsdaine explains that national interests certainly do play a role in ODA policies. Still, he states, it would be strange if institutions built to provide development assistance had no intention to foster development whatsoever. The pillars on which the stable scaffold of aid institutions has been built for more than sixty years cannot only consist of each state’s national interests, which are diverging, fragmented and changing. Hence, at least some part of DC is based on real developmental intentions. This leads us to the lowest common denominator, which is supported by almost all authors: donor countries’ intentions behind development assistance are mixed and the possible sets of combination of motives as well as their proportions may vary between countries.

Taking up on the conceptual part, it cannot be confirmed that aid provision is a situation of harmony between countries involved. The literature overview does not unambiguously find that donor countries pursue strategic aid policies as a tool of foreign policy in their own self-interest without regard for the receiving country’s necessities. Therefore, development cooperation is not equivalent to a situation of harmony in the Keohanian sense. Yet, as ascertained above, it cannot light-headedly be considered a cooperative act either. I suspect that the conceptual ambiguity of aid may be a result of the changing panorama of international cooperation. Originally, IR literature had focused on security as the most important international cooperative operation (cp. Muller 2006). Over the past decades, more and more issue areas of collaboration between governments can be observed, which has led to a change in the relation between states. Still, Keohane’s definition has not been updated since the 1980s and doing so would go beyond the scope of this paper. Unsatisfying, as it may seem for some readers, throughout this paper I will use the expression development cooperation in spite of having disclosed that aid is not a cooperative act, at least not in the Keohanian sense. There are three reasons for this decision. First, the simple fact that DC is the most prevalent term in current literature, second that readers are familiar with it, and third, but most important, because of the conviction that the signification of cooperation in the 21st century has changed compared to the cold war period. International politics are on their way to return to the original meaning of Latin cooperatio, the joint operation. An update of the Keohanian definition in IR theory is indispensable since there are a variety of new and/or modified joint operations in world politics; development cooperation is one them. Throughout the next section, which gives an overview on DC history, the reader will be able to convince himself of the mutation of something that began as aid, suggesting an imbalance in power relations, continued as assistance, still applying a rather paternalistic approach, and is further changing into development cooperation as a concept of equal partnership.
**The pathway to triangular cooperation**

Having identified conceptual inconsistence between the two disciplines studying development cooperation, I will now briefly revise its history in order to understand the pathway that brought along triangular development cooperation. Special attention should be drawn to the incessant mutation of the concept, triggered by the changing international context and alterations in contemporary development philosophies.

Different authors date back the origin of development cooperation to diverse points in world history. Picard and Buss (2009) identify the earliest start, constituting in subsidies provided by Athens to its allies during the dispute with Sparta between 650 and 362 BC. The use of public resources for humanitarian relief starts, according to the authors, in the 18th century simultaneously with the anti-slavery and the missionary movements (Picard and Buss 2009, chapter three). During the late 19th and the early 20th century, Picard and Buss identify a variety of other cases of U.S. assistance, all somewhat linked to U.S. invasion26. For this period, these authors are the only ones identifying historical antecedents of development assistance. A wider consensus lies in the end of colonialism as starting point of DC, where colonial powers provided aid to their former colonies27. Some authors suggest the Truman doctrine, consisting in economic and security assistance for Greece and Turkey, as the tripping device for the DC era (see for example Lancaster 2007). Clearly, the after World War II established Bretton Woods institutions form the first international attempt to support economic development. The International Monetary Fund (IMF), International Bank for Reconstruction and Development (IBRD), and the General Agreement on Tariffs and Trade (GATT) were created to organise the new world order (Streeten 1989). The Marshall Plan, officially known as the European Reconstruction Programme assisted European countries in rebuilding their war-destructed territories. From 1948 to 1953, the U.S. spent two to three percent of its GNP on assistance to Western European economies, without, according to Raffer and Singer (1996), taking a position of patronization. Rather, the U.S. encouraged regional cooperation between recipient countries, going as far as promoting peer monitoring. The integrative nature of the Marshall Plan formed the base for signing the Organisation for European Economic Co-operation (OEEC) convention, later transformed into OECD.

U.S. President Truman outlined in his inaugural address in 1949 the intention of a program of technical assistance to the developing world, which became famous as the *Fourth Point*. The concept of technical assistance, later called technical cooperation, evolved out of Truman’s speech:

“The material resources which we can afford to use for the assistance of other peoples are limited. But our imponderable resources in technical knowledge are constantly growing and inexhaustible. I believe that we should make available to peace-loving peoples the benefits of our store of technical knowledge [...]” (Truman 1949).

In Truman’s understanding, capital, science, and technology were the ingredients for development of the then “Third World”. During this new motion of development policies, the United Nations created the ‘Expanded Programme of Technical Assistance’, financed by voluntary contributions of the member states, sending technical experts to developing regions, granting scholarships to students of developing nations, and training managerial personal (Rist 2008, 3rd ed., p. 88).

The U.S. demand for greater burden-sharing of costs for development assistance let to the foundation of yet another new association, though not until 1960; the Development Assistance Group (DAG), today called Development Assistance Committee (DAC), forming part of the OECD community28.

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26 The, by Picard and Buss suggested, cases of Liberia, Turkey, Persia, Thailand, Philippines, and China do not convince as being antecedents of DC due to their link to U.S. invasion and expansion.

27 Authors suggesting this argument are (Alesina and Dollar 2000; Griffin 1991; Haan 2009; Riddell 2007; Picard and Buss 2009; Neumayer 2003; Berthelemy 2006; Fuehrer 1996).

28 The 23 current member countries are Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Japan, Luxembourg, Netherlands, New Zealand, Norway, Portugal, Spain, Sweden, Switzerland, United Kingdom, United States, and the Commission of the European Communities.
Until today, DAC, in Ruggie’s words a quasi-regime, constitutes an international forum for donor governments and multilateral institutions to coordinate aid provision worldwide (Fuehrer 1996). In 1965, the ‘Expanded Programme of Technical Assistance’ was merged with a ‘Special Fund’ that had been created by the General Assembly in order to collect voluntary contributions for financing major projects in the poorest of the developing countries. The outcome of the merger is the United Nations Development Programme (UNDP).

UNDP forms the base for a new era of development policies, which would prevail, however, almost three decades later (Rist 2008, 3rd ed.p. 89). Meanwhile, during the late 1960s and 1970s, when meeting basic needs was priority in development activities, the focus of DC was on local institutions and community organisations, an approach summarized as integrated development strategy (Serageldin 1995). More concretely, technical assistance for farmers was combined with the delivery of social services to rural villages (Picard and Buss 2009). Two motions were developing during this time. On the one side, academic literature was emphasizing that northern and southern countries faced a range of common challenges such as security, economic stability, and environmental protection (cp. Cassen 1982). More and more authors were pointing to development assistance as necessary tool to meet with common goals. This perception was conceptualized much later, into what we know today as GPGs.

On the other side, developing countries organized themselves, implementing a new form of technical cooperation. The working group on TC among developing countries established by the United Nations General Assembly expressed the demand for operations between southern countries. The group had emerged out of the Bandung Conference in 1955, consisting of 29 leaders of developing countries that paved the path for south-south cooperation (UNDP 2004). In the late 1970s, the United Nations who created the Special Unit for South-South Cooperation (SU/SSC) institutionalized this new form of cooperation (SU/SSC 2009).

During the same time, countless NGOs emerged, lots of which are active until today. Moreover, aid agencies were professionalized and there was a growing consciousness of development being the main purpose for aid (Lancaster 2007). In this drive, the share of ODA channelled through multilateral institutions was growing steadily. In the aftermath of the 1980s debt crisis, which was triggered by the Mexican Tequila crisis in 1982, policy making in developing countries was guided through structural adjustment programmes29. The basic pillars of the, mainly World Bank and IMF-led policy package, were resumed in the Washington Consensus (for an extensive discussion of this time period see for example Stiglitz (2003)). Moving away from the classical economic development approach during the late 80s, Amartya Sen innovated the concept of development in several pieces of research introducing the capability approach (see for example Sen 1988, 1992, 1999, 1999a)30. Based on this line of thought, the UNDP published its first Human Development Report in 1990, heralding a shift in developmental

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29The structural adjustment programme consisted of seven, according to neo-classical economists, necessary reforms: Fiscal discipline, reduction of public expenditure, tax reforms, trade liberalization, liberalization of foreign investment, privatization, and deregulation.

30Sen sees poverty as a capability deprivation, hindering people from developing their full capacity and from choosing the form of life they prefer to live (Sen 1999). In The concept of development (1988), he expresses that the enhancement of humanity’s living conditions is the essential purpose of economic exercise and a crucial part of the concept of development. The main concern of the capability approach is the establishment of an alternative space to conceptualize poverty reduction and justice, going beyond measuring income, whilst including multiple functionings and freedoms (cp. Alkire 2005). Functionings are beings and doings of which the life of a person consists (Sen 1992). These functionings represent the person’s freedom to choose to live the life he or she values (Sen 1999a). The well-being of a person is thus a function of his or her beings and doings. According to Sen, quality of life can be assessed in two different ways: the actual achievement of a person or the freedom of the person to achieve certain things, whereby the capability approach focuses on the latter (p. 31). It thus identifies alternatives persons have to choose from instead of assessing the outcome (Sen 1988, p. 49). To sum up, the capability approach differs from traditional assessments of development in two essential ways. First, it focuses on constitutive factors for well-being such as doings and beings of the person, which can be resumed into functionings (Sen 1988). The traditional emphasis on means such as commodities and resources is being replaced by the evaluation of an ends-based analysis of human well-being ( p. 150). Secondly, the, for the analysis considered ‘capability set’ represents the alternatives the person has had to choose from and thus assesses the possibilities of a person to lead the life he or she prefers to lead.
policies. In line with Sen’s ends-based analysis of human well-being and its focus on people’s option to chose, a more thorough motion of developmental arrangements came about. Structural adjustment lending was modified to mitigate its complicated social consequences and the state came back into the debate. Institution-building was the new focus of development policies during this time, recognizing the importance of a strong state in developing countries (cp. Stokke 2009).

During the mid-nineties, and inspired by the 1992 Rio Earth Summit, the new slogan was environmentally sustainable development, combing three purposes of DC: Economic objectives (growth, equity, and efficiency), social objectives (empowerment, social mobility, social cohesion, cultural identity, and institutional development), and ecological objectives (ecosystem integrity, carrying capacity, biodiversity, and global issues) (Serageldin 1995, p. 110). Part of the new trend of DA was the concept of ownership, meaning the active participation of a variety of national stakeholders in development policies. Somewhat as a response to the critics of the structural adjustment programme, the World Bank started to publish Poverty Reduction Strategy Papers (PRSPs), elaborated in cooperation with national governments, the local business community, and civil society (cp. Peels and Develtere 2008). With respect to the magnitude of bilateral aid, the 1990s constitute a slump in the general course of ODA. Spending dropped by 20% between 1995 and 1997 (Lancaster 2007, pp. 47, 48), and in spite of an increase in relative terms between 2001 and 2005, DAC never recovered the 0.34% of GDP of the beginning of the 1990s (OECD 2009). During the first half of the nineties, most European countries were suffering recessions and fiscal deficits. For those that were to join the European monetary union, the Maastricht agreement of 1992 was a strong incentive to restrict public spending. One of the areas of public expenditure with least legal- and constituency resistance is ODA. In the U.S., something similar happened, though for different reasons. The Congress, during this time controlled by the Republican Party, cut aid spending due to the general political conviction of reducing overall government size. Japan, affected by economic problems, joined the motion not at last orientating itself on OECD partners (Lancaster 2007). Accompanying the cutback on aid, however, was the Jubilee 2000 campaign to Drop the Debt. The campaign encouraged governments and international organisations to cancel part of the large debts that developing countries had carried into the 90s. The World Bank introduced a debt reduction initiative for the heavily indebted poor countries (HIPCS), leading to a substantial reduction of debt, and, additionally, to increased public awareness of poverty and development issues.

In September 2000, the world’s leaders committed themselves to a new global partnership. The United Nations, in close cooperation with the Earth Institute and its director Jeffrey Sachs, had worked out eight goals and 18 specific targets in the areas of income, hunger, disease control, education, and environmental sustainability, which became known as the Millennium Development Goals (see for example Sachs 2005, chapter 11; 2008, p. 13; UnitedNations 2008). In the UN Millennium Declaration, donor governments assured substantial increases in ODA levels in order to meet with the MDGs by the year 2015. It is worth noting that in the aftermath of the 9/11 attacks, average aid as percent of GDP had raised steadily; first from 0.22% to 0.25% between 2001 and 2003, and then to 0.31% in 2006 (OECD 2009). Moreover, at the UN International Conference on Financing for Development in Monterrey in 2002, President Bush introduced the Millennium Challenge Account (MCA), assuring that US aid would rise by 50% over three years beginning in 2004, and would not decline thereafter (Picard and Buss 2009). However, the recently published Millennium Development Goals Report 2009 reveals that the MDGs are not on track to achieve their respective targets in this timeframe (UnitedNations 2009). In five out of eight goals, for more than half of the world’s regions, there is no progress at all,

31 The Maastricht agreement from 1992 requires that the budget deficit does not exceed 3% of GDP, which led indebted governments to cut spending in all possible areas.

32 The foreign aid plan was based on research by Burnside and Dollar (2000) who found that aid promoted economic growth if the recipient government had solid fiscal, monetary, and trade policies in place. The increased aid expenditure would only go to countries with sound policies. MCA has been the closest try to implement a pure development model, where aid provision depended on economic criteria, performance, and governance (cp. Picard and Buss 2009). However, extremely high costs for Afghanistan and Iraq exacerbated the programme together with advanced research criticizing Burnside and Dollar’s paper.
deterioration, or insufficient progress to meet each target if the prevailing trend persists (authors’ calculation based on the 2009 Progress Chart (UNstats 2009)). It remains to be seen how much can be done until 2015, which partly depends on the development cooperation strategy applied at present.

**Triangular development cooperation**

The above has outlined how the transfer of resources from one country to another has mutated over time from simple aid provision to the concept of an equal partnership within the framework of development cooperation. By the end of the nineties, a new formation emerged on the scenario of technical development cooperation. A range of piloting projects called triangular cooperation (TCo) was implemented. The stunning innovation of these projects was their triangular form, meaning the inclusion of a third country, mainly an emerging economy, into traditional technical cooperation between high and low income countries. In the second half of this decade, this type of cooperation appeals to more and more donor governments. For some, this may look like a cession of authority over ODA due to declining strategic interest after the end of the cold war. For others, it may be another step in the search for more aid efficiency. How can the puzzling new formation be explained? The last section of this paper tells the story of TCo, possibly forming part of the beginning of a new DC era. The concept of TCo is new to the literature, so that I will first depict its mode of operation and then suggest a working definition. Following this, it will be argued that none of the established theories on motives for aid provision is able to explain the formation of TCo. Finally, a research agenda for studying this subject will be drafted.

Traditional technical cooperation consists of joint operations between experts from developed countries and their counterparts from developing countries in their respective field of specialization. It is a process of mutual learning with the aim of human capacity building. TC is based on the belief in human capital formation, assuming that one of the great obstacles to development is the lack of skills and education (cp. Madison 1965). TC is registered as part of bilateral ODA spending in the DAC account (for a detailed overview on the position of TC in ODA, see Annex II). It is especially relevant for development assistance, being the largest spending area of bilateral ODA grants between 1990 and 2006 (OECD 2009). The conceptual frame has been mutating over time due to modifications in emphases, processes, and objectives of development assistance in general and TC specifically. Originally, TC (then named technical assistance) was conceived as foreign expert advice to developing nations. However, throughout time, the concept has become more and more integrative, today being considered as process of mutual learning (Wilson 2007). TC was engendered by the UN General Assembly’s request to the Economic and Social Council for establishing an advisory body, providing information on research facilities and expert personnel in 1946. The contemporary definition of technical assistance was, “to give assistance to member governments which seek expert advice, especially in the form of teams of experts to study specific problems and recommend appropriate practical solutions […]” (Owen 1950, p. 111). With the shift to participatory development cooperation in the 1990s, however, the expression used in the literature changed from technical assistance to technical cooperation, emphasising partnership between donors and receiving countries. Recently, two additional concepts, the ones of knowledge and innovation, play a role in defining TC (Wilson 2007). It is now understood as an innovation system “producing new knowledge out of differences (i.e. learning with) as well as recycling what is already known” (Wilson 2007, p. 196).

Over the last three decades, north-south cooperation has been a frequent subject to criticism. Apart from the more general debate on aid (in)efficiency, a summary of which would go beyond the scope of this paper, practitioners, academics, international organisations, and other observers have identified several specific problems of TC. First, it is claimed that DC is driven by northern countries’ interests

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DAC defines TC as “(a) grants to nationals of aid recipient countries receiving education or training at home or abroad, and (b) payments to consultants, advisers and similar personnel as well as teachers and administrators serving in recipient countries (including the cost of associated equipment)” (OECD 2009a).

For a substantive overview and new insights on the debate, see Hermes and Lensink (2001).
without sufficient regard to necessities of developing countries, which affects TC in so far as it is not tailored to local needs of developing countries. Second, it is argued that sending highly educated northern country professionals to train local staff is financially extremely costly (cp. Rosseel et al. 2008). Finally, it is assumed that cultural disparities, a dearth of understanding due to different identities, and language problems form obstacles to an optimal allocation of resources in technical north-south cooperation (ECOSOC 2008). TC between southern countries, as institutionalized by the SU/SSC, is one way to mitigate these drawbacks. South-south cooperation is based on replication of the development experience of one country to other developing countries where common concerns and shared interests enable more appropriate DC (cp. Kumar 2008). Moreover, partnership between developing countries has the potential to foment more equitable and democratic global interdependence (Kumar 2008; UNDP 2004). However, this form of cooperation has its own troubles and downsides. According to the scarce literature on the subject, its main obstacles are a lack of resources and ineffective coordination between the partners (see for example Rosseel et al. 2008). Administrative problems and an uneven distribution of benefits have disappointed the expectation of catching up with high-income countries’ living standard. What is more, some authors suggest that this form of cooperation may lead to further political division between northern and southern countries (cp. Rosseel et al. 2008).

It is probable that precisely these problems of north-south and south-south cooperation triggered the emerging trend of triangular development cooperation (also called north-south-south cooperation or trilateral cooperation). It involves three actors: The traditional donor country, countries that have been engaged in DC for a long time; the beneficiary country, those that receive technical assistance; and the new provider country, former recipient countries. The new provider countries are middle income countries that have climbed up the ladder of development, which enables them to pass their experience and knowledge on development issues to third countries (Pantoja 2009). Generally, the traditional donor provides the lion’s share of financial resources, whilst the middle-income country carries out technical operations together with the receiving country (CUTS-CITEE 2005; Ashoff 2009; ECOSOC 2008; Kumar 2008). In some cases, the new provider country covers part of the project costs. The innovative and thus most appealing part of the modality is the incorporation of the middle-income country, which was thus referred to as pivotal country by the First International Symposium on Triangular Cooperation35.

The formation of TCo has so far been neglected in international relations literatures, whilst it was only tepidly evaluated by development practitioners. For a common understanding of the phenomenon, a working definition is indispensable. Accumulating the knowledge obtained on the subject so far, TCo is a joint operation of mutual learning as well as the recycling of experience between experts from developing countries and their counterparts from middle-income countries in their respective field of specialization. Financial and administrative support for this effort of human capacity building through learning out of differences is provided by high-income countries. At the point of writing, these countries generally form part of the DAC community. With increasing engagement of additional donor countries worldwide, it is recommendable to leave the definition open to other high-income countries that may inherit the role of the backer. At present, out of the 23 DAC donor countries, 16 are involved in TCo projects (Fordelone 2009)36. On the multilateral institutional level, participating organisations are the United Nations, especially the UNDP Special Unit for South-South Cooperation and the UN ECOSOC Development Cooperation Forum (Fordelone 2009). The field of application of TCo is wide. Most experiences have been gained in professional training, technological transfer, agricultural development, environmental projects, water and water resource management, roads, electricity and energy, and in the implementa-

35 The First International Symposium on Triangular Cooperation took place in Brasilia in May 2009. Thereafter, also the Policy Dialogue on Development Co-operation held in Mexico City in September 2009 referred to pivotal countries.

36 DAC countries involved in TCo are Belgium, Canada, Denmark, Finland, France, Germany, Italy, Japan, Luxemburg, Norway, Spain, Sweden, Great Britain, USA, Switzerland, and the European Union. Countries that have not yet participated in triangular agreements are Australia, Austria, Greece, Ireland, Netherlands, New Zealand, and Portugal.
tion of education and health centres (Pantoja 2009, p. 4). Additionally, there have been several projects on consumer protection, gender, local governance, employment, and infrastructure.

TCo shares most of the advantages of south-south cooperation (SSC), with the additional benefit that neither southern country has to worry about insufficient financial resources, as was often the case in SSC. For pivotal countries, TCo can be a psychologically valuable experience, making them feel that they ‘graduated’ from the receiving side. They now form part of the donor community, being able to apply and transfer newly obtained knowledge, whilst they continue their process of formation through learning out of differences. It is assumed that their technical advice is better tailored to the needs of other developing countries than that of northern countries. Culture and language coincide since pivotal countries usually share the receiving country’s regional background (Pantoja 2009). The last argument is controversial, however, and may even have the exact opposite effect. Historical disputes or enviousness can lead to antipathy between pivotal and receiving countries, hindering a successful process of cooperation (cp. Ashoff 2009). This point becomes clear studying Latin America where in spite of a common language in most parts of the region and a supposed ‘Latin-identify’, historical conflicts, stereotypes, and current disputes due to economic migration form obstacles to cooperation. In-depth case studies are necessary to clarify whether cultural similarities facilitate or exacerbate cooperation. If middle-income countries are more legitimate partners for developing countries than traditional donors were, it can be assumed that TCo projects are more successful than conventional ones. This may contribute to higher efficiency in aid provision.

Even though the practitioner-orientated literature on TCo does not directly refer to principle agent theory, it implicitly suggests that delegation generates gains from division of labour through specialization and technical expertise. TCo is expected to be more cost-efficient than traditional TC since operations are delegated to third, assumingly more legitimate countries. Still, some authors suggest higher transaction costs; a point that is controversial in the scarce literature on TCo. One group of authors argues that transaction costs are lower for TCo than for traditional TC, whereas the other group states just the opposite. Probably, this dispute results from a conceptual confusion, which I will try to clear up.\(^{37}\) Theoretically, transaction costs can be divided into ex ante and ex post costs. Ex ante costs consist of “drafting, negotiating, and safeguarding an agreement”, whereas ex post costs include “haggling...setup and running costs of government structures...and bonding costs of effecting secure commitments” (Weber 1997, pp. 20, 21). The first group of authors, arguing that transaction costs are higher for TCo (Ashoff 2009; Fordelone 2009), probably refer to ex ante costs; expenditure that is mainly related with negotiation and settlement of agreements. These costs are often not expressed in monetary terms and thus difficult to record. Ex ante costs mainly accrue at the initial stage of the projects. Implementation costs may be higher due to distinct organisational forms of institutions from different countries, prolonged negotiation processes incorporating more actors, difficulties in agreeing on certain procedures and standards for project evaluation, and the still unclear division of roles and responsibilities (Fordelone 2009, p. 4). The second group of authors, arguing that transaction costs are lower for TCo (Kumar 2008; CUTS-CITEE 2005), probably refer to ex post transaction costs. Ex post costs are calculated in monetary terms, including for example administrative costs, communication costs, travelling costs, costs for translation, and other fees (Ashoff 2009; CUTS-CITEE 2005; Rosseel et al. 2008; Emmerling 2006). Therefore, gathering calculable data for this type of costs is easier and can be included into the cost-benefit calculation of TCo projects. The possibility of successful projects car-

\(^{37}\) In academic literature, there has been difficulty in defining transaction costs in economic as well as in international organisation theory (Lipson 2004, p. 4). According to Lipson, in international relations theory, transaction costs have been defined ‘quite loosely’. He reminds us that even though the concept is central to Keohane’s theory, Keohane does not provide a clear definition (p. 9). However, useful definitions can be adopted from economic theory. Kenneth Arrow (1996) defines transaction costs as the ‘costs of running an economic system’. Based on this definition, Williamson (1985, quoted in Weber (1997)) continued the conceptual work, establishing a division of the definition into two parts, which is later used and analysed by Katja Weber (1997).
ried out by legitimate actors, which are less costly (ex post transaction costs) makes TCo seem a more efficient way of development cooperation.

The unexplained formation?
The last challenge remaining for this paper is to find out whether any of the existing theories on development cooperation is able to explain the formation of TCo. Why do donors give up their strategically favourable position, continuing to endow resources to TCo projects? The last section divides potential independent variables, deduced from the literature review, in three categories: self-interest, altruist, and exogenous variables. The first two are based on opposed theories of human behaviour and their respective assumptions. The last category is a special one because the variables are independent from donors’ motivation. They imply neither altruistic nor self-interested donors, emerging from something that is not directly related to aid policies, but exists exogenously, as a circumstance or condition. Due to this outwards-positioned nature, I will call them exogenous variables. Table 1 shows an overview of the categorization of potential variables.

Table 1: Potential independent variables for TCo

<table>
<thead>
<tr>
<th>Self-interest</th>
<th>Altruism</th>
<th>Exogenous variables</th>
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<tbody>
<tr>
<td>Military interests</td>
<td>Fostering development</td>
<td>Domestic variables</td>
</tr>
<tr>
<td>Commercial interests</td>
<td>Solidarity</td>
<td>International pressures</td>
</tr>
<tr>
<td>Projection of national values/ideology</td>
<td>Responsibility towards the poor</td>
<td></td>
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<tr>
<td>Historical ties; former colony?</td>
<td>Emergency needs</td>
<td></td>
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<tr>
<td>Provision of global public goods</td>
<td></td>
<td></td>
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</tbody>
</table>

Source: Author’s elaboration.

The first category includes all in the section on motives for aid provision as relevant identified variables based on national self-interest. Strategic military and commercial interests, spread of ideology, especially the aim of establishing democratic peace, interest in former colonies, and the provision of GPGs. Realists may explain donors’ involvement in TCo with declining security interests after the end of the cold war. They may suspect that TCo is a way for donor countries to slowly hand over development cooperation to middle-income countries once their interest in DC has declined due to fading security concerns. There are several problems to this approach. First, we have learned in the section on DC history that security concerns have changed their face but not their size after the end of the cold war. It seems as if donors continue to have reason for investing resources, especially into weak and failed states in order to avoid the emergence of terrorist groups. What is more, there is no clear evidence that donors plan to retract from DC since they are still financing the largest part of TCo projects. The only way strategic military interests could possibly explain donors’ switch to TCo is through the ‘buy one get one free’ principle. If security concerns had increased drastically after the cold war, one could assume that donors would have been eager to obtain more political allies. TCo would be a possibility to foster friendly relations with pivotal as well as with receiving countries (2x1), whilst workload and costs would be limited. However, it is unlikely that donors perceive the terrorist security threat as more dangerous than the one during the cold war. Apart from this, the previous section revealed that TCo projects carry with them high non-monetary transaction costs, which means that workload is heavier than in conventional TC. Under these circumstances, it would probably be easier for donors to increase ODA expenditure and expand it to a wider range of countries instead of switching the mode of cooperation. Thus, military strategic interests do not provide an adequate explanation for donors’ engagement in TCo.

Similar to the above argument, the only way states could benefit from TCo with respect to their trade relations is through the ‘buy one get one for free’ principle. Donors may invest resources into development of one country, angling for friendly relationships with both countries involved in the TCo project. This avarice, however, may backfire in so far, as the two directly cooperating partners settle trade deals, disqualifying the external donor country. Instead of constituting an auspicious trade op-
portunity for donors, pivotal countries would thus constitute a direct competition for certain commercial deals. On a more general scale, commercial interests are supposed to be constant or only slightly fluctuating over time and between regions. Therefore, they are not appropriate for explaining change in the pattern of aid provision on a large scale. The variable interest in former colonies presents the same drawback as the commercial one. Both are static and thus do not account for change in the pattern of TC. The democratic peace argument follows the same pattern as the previous two. The only way TCo may further donors’ potential interest in expanding of democratic systems is through the ‘buy one get one for free’ principle. As the spread of ideology was much more important during the cold war it would not make sense that donors engaged in this type of cooperation twenty years after its end. Even though the argument continues to be relevant in the literature, there is no reason to assume that donors would be looking for ways to increase their scope of ideology spread at this point of history. Finally, GPGs is a suspicious variable since the concept emerged just a few years prior to the implementation of TCo projects. Donors may expect efficient supply of this type of goods through pivotal countries. Can GPGs and national self-interest that is behind their provision explain governments’ recent engagement in TCo? Without further analysing this scenario, the answer to the question is simple: They cannot because TCo projects are carried out in several issue areas that do not belong to the category of GPGs such as education, employment, local governance, consumer protection, gender, and infrastructure. If donors were involved in TCo with the aim of propitious GPGs provision, they would not participate in this type of projects. None of the self-interest variables is thus capable of explaining governments’ engagement in TCo satisfactorily. I will now turn to the altruist variables.

The variables of the second category, the ones that assume altruism as an objective behind DC, can be analysed together since they follow the same pattern. Humanitarian needs, fostering development, emergency relief, and responsibility towards the poor are based on true developmental concerns behind aid provision. These variables may account for TCo through a deviation of another variable, higher efficiency. If TCo is assumed a more efficient mode of DC, then governments may anticipate that investing the same amount of resources, they could obtain more successful development cooperation projects. Yet, why do they switch the form of TC just now? Governments’ interest in fostering development is supposed to remain constant over time, which contradicts alterations in the aid regime. Which incidents in international politics may have triggered this transformation? Whilst donor countries’ search for aid efficiency is one possible account for TCo, it does not explain why the new form of cooperation emerges just at this point of time. Moreover, it is not capable of vindicating why states chose delegation out of all possibilities to increase efficiency, knowing that they would have less control over DC activities.

The last category of variables, consisting of the exogenous ones, can be divided in two parts. On the one hand, there are independent variables related to domestic policies: the type of welfare state and the level of social spending. On the other hand, there are international variables such as peer pressure and bandwagoning influencing national decision-making. The former are in so far exogenous as they are not directly related to governments’ motives for engaging in DC. Independent from the motivation for which governments endow resources, one may suspect that all countries participating in TCo have social democratic welfare states and/or extremely high levels of social spending. This is not the case: the United States, typical for the liberal welfare state, is engaged in TCo with several projects. The Netherlands in contrast, with one of the oldest and purest social democratic welfare states does not participate in TCo at all. With respect to public expenditure, there might be a relation to TCo on the first sight. Eight out of the ten OECD countries with highest public expenditure as percent of GDP in 2005 are just the ones that participate in TCo projects. However, no clear pattern can be identified as to generalize this relationship. Austria, the country with the highest social expenditure of all OECD countries following Sweden is not involved in TCo. Yet, Canada and the United States, two of the OECD countries that spend less on social security have become active in triangular development cooperation (data for public expenditure is taken from Adema (2009)). Thus, it is unlikely that either the welfare state or social expenditure provide information on donors’ objective for TCo. The interna-
tional variables, peer pressure and bandwagoning, are exogenous because they may alter donors’ decision-making from the outside. These variables are capable of explaining change in governments’ behaviour through learning from others. If several donors invest resources in successful TCo projects, others may be inclined to follow the experience. We know little about TCo so far. Clearly, there must have been one government that initiated the operations, in order that others could learn from them. Hence, the trigger for initiating TCo remains unexplained.

All of the variables deduced from the literature review and examined above share one characteristic. None of them (with the exception of the international pressure ones) considers change in international relations. Their vision of international politics is static whilst there is no room for alteration. Therefore, none of them is capable of explaining the switch to TCo. When a substantial change in international relations occurs, and a long-standing tradition such as TC transforms, traditional theories cease to be relevant for understanding states’ behaviour.

Conclusion
This paper has demonstrated the mutation of a concept that began as aid, developed to assistance, and finally transformed to development cooperation. Today, about sixty years after the first official endeavour of transferring resources to developing countries, technical cooperation is experiencing a stunning transformation. The incorporation of middle-income countries into technical development cooperation arrangements remains unexplained even after revising two camps of literature on motives for aid provision. What has triggered the initiative of a completely new form of TC? None of the theories relevant for understanding traditional ODA provision has been capable of explaining TCo. Most of them consist of static variables that do not acknowledge alterations in world politics. Hence, it is essential to study change in north-south, but also in south-south relations. In order to complement this preliminary piece of introductory research on TCo, the following points can be identified as crucial on the research agenda:

1) Comparison over time
   a. Period of the late nineties (first TCo projects were piloted)
      i. Search for international events or systemic alterations in international relations that may have triggered first endeavours of TCo
      ii. Study development policies during this time
   b. Second half of the present decade (TCo is recently gaining popularity)
      i. Identify differences in developmental policies of this decade compared to earlier ones
      ii. Study whether the current international setting is more favourable for TCo than the one of the nineties

2) Cross country comparison
   a. Work out differences in development policies between countries involved in TCo projects and those that are not
   b. Compare governments’ reaction, and consequences for development policies, to certain international incidents

3) International Organisations
   a. Examine UN agencies and their role on the way towards TCo
   b. Search for other international organisations that may have encouraged participation in TCo

Following these points, it is expected that vital insights can be obtained not only for TCo, but also on state behaviour in general. The interplay between international incidents triggering systemic alterations and governments’ reaction to them, reflected in their policy making, is essential not only for understanding development cooperation.
<table>
<thead>
<tr>
<th>Reason</th>
<th>IR Theory</th>
<th>Development studies</th>
<th>Quantitative studies</th>
<th>Number of authors supporting the variable</th>
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<tr>
<td><strong>Political strategic interests</strong></td>
<td>Pincus (1965); Hook (2008); Walt (1989); Griffin (1991)</td>
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<td>Riddell (2007); Lancaster (2008); Klein &amp; Hann (1999); Raffer &amp; Singer (1996); Haan (2009); Hoy (1998); Sagasti &amp; Alcalde (1999)</td>
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<td>McKinley &amp; Little (1977); Younas (2000); Imbeau (1999); Dudley &amp; Montmarquette (1972); Schraeder et al (1988)</td>
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<td>McKinley &amp; Little (1977); Meernik et al (1998)</td>
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<td><strong>Military; especially during cold war</strong></td>
<td>Lancaster (2007); Degnbol-Martinussen and Bigberg-Pedersen (2003); Hoy (1998); Picard &amp; Buss (2009); Sagasti &amp; Alcalde (1999); Huntington (1971)</td>
<td>6</td>
<td>Younas (2008); Neumayer (2003); Bethelhomy (2006); Imbeau (1999); Dudley &amp; Montmarquette (1972); Schraeder et al (1988)</td>
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<td><strong>Commercial (trade partners)</strong></td>
<td>hook (2008); Patterson (1997); Griffin (1991); Hayter &amp; Watson (1985);</td>
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<td>Lancaster (2007); Thorn (1971); Degnbol-Martinussen and Bigberg-Pedersen (2003); Hoy (1998); Sagasti &amp; Alcalde (1999); Cassen et al (1992)</td>
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<td><strong>Foreign policy tool</strong></td>
<td>Margerithian (1962); Baldwin (1966); Nelson (1968); Patterson (1997); Huntington (1971)</td>
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<td>Lancaster (2007); Haan (1999); Picard &amp; Ross (2009)</td>
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<td><strong>Humanitarian motives</strong></td>
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<td><strong>Entering development</strong></td>
<td>Lumsdaine (1993)</td>
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<td>Lancaster (2007); McKeown (1969); Cassen et al (1982)</td>
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<td><strong>Responsibility towards the poor</strong></td>
<td>Lumsdaine (1993)</td>
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<td>McKinley &amp; Little (1977); Meernik et al (1998)</td>
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<td><strong>Projection of national values/ ideology</strong></td>
<td>Both (1965); Costanza; Earle (1983); Kutt (1983); Ekele (1997); Hayter &amp; Watson (1985); Huntington (1971); Lumsdaine (1990)</td>
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<td>Lancaster (2007); Huntington (1971); Haan (2009); Cassen et al (1992)</td>
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<td><strong>Encouragement of human rights</strong></td>
<td>Lebovic (2004);</td>
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<td>McKinley &amp; Little (1977); Meernik et al (1998)</td>
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<td><strong>Establish atmosphere of peaceful international cooperation (reducing international hostilities/stability)</strong></td>
<td>Pincus (1965); Lumsdaine (1993)</td>
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<td>Lumsdaine (1993); McKeown (1969); Cassen et al (1982)</td>
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<td><strong>Domestic variables</strong></td>
<td>Milner (2006); Moravcsik (1997); Putnam (1988); Lumsdaine (1993)</td>
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<td>Lancaster (2007); McKeown (1969); Cassen et al (1982)</td>
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<td><strong>National welfare arrangement</strong></td>
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<td>Lancaster (2007); McKeown (1969); Cassen et al (1982)</td>
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<td><strong>Political tradition (honoring prior commitments, changes are difficult)</strong></td>
<td>Fincus (1965)</td>
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<td>McKinley &amp; Little (1977); Meernik et al (1998)</td>
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<td>McKinley &amp; Little (1977); Meernik et al (1998)</td>
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<td><strong>Band wagon effect (donors give where others give)</strong></td>
<td>Lumsdaine (1993)</td>
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<td>McKinley &amp; Little (1977); Meernik et al (1998)</td>
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<td>McKinley &amp; Little (1977); Meernik et al (1998)</td>
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<td><strong>Preservation of a system favorable for the West (imperialism)</strong></td>
<td>Hayter &amp; Watson (1985)</td>
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<td>McKinley &amp; Little (1977); Meernik et al (1998)</td>
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<td><strong>Historical ties; former colonies?</strong></td>
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<td>McKinley &amp; Little (1977); Meernik et al (1998)</td>
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<td><strong>Mutual interests</strong></td>
<td>Hayter &amp; Watson (1985)</td>
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<td>McKinley &amp; Little (1977); Meernik et al (1998)</td>
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<td><strong>Varying reasons for different countries</strong></td>
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<td>McKinley &amp; Little (1977); Meernik et al (1998)</td>
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<td><strong>Combination of reasons</strong></td>
<td>Fincus (1975)</td>
<td>1</td>
<td>McKinley &amp; Little (1977); Meernik et al (1998)</td>
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</tr>
</tbody>
</table>

Source: Author’s elaboration.
Annex 2: Aid types according to OECD data base

Source: Author’s elaboration with information from OECD (2009).
References


OECD. 2009. OECD International Development Statistics online data base on aid and othrt resource flows.


Truman, H. 1949. Inaugural address, full text available at:


