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**Normative Policy Coherence for Development in
the EU
- Master Thesis -**

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Abstract

In this research the application of values in development policies is compared to the application of values in trade policies. As the EU is the defender of European values, it is expected that the EU and its member states apply these values coherently over different policy arenas. Germany and the Netherlands are the two member states representing the EU. The United States and Japan represent non-European countries. Those four countries are compared in their development and trade policies towards Vietnam. Commission Annual Reports, OECD Peer Reviews and additional national documents on development and trade are the basis for this analysis. In addition, political statements and related publication are included for the study of values.

This study shows that the EU member states apply European values in the field of development policies. Japan and the US do not apply values in either of the policy arenas.

1. Introduction

This thesis addresses the role of democratic values in the area of policy coherence for development (PCD). While traditional PCD literature compares the effects of development policies and other policies, I add the aspect of values to the original study. Since the EU is seen as the defender of democratic and other so-called 'European' values I want to find out whether this is actually the case or whether the EU only sets rhetorical standards. Furthermore, these results are compared to non-European countries to see where the EU's standards can be positioned on a global scale. The data for the analysis is taken from several OECD and European Commission reports on development along with national publications on this matter. Using these documents will show in how far references made to the values which will be identified in the following.

In two of the EU's main documents regarding values in general and those dealt with in the field of development are the Treaty on the European Union of 2009 and the European Consensus on Development of 2006. The Treaty provides the basis for every legislation the EU is proposing and implementing, whereas the Consensus on Development covers the area of development cooperation in particular. Taking a look at those two official statements, a variety of values can be found. As shown in the table below, 14 values are officially named in the TEU and in the European Consensus on Development out of which seven show up in both documents.

A great diversity of values is listed by the EU, but overall most of them are related to human rights, democratic freedoms and respect for the judiciary. These EU norms and values are of significant importance when it comes to external relations. However, in the study of policy coherence for development this issue has played a minor role until now. For that reason I focus on the role of EU values involved in PCD in this dissertation. Is the EU applying its values in its development policies? Do "European" values actually exist? Which role do those

values take in the policy process? Are those values also applied in other policy areas affecting development? Do non-European states also apply values in their development policies?

Table 1: Values TEU & ECD

Value	TEU	European Consensus on Development
Human dignity	x	-
<u>Freedom</u>	x	x
<u>Democracy</u>	x	x
Equality	x	-
<u>Rule of law</u>	x	x
<u>Human Rights</u>	x	x
Pluralism	x	-
Non-discrimination	x	-
Tolerance	x	-
<u>Justice</u>	x	x
<u>Solidarity</u>	x	x
<u>Gender equality</u>	x	x
Good governance	-	x
Peace	-	x

In the remaining part of this introduction I present an overview about the most important approaches to development since 1800, perceptions about policy coherence and the role of values, and my hypotheses on which this study is based.

1.1 Development

Even though PCD has become a very relevant issue nowadays, this has not always been the case. Development and the connected interests, concepts and perceptions have significantly changed throughout the last two centuries. “Put simply, the study of development is concerned with how 'developing countries' can improve the living standards of their citizens, notably to eliminate absolute poverty, as well as to construct a political and social environment in which such material benefit can take place” (Kingsbury, 2008, p.1). Even though this definition seems quite applicable, there are still discussions about what

development is and thus what development aid means and should look like. Depending on this definition a country's or an organization's approach to this topic varies greatly.

Policy coherence for development is a very recent concept. The type of development and the approach towards it changed over the years getting more and more concerned with social aspects, political issues and in the end values like human rights. In the following I will give an overview about the major steps in historical evolution of development with a view to the roles of values and policy coherence in European development policies. Even though more detailed sequences and minor changes can be identified, I will not go into detail here as the history of development is not the main topic of this research.

Each definition unfolds the context in which it has been created. That means that by looking at development in different contexts the problems and situations in that period can be understood. In addition it reveals the understanding of causal relations and provides an explanation for the assumptions that have been made. Development theories also show the people's future expectation of development as they want to see changes or improvements to the existing type. Theories can also become agenda-setters or a basis for policy proposals. Nederveen Pieterse (2009) identifies seven dimensions of development theory: context, explanation, epistemology, methodology, representation, imagination, and future. (1) The context implies the historical and political circumstances. (2) The explanation dimension is about the assumptions made about causal relationships. (3) Epistemology deals with the rules and definition of knowledge. (4) Concepts, measures and research methods are comprised in the methodology dimension. (5) Representations is the dimension about articulating specific interests and cultural preferences. (6) Imagination is the key word for images, evocations, symbols and desires. Lastly, (7) future is understood as policies, agendas, projects and programs. These various dimensions need to be kept in mind to understand the different development theories.

An issue which regularly shows up in the context of development is the relationship between power and knowledge. Depending on how knowledge is defined power means something different. "Heavy technology such as the steam engine then correlates with an epistemology of determinism and a politics of hierarchy [...]" (Nederveen Pieterse, 2009, p. 9). With more development expectations change, technology advances and therefore the hierarchy slowly dissolves. Taken this into account development and development theory can be seen as a power struggle, a challenge to hegemony. As development is largely a Western subject big development theories reflect Western politics, interests and priorities. "Reading development theory then is also reading a history of hegemony and political and intellectual Eurocentrism" (Nederveen Pieterse, 2009, p. 9).

The term development has carried a range of meanings throughout the past 200 years. Starting from the 1800s, development was seen as a process of catching up. While in the beginning this was used as a remedy for progress, in the late 1800s industrialization took place which was expected to support the developing countries with their economic improvement. In that century, colonization still played a great role as trade and commerce emerged between Europe and its settlements. While exploitation was largely exercised during the first phase of colonization, during the second phase trusteeship slowly emerged, which gave a view also to the interests of native inhabitants. In this period development was understood as "colonial resource management, first to make the colonies more cost-effective and later to build up economic resources with a view to national independence" (Nederveen Pieterse, 2009, p. 6). Even though industrialization and colonial economics took place roughly around the same time, these two strands are different in their approach towards native property. During this time, the 19th century, the main focus lay on economic benefits for the European nation states. Values or policy coherence were no issue at that time. Belgium, France, Germany, the

Netherlands, Portugal and Spain had colonies in South-East Asia to improve their economic situation rather than help those countries in their development.

This period was followed by modern thinking in the 20th century. Modernization implies development as economic growth. Rostow's stages of development line out the modern understanding of development which aims at modernization, economic growth and political modernization. A second perspective on development during this period was the dependency theory, which defines development as economic growth or capital accumulation.

In 1959, W. W. Rostow defined development as a country passing through five stages (Rostow, 1959). Once it has reached the final phase it can be claimed as being developed. The first stage is the traditional society stage where a low level of productivity and technology can be found. The main resource is agriculture and society is defined by a clear hierarchy. This is followed by a second stage, the preconditions for take-off stage. A start for transition can be found and willingness to invest in future development arises. The third stage is the take-off stage: an entrepreneurial class develops, barriers to economic growth are removed and technology progresses. The next step is the drive to maturity. In this stage international trade is taken up, the economy grows in a stable manner and new industries arise. Maturity is reached approximately 40 years after the end of the take-off stage. The last stage is the age of high mass-consumption. Here the consumer is placed in the center around which products and services are circling. Material prosperity defines this stage.

A second theoretical approach towards modernization is offered by Kingsbury et al. (2008). In their book they claim that development can either be seen as a historical progress or modernization. Development as a historical progress is defined as the evolution from capitalism. A systematic transformation is brought into action through the people and new technologies are actively developed and used. In contrast to this, the modernization theory sees development as a change in society where an economic, social, ideological and political

transition takes place. A clear starting point can be found, which is the traditional society, as well as an end point, the modern society. In addition to this, the focal point shifts from the industrial sector to the services sector.

Dependency theory criticizes previous approaches to development, because they assume development to occur independently from any external influence. Dependency theory denounces modernization theory for "denying the role of imperialist exploitation [...], as if modernization occurred independent of the stream of world history" (Nederveen Pieterse, 2009, p. 26). Dependency theory sees, in contrast to modernization theories, a relationship between developed and underdeveloped states. The state pursues a role in which it creates access to the global market for its citizens. This means that obstacles between the national and global economy should be removed by the government and if possible also political borders. As can be seen, also dependency theory evolved around the idea of economic development. This development is goal-oriented and started and fostered by external actors. Those three aspects, economism, teleology and centrism respectively, are found in modernization theories as well as dependency theories.

Modernization theories link modernization with democratization while, however, the latter is defined relatively broadly. Democracy is seen as the application of citizenship rights. This is built on economic growth. Only once a middle class has evolved democracy is possible. Often this takes place in a revolutionary manner as the class structure needs to be modified. Hence, "modernization is essentially social engineering from above and an operation of political containment rather than democratization" (Nederveen Pieterse, 2009, p. 24). Nevertheless, modernization has many times been defined as class compromise rather than class struggle (see Nederveen Pieterse, 2009). Broadly speaking, first values can be found in this approach. Development has been linked to democracy and democratic rules and norms that should be followed to achieve economic growth. While growth still remains the

main aspect as it implies benefits for the trading partners, first issues that are not directly linked to economic development have been introduced.

It cannot be spoken of policy coherence for development yet, because economic relations still determine the countries' interactions. Development as it is understood nowadays, and on which PCD is built on, evolved only in the following decades.

Table 1.1: Development Timeline

Period	Development Theory	Goal of development	Values	PCD
1800s	Classical Political Economy	Remedy for progress, catching up	-	-
1850s	Colonial Economics	Resource management, trusteeship	-	-
1950s - 1960s	Modernization & Dependency	Growth, modernization; Accumulation	Democracy	-
1980s	Human development / Development as Freedom	Capacitation	Gender Equality Freedom	-
	Neoliberalism	Economic growth: reforms, liberalization, privatization	-	-
1990s	Post-development	Authoritarian engineering	-	-
2000s	Millennium Development Goals	Poverty eradication	Human rights Poverty reduction Sustainable Development	First mentioned in 2005; Specification on 5 policy areas in 2009*

*Source: <http://ec.europa.eu/europeaid/what/development-policies/policy-coherence/>

Alternative developments during the 1970s was the result of a new understanding of development. Here the focus laid on social aspects, people as humans, and community building. This way of thinking introduced an understanding of development which saw social and community development as the crucial focal point. 'Human flourishing' is the term coined during this period.

The major stream of alternative development led to the concept of human development. In contrast to the definitions above, here development is “a process of expanding the real freedoms that people enjoy” (Sen, 1999, p. 3). In 1999, Sen published his book “Development as Freedom” in which he argues against the common approaches of development policies as solely focusing on poverty reduction in the sense of distribution of income. Sen however defines poverty in a broader perspective: “poverty must be seen as the deprivation of basic capabilities rather than merely a lowness of income, which is the standard criterion of identification of poverty” (Sen, 1999, p. 87). The relation between low income and low capability can differ on all levels whether it is on a national one or local one, which must be taken into account when implementing and evaluating development policies.

Four aspects play an important role here. First of all, it depends on gender, age, social obligations, geographical location and epidemiological circumstances a person is exposed to. The control over these aspects is generally rather limited. Secondly, limited income is sometimes linked to the inability to purchase necessary goods. An average person has more possibilities of investing his income as he pleases in comparison to an old person or ill person who is bound to buy specific equipment or medication. Vice versa this disease often limits the possibility to create income in the first place. Coming back to the importance of the broader definition of poverty, this clearly shows that only measuring financial resources does not show that problems that are attached. This also holds for the third argument in which it is stated that income within one family is not necessarily redistributed equally. Some family members, often the male members, have an advantage of receiving more financial support than female family members do. Fourthly, a distinction must be made between relative low income and absolute low income. Whereas a relative low income may still be higher than the average absolute low income worldwide, it is usually not enough to sustain a proper life when living in a wealthy state.

In his approach, Sen sees freedom both as the goal and the means of development. The “constitutive role” (Sen, 1999, p. 36) of freedom, thus the goal, is about the contribution to enriching a human's life, whereas the “instrumental role”, the means, is to reduce hunger, malnutrition, mortality, but also to increase people’s ability to read and write, and provide them with political freedom.

With regard to the former, it also includes relatively rich people, who might not be allowed to give their own opinion on political leaders or the country’s behavior. Even if this person does not even want to make use of this right, he or she should still have that possibility. The important criterion here is the existence of this right rather than its use.

Using freedom as a means of development can be done through different instruments. Political freedoms or civil rights assure citizens to participate in the decision-making process and political life in their country. Secondly, economic facilities, the free choice for consumption and production and making use of the available resources is another instrument of freedom to promote development. Education, health care and other social institutions fall under the instrument of social opportunities. A fourth category is transparency guarantees. This aspect deals with trust and openness among people in order to set up agreements among them without any threat of corruption or underhand dealings. The fifth and last instrument is protective security. Protective security is understood as social institutions being in place to take care of the unemployed in the sense of providing financial help for buying food and affording a place to live. This way of defining development changes the way problems in developing countries are addressed and the way priorities are set.

Sen's approach is the first to actively include values in development. He speaks of freedoms, gender issues and respect for human rights. Even though he might not have used this exact terminology these issues are found among his major concerns.

Emerging around the same time as these alternative ways, neoliberalism came to increased importance. The notion of economics plays a great role in neoliberalism in general. With regard to development, there is no special treatment of the developing countries. The market is expected to define the prices without any interference. "The central objective, economic growth, is to be achieved through deregulation, liberalization, privatization - which are to roll back government and reduce market-distorting interventions and in effect annul development" (Nederveen Pieterse, 2009, p. 7). Evolving in the same period, neoliberalism and human development represent two contrasting school of thoughts. The former did not include values at all, while the latter evolved around the idea of respecting human beings and providing a suitable environment for them. Policy coherence, as already said before, is a concept only introduced a few years ago, and thus cannot be found in this period.

A more radical approach is put forward by post-development thinking. Whereas neoliberalism has only an anti-development perspective with regard to the means, post-development in addition does not have development as a goal either. The state is held responsible for authoritarian engineering, economic growth is overruled and as a result the population lives in a disastrous environment.

In 2000, the Millennium Development Goals have been defined by the UN introducing a new stage in the history of development. This discourse, in comparison to modernization and other development theories, is relatively neutral with regard to social change (see Nederveen Pieterse, 2009). Its main focus lies on economic development and the eradication of poverty. The UN introduced a classification with four stages: least developed, less developed, developed and highly developed country. Some underlying assumptions about modernization can therefore also be found in this approach, however it is done in a more discreet manner. Economic growth is supposed to be achieved through development aid in various fields.

There are eight areas which the UN focuses on: poverty and hunger, universal education, gender equality, child health, maternal health, combat HIV/AIDS, environmental stability, and global partnership.

(1) Poverty and hunger. Each person living with an income below the international poverty line, which is at US \$1.25 a day, lives in extreme poverty. The goal under the MDGs is to reduce the number of people living in extreme poverty by 50% between 1990 and 2015 (UN, 2010). In their 2010 fact sheet for the United Nations Summit it is stated that “[e]ven though the proportion of people worldwide suffering from malnutrition and hunger has fallen since the early 1990s, progress has stalled since 2000-2002” (UN, 2010, p. 1).

(2) Universal education. The target in this field is to provide equal chances for boys and girls to go to primary school full-time and complete their primary education. Even though the situation improved the number of literate girls is still lower than the number of literate boys.

(3) Gender equality. The third goal is to create gender equality. Not only with regard to education there is a great gap between men and women, but also with regard to the rights they inherit. Process in this area is therefore very much needed. Closing “[t]his gap is important because countries that recognize the rights of women not only acknowledge our common human dignity they also can double their capacities, benefiting from the energies and insights of the other half of their population” (UN, 2002, p.9).

(4) Child health. Too many children still die from lack of health care, clean water and malnutrition. The likelihood of mortality for children under the age of five is almost twice as high in poor families as in wealthy families. Decreasing child mortality by two thirds between 1990 and 2015 through poverty reduction is the goal in this area.

(5) Maternal health. Even though maternal mortality has been reduced since 1990, it is, just like child mortality, far too high in developing countries. Women are receiving more care during their pregnancy, less teenagers have children, but nevertheless in developing

countries the mortality rate is still 15 times higher than in developed countries. Therefore also here efforts are made to further reduce the number by 2015.

(6) Combat HIV/AIDS. The goal is to decrease the spread of the HI virus by providing information on the disease and possibilities for protection. Often knowledge about AIDS increases with an increase in wealth. Also the spread of malaria and other major diseases are planned on being reversed by 2015.

(7) Environmental sustainability. Especially due to the fact that with increasing progress in development countries an industrial sector polluting the surrounding neighborhoods is set up, environmental protection becomes another goal. This aspect also contains access to safe drinking water, because almost 800 million people worldwide still lack a permanent and safe source.

(8) Global partnership. Included in global partnership is the further opening of markets to developing countries, providing financial aid and helping states out of debt problems. In addition, people in those countries should get more access to new technologies and information.

Even though eight different topics are included in the MDGs, the main focus lies on economic development, wealth, decreasing absolute poverty, and increasing work force. Values are not the driving force behind development aid. A good example is gender equality, which is actually a rather political or social topic of discussion, however even here it is mentioned that gender equality will increase a country's capacities, as can be seen above. Not all aspects circle around the idea of boosting the economy, but it can be noticed that a large part of the arguments do include some economic facets. The reference to values in the UN MDG's is very limited. The EU however tried to link these goals with its own development approach - the European Consensus on Development - which does include values.

Development matters became more complex over time. Not only have other policy areas next to economics been added to the agenda, also the list of actors involved expanded. While states have long been the main drivers of development cooperation, now regional and local levels, civil society and international and national NGOs have become important players in the field. All those actors set different priorities ranging from the traditional view of economic development to human development issues such as gender equality and human rights. With this increasing complexity, policy coherence is getting more and more relevant. The issue of policy coherence will be outlined in more detail in the following subsection.

1.2 Policy Coherence

Development policy is an instrument which can be put into practice in correspondence of the perception of interests. Due to the plurality of interests and the multi-functional character of development policy it can be used for balancing for example trade policies (Messner, 2011). Due to this, countries can decide how to implement development policy in order to suit their interests.

Coherence between policy arenas is required to improve the efficiency and effectiveness of development aid. Simply said, coherence exists where there is no incoherence - whether it be intentionally or unintentionally.

“A second, more ambitious definition sees policy coherence as the interaction of all policies that are relevant in the given context with a view to the achievement of overriding development objectives” (Ashoff, 2005, p.1). Coherence thus means that all facets that might be touching upon one topic, here development, are included in the progress of policy formation. In contrast to several authors who use coherence interchangeably with consistency (see Carbone, 2008; Fukasaku & Hirata, 1995; Nuttall, 2005; Smith, 2001; Tietje, 1997), this is not done here. Another aspect to consider is the distinction between coherence as an outcome and as a process (Carbone, 2008). The first refers to what is being achieved, whereas

the latter deals with the question of how it is achieved. The outcome, what is achieved, implies that coherence is exercised to the largest degree possible meaning that various policies aim at the same goal. Policy coherence as a process focuses on mechanisms and tools for a certain goal. Coherence in itself is not the objective to be achieved but rather helps reaching other goals. According to Carbone (2008) there are five types of policy coherence which can be distinguished.

(1) **Horizontal Coherence.** This type of coherence refers to the relation between policy areas. With regard to development policy it is defined as coherence between aid and non-aid policy. As already shortly mentioned above, for example trade interests might conflict with development interests leading to counter productivity. In the existing literature it is often referred to horizontal coherence although it must be noted that this type gets more difficult to achieve the more levels of governance are involved. Especially with the growing importance of globalization local, regional and international layers are introduced to the existing political system.

(2) **Vertical coherence.** The relationship between the EU and its member states is dealt with when analyzing vertical coherence. Put differently, it refers to different policies across the member states with regard to their overall contribution to EU development.

(3) **Internal coherence.** The third type of coherence refers to the different objectives of one policy. In the case of development policies the focus is drawn to the purposes of this policy, the channels of aid e.g. NGOs or state aid, and the functions of aid as for example supporting the private sector.

(4) **Donor-recipient coherence.** Here it is referred to coherence or interaction of policies that have been adopted in the donor country and those that have been adopted in the developing country.

(5) **Multilateral coherence.** The last type of coherence is multilateral coherence which is defined as the interaction between various international organizations. These

organizations, for example the UN or OECD, tend to pursue different goals which negatively effects the level of policy coherence.

Next to Carbone, Picciotto (2005) lists four types of coherence, which however largely overlap with those characterized by Carbone. Horizontal coherence is labeled intra-country coherence by Picciotto, but also defines coherence between aid and non-aid policies. Internal coherence and donor-recipient coherence remain the same in both classifications.

Two differences occur. Firstly, multilateral coherence cannot be found among Picciotto's categories leaving out policy coherence among international organizations. Secondly, inter-country coherence and vertical coherence cannot be treated as equal although they are very similar. While vertical coherence relates to the EU, the member states, and their interaction, inter-country coherence is defined as coherence across countries. The former includes two levels of governance whereas the latter only comprises one. Below an overview can be found.

Table 1.2: Policy Coherence

Carbone (2008)	Picciotto (2005)	Short description
Horizontal coherence	Intra-country coherence	Coherence between aid and non-aid policies
Vertical coherence	-	Coherence between EU and member state policies
-	Inter-country coherence	Coherence across countries
Internal Coherence	Internal coherence	Coherence between objectives and goals
Donor-recipient coherence	Donor-recipient coherence	Coherence between policies in providing and receiving states
Multilateral coherence	-	Coherence among IOs

Why is policy coherence important when it comes to development aid? There are several reasons for this. Firstly, the lack of coherence in the past led also to a lack of success. Trade relations are often in contrast with necessary aid programs, but also other economic interests

like the production of cheap goods are a reason for the missing success. By applying policy coherence trade relations could be shaped in a new way which supports the development of poor regions actively. This can happen in two ways. Either other policies directly influence development policy and alter the objectives, or the other policies are counteracting to the objectives set by the development policy. In both cases this incoherence leads to a rather limited success rate.

A second type of justification is called strategic justification. Here coherence is seen as a tool which can be used to shape globalization. Substantive-programmatic justification is a way of reasoning which arose from the “demand for sustainable development as the supreme guiding concept of global governance” (Ashoff, 2005, p.1). Since there is increasing interaction among countries all over the world and therefore increasing risk of exploitation, it is necessary to support countries which are not as well off as the Western states. This approach was laid out by the Millennium Development Goals in 2000. Even though, however, there is a legitimate argument to apply policy coherence, the problem remains that states’ economies are not driven by development aid but largely by economic interests. Another problem that arises is the question of defining when policies are coherent. There is no framework yet which offers standards to make policies coherent and hence it is rather difficult to implement and evaluate.

A third point of critique arises with the argument that other policies might also require coherence. Health policies for example can be implemented changing the treatment of lung dysfunctions, but they would be much more efficient if industries would produce more environmentally friendly not causing those problems in the first place. If a new health care system is set up and a new factory built, it is a problematic task to keep everything coherent with sustainable development aid.

Nevertheless, “policy coherence is considered desirable for government action because deficient coherence may lead to ineffectiveness (failure to achieve objectives), inefficiency

(waste of scarce resources) and the loss of credibility of policies” (Ashoff, 2005, p. 11). In order to improve development aid it is, hence, necessary to increase coherence within one policy, but also among different policies involved in the policy process. Often incoherence can emerge even though it is tried to reduce incoherence, because there are many actors involved which tend to pursue different goal and among which misunderstandings can occur.

Policy incoherence can arise due to a large number of reasons which can be grouped into four categories (Ashoff, 2005): (1) societal and political norms, (2) political decision-making/divergent interests between EU and national level, (3) policy formulation and coordination, and (4) increasing complexity of development conceptualization. Since incoherence can occur in each of these areas it is very difficult to achieve a high level of coherence. According to Ashoff “perfect policy coherence is [...] possible neither in theory nor in practice” (Ashoff, 2005, p. 3). As however already mentioned earlier, it is still desirable to make policies as coherent as possible, since on the one hand costs for the donating country can be reduced, and on the other hand effectiveness in the receiving country increased. As Carbone puts it: “The task for policy makers is to avoid unnecessary incoherence, which implies that win-win solutions are possible, whereas necessary incoherence, which results from the aggregation of legitimate conflicting interests, is more acceptable” (Carbone, 2008, p. 326).

In this paper the focus is laid on intra-country or horizontal coherence, which is the relationship between aid and non-aid policies in the EU.

1.3 Hypotheses

In the literature the main topic of PCD relates to the interconnection of non-aid policies with development aid strategies. One issue, however, which is rarely mentioned is the inclusion of values and norms. Especially with regard to the EU this is a relevant concern, as the EU is very active in promoting its liberal values among its member states as well as in third

countries. Article 3 TEU lays down the principles on which the EU is founded. Its basis is the promotion of peace, security and social justice, 'its values', gender equality and the rights of the child. This however is mainly established for the internal workings. In its relations with third countries the focus lies on peace, security, sustainable development, respect, human rights and the respect for the Charter of the United Nations.

Article 3 TEU

The Union's aim is to promote peace, its values and the well-being of its peoples.

[...]

It shall combat social exclusion and discrimination, and shall promote social justice and protection, equality between women and men, solidarity between generations and protection of the rights of the child.

[...]

In its relations with the wider world, the Union shall uphold and promote its values and interests and contribute to the protection of its citizens. It shall contribute to peace, security, the sustainable development of the Earth, solidarity and mutual respect among peoples, free and fair trade, eradication of poverty and the protection of human rights, in particular the rights of the child, as well as to the strict observance and the development of international law, including respect for the principles of the United Nations Charter.

In the section on external actions and the Common Foreign and Security Policy (Title 5 TEU) the EU once more stresses the importance of the values it is based on. Chapter 1 defines the way of action towards the wider world. In particular, Article 21 TEU points out that the EU's international relations should include the principles that it has been founded on: democracy, rule of law, human rights, freedom, human dignity, equality, solidarity and respect for international law.

Article 21 TEU

The Union's action on the international scene shall be guided by the principles which have inspired its own creation, development and enlargement, and which it seeks to advance in the wider world: democracy, the rule of law, the universality and indivisibility of human rights and fundamental freedoms, respect for human dignity, the principles of equality and solidarity, and respect for the principles of the United Nations Charter and international law. [...]

In addition to the rules set out in the Treaty, in many official documents the Commission, as the EU's main representative stresses the importance of democratic rules, human rights, freedoms and good governance (see Commission, 2012). It has been visible in the past which role these values take when having a look at the last enlargement rounds. As part of conditionality the EU included its standards which the candidate countries had to satisfy. But also the European Neighborhood Policy deals with this topic fostering peace, stability and democracy in the countries involved. As there is a visible strong support of EU values in the Treaties as well as in other relevant documents, the first hypothesis is the following:

H1: The EU applies the European values it promotes internally also in its development actions.

It could be argued that EU development policies will never be coherent due to the large number of members who all represent different goals and values. In fact, development is not a one-sided approach. In this domain a large range of competences lay with the national governments as well as with the Commission. Decentralization is one of the reasons that coherence is more difficult to achieve since competences are spread among all actors involved and not bundled in one institution (Ashoff, 2005; Wesel, 2012). This is especially the case in EU policy making since the principle of subsidiarity is to be applied when it is most suitable. The wide range of norms and values that each individual member state inherits do play a great role, because each country represents its own culture and the more countries get involved into policy making the more the visions on norms and values vary. Possible conflicts among these can cause problems in the coherence for development policies between member states and the EU. Finding one compromise that all actors can accept is rather unlikely and therefore different groups defending different points of view will remain which might promote contradicting goals. Even though this argument is very plausible, for this paper I assume that the EU can represent a common stand on norms and values as all member states sign up to a

range on principles when joining the EU. Smaller issues can occur, but having a clash of values affecting policy coherence is very unlikely.

Since the EU promotes its values very strongly this does not only affect internal matters and development aid, but also various other policy arenas. The Treaty not only affects certain policy dimensions, but every decision that the EU takes. Therefore it can be assumed that the EU acts according to these values in any policy arena it is dealing with.

H2: The EU applies European values also in other policies.

As a result of these two hypotheses it can be assumed that all policies the EU introduces and implements follow a certain direction as they are led by the same values. Independent of the policy area - whether it is agriculture, trade, transport or development aid - each field should be guided by the values the EU promotes. Taking into consideration that there is a specific number of values which all promote peace, democracy and human rights, each policy should respect this. Even though transport policies, for example, are not meant to promote human rights in the first place, the EU should apply its values also in this case, as it is written down in the Treaty. This can take place in active promotion of human rights, the adoption of conditions, or the type of transport policy itself. In any case, the EU should have its values in mind when implementing new projects, programs or policies in third countries. Resulting from this, all policies the EU implements in third countries should be in line with each other. All these policies follow one set of standards and therefore lead to the same direction, namely freedom, democracy, good governance and human rights. Even if those policies are not coherent with regard to economic development in a country, they should be coherent with regard to European values.

In addition, the EU has introduced the European Instrument for Democracy and Human Rights (EIDHR) with the "intention to integrate support for democracy and human rights into all its external policies" (Commission, 2011, p. 128). Setting up a mechanism for

the integration of values in all EU policies is a significant step towards normative coherence.

The following hypothesis summarizes this argument.

H3: EU development policies and non-aid policies are coherent with regard to the application of European values.

In the following section the methodology for this research is given. The third chapter briefly examines how European the values for this study are. Part four and five deal with the analysis and last chapter provides a direct comparison of development and trade policies, as well as a conclusion to this paper.

2. Methodology

2.1 Research Design

The research design I use for this analysis is a comparative case study which provides the possibility to get a deep understanding of the case (Lijphart, 1971). Following the definition by Bennett (2004), which is based on the idea that a case is a class of events, a case study is a study of defined aspects of an event rather than the event itself. Another aspect regarding case studies is the intention of theory-building. Only two out of six types of case studies defined by Lijphart (1971) are not meant for generating a theory. Atheoretical case studies are descriptive and mainly theoretical in nature, whereas interpretative case studies seek to show that a historical event was expected to happen under the existing circumstances. Those two types describe happenings, but do not intend to develop new hypotheses. In contrast, hypothesis-generating case studies are intended to create new theories and hypotheses. First vague hypotheses are formulated which are developed into definite hypotheses to be tested among a larger set of cases with the goal of creating new theories.

Theory-confirming and theory-infirming case studies use existing theories which are tested against new cases. If a theory is supported by a large number of cases however adding or subtracting one case does not have a great effect on the theory. Deviant case studies are meant to understand outcomes better which could not be explained yet by existing theories. These kind of studies weaken existing theories, but can propose improvements to strengthen a theory. "The hypothesis-generating case study serves to generate new hypotheses, while the deviant case study refines and sharpens existing hypotheses" (Lijphart, 1971, p. 692). In contrast to the "logic of confirmation" which seeks to test existing hypotheses, this study follows the "logic of discovery", which is the introduction and testing of new hypotheses. Although the hypotheses will not be tested among a large number of cases, this study can be defined as a hypothesis-generating case study. New hypotheses are set up and tested, however

in a rather small range. Nevertheless, this study can be used for larger testing round on a later stage to develop a more generalizable theory.

Several advantages about case studies can be pointed out: identifying new or omitted variables and hypotheses, analyzing intervening variables, developing explanations of specific cases, attaining high levels of construct validity, and using contingent generalizations to model complex relationships such as path dependency and multiple interactions effects. (Bennett, 2004, p. 19) Especially for complex topics this type of research is most suitable in order to include all variables that have an impact on the outcome. Case studies focus on "finding out the conditions under which specified outcomes occur and the mechanisms through which they occur[...]" (Bennett, 2004, p. 43). However, case studies are hardly ever generalizable. The cases which are examined are usually chosen because of a particular feature which cannot be found in another context.

In addition, a case study provides very specific information rather than a general outline. Hence, the results are only applicable to the case under consideration and not fit to explain other relations. A trade-off occurs therefore between the level of generalizability and the degree of specificity. "Rich generalizations in the social sciences often apply only to small and well-defined populations or subtypes, whereas theories that apply to broader populations are usually not very specific" (Bennett, 2004, p. 43).

The case under consideration in this paper is the EU's development policy, whereas other policy areas will be used as control cases. The focus lies on development policy and on getting a good understanding of the factors which influence these policies. Generalizability is not the main aim of this study and therefore this potential problem of trade-off is no threat here.

2.2 Conceptualization

European Values. In this paper European values are defined as the set of standards introduced and promoted by the EU among its member states as well as in the international

arena. As listed in Article 2 of the Treaty on the European Union these values are human dignity, freedom, democracy, equality, the rule of law, human rights, non-discrimination, tolerance, justice, solidarity and gender equality. As already said above, the European Consensus on Development identifies slightly different values. Only those values that are mentioned in both documents are defined as European values. These values are freedom, democracy, the rule of law, respect for human rights, justice, solidarity and gender equality.

Applying the values. Applying values can simply be seen as not breaching them. This however is a very basic definition and therefore not useful for this paper. As the European Union is seen as an ideological and democratic institution, applying the values is defined here as the promotion of values even if not necessary. If new trade regulations are negotiated with a third country, this could be done without looking at the harm this new rule does to the inhabitants. Applying the values means that the EU would in this case set conditions which are in line with the values and need to be respected under that trade agreement.

Normative coherence. Normative coherence aims at coherence between policies in applying a set of norms and values. It can be argued about the exact terminology as ideological or ideational coherence might be more suitable, but this is not the case here as values are being studied here. Values and norms are strictly speaking not exactly the same, for this research however that difference does not play a role. What is important is drawing a line between norms/values and ideals and ideologies. Communism is an ideology, but human rights or the rule of law cannot be called an ideology. Those are values which can actively be applied. The same is the case for ideals. Ideals are the perfection of something which can never be achieved. The values analyzed in this study are not ideals. It is not the aim to achieve a perfect democracy or perfectly implement fundamental freedoms. The idea is to promote values and keep promoting them even when it is known that great success might be in the far future.

Values or norms are guidelines that one should follow, but these values differ from culture to culture. In the case of this study, the values have been clearly defined as shown above.

As a result, normative coherence occurs when policies do not conflict the values and standards of the institution in charge of these policies. Furthermore, each policy should not only not harm those values but also promote them. With regard to EU development policies all actions should be in line with European values. In addition, all other policies the EU implements in third countries should be in line with European values as well. When all policies towards a country respect or even promote European values it can be said that those policies are normatively coherent. Put differently, normative coherence adds an additional aspect to horizontal coherence. While horizontal coherence looks at aid and non-aid policies with regard to development policies, normative coherence represents horizontal coherence with regard to both development policies and values.

2.3 Case selection

2.3.1 Recipient country

The country representing the case of the recipient state is Vietnam. Vietnam is one of the success stories for development aid. After the introduction of political and economic reforms - called 'doi moi' - in 1986 the economy improved rapidly. "[W]hereas the state used to be the only mobilizer of resources, society as a whole has now become a driving force" (Nørlund, 2007, p. 69). Having been one of the least developed countries, it can currently be classified as a lower middle income country. The per capital GDP increased from US \$62 in 1970 to \$82 in 1986 to \$1,392 in 2011 (UN, 2012). As can be seen in the graph below, starting from around 1990, a significant increase in GDP per capita can be found. Thus, even though a significant development became apparent, Vietnam is still a developing country and therefore qualifies for this study. In addition, it has been clearly stated in the Independent Paris Declaration evaluation report of 2010 that especially during the time of economic

development inequalities arise and structural changes are needed. Therefore development aid should be continued.

Graph 2.3.1 (1): GDP per capita in Vietnam



Data: UN (2012)

The second reason for choosing Vietnam as a case study is its position in the Human Development Index (HDI) ranking provided by the UN (UNDP, 2013). The HDI measures life expectancies, health, education and standard of living and combines the results in an overall score ranking between 0 and 1. Four categories classify the index: low human development, medium human development, high human development and very high human development. Vietnam falls in the category of medium human development.

Compared to Thailand or the Philippines, which are geographically located in the same region as Vietnam and comparable to Vietnam with regard to the population, Vietnam had the lowest HDI in 2012. As there are no publications for 2013, the scores from 2012 will be used. Thailand's HDI value amounts to 0.69 and the Philippines' to 0.654, while Vietnam's score is 0.617. The average for the East Asia and Pacific region is 0.683. To give a better

picture of the situation I also included the four Western countries of this study in the table below.

Table 2.3.1: HDI ranking

Rank	Country	HDI 2012
3	United States	0.937
4	Netherlands	0.921
5	Germany	0.920
10	Japan	0.912
103	Thailand	0.690
114	Philippines	0.654
127	Vietnam	0.617

Data: UNDP (2013)

Even though Vietnam has experienced a rapid economic development which also shows in the HDI, it is still far behind developed countries. Out of 187 countries and territories which are being examined, Vietnam is positioned on rank 127.

A third reason for the choice of Vietnam as the case for this study is the EU statement on policy coherence in Vietnam: "The EU strives to increase coherence between different policy areas, and in particular between development cooperation, trade policy and political dialogue with the Government of Vietnam" (EU, 2011, p. 25). As it is clearly said, the EU wants to achieve coherence between development policies and other policy fields and therefore Vietnam is the perfect case for testing whether the EU - and thus its member states - actually put this into practice.

2.3.2 Donor countries

As the EU is not the sole donor of development aid, but member states actually share the larger part, it is necessary to include several countries in this study as well. As I will use OECD peer reviews for the analysis of the countries' normative coherence only a limited number of states can be considered. Out of 27 EU member states 15 are members to the OECD Development Assistance Committee (DAC): Austria, Belgium, Denmark, Finland,

France, Germany, Greece, Ireland, Italy, Luxembourg, The Netherlands, Portugal, Spain, Sweden, and the United Kingdom. None of the new member states are members of the DAC, which can cause some bias in the final results. In the final evaluation it is therefore necessary to keep this in mind and only generalize the result carefully to all EU member states.

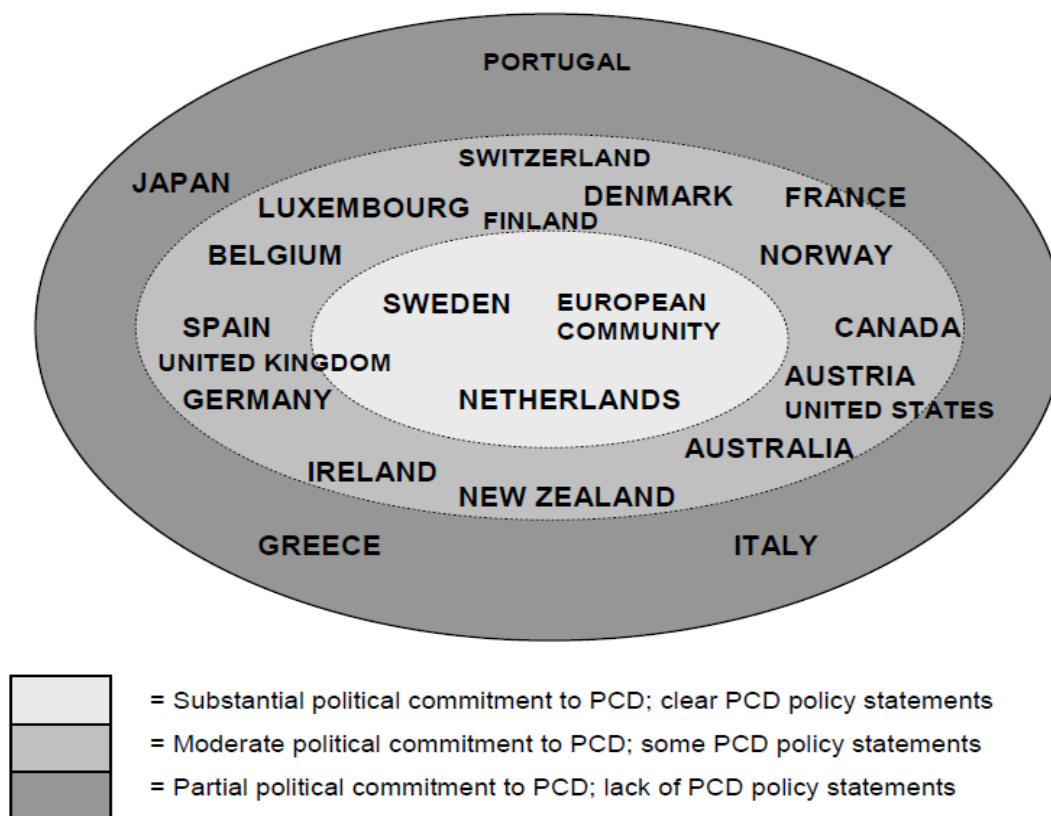
Germany and the Netherlands are the two cases representing the EU member states. The first reason why Germany is part of this study is because it is the largest donor for development aid in the EU with regard to absolute numbers. In 2011, it increased its budget to € 10.453 billion, which is however only 0.4% of GNI (CONCORD AidWatch, 2013). Compared to the DAC-EU countries average of 0.44%, Germany is in a relatively good position (OECD, 2012). Nevertheless, looking at absolute numbers, Germany is the biggest contributor and therefore it is one of the cases being studied.

The Netherlands on the other hand are one of the largest donors with regard to the proportion of GNI. In 2005, for example, it provided development aid amounting to 0.82% of GNI, while the DAC member state target was set at 0.7% (OECD, 2006). Also in 2010 it was one of the best performing countries. The Netherlands were one out of five DAC members that were able to achieve the 0.7% target for ODA. Its proportion of ODA in relation to GNI amounted to 0.81% (OECD, 2011). An additional reason for taking the Netherlands into this study is their commitment to PCD. The government explicitly states the importance of coherence between Dutch and EU policies for development (Dutch Ministry of Foreign Affairs, 2013).

Another factor which makes both cases interesting is the OECD's report on commitment to policy coherence for development. Countries have been analyzed for their political commitment to policy coherence, their actual policy coordination and their systems for monitoring and analyzing policy coherence. While the Netherlands have a high

commitment to policy coherence, well-functioning coordination mechanisms and appropriate systems for monitoring, the German results are not as positive.

Graph 2.3.2. (1): Progress on Political commitment to PCD

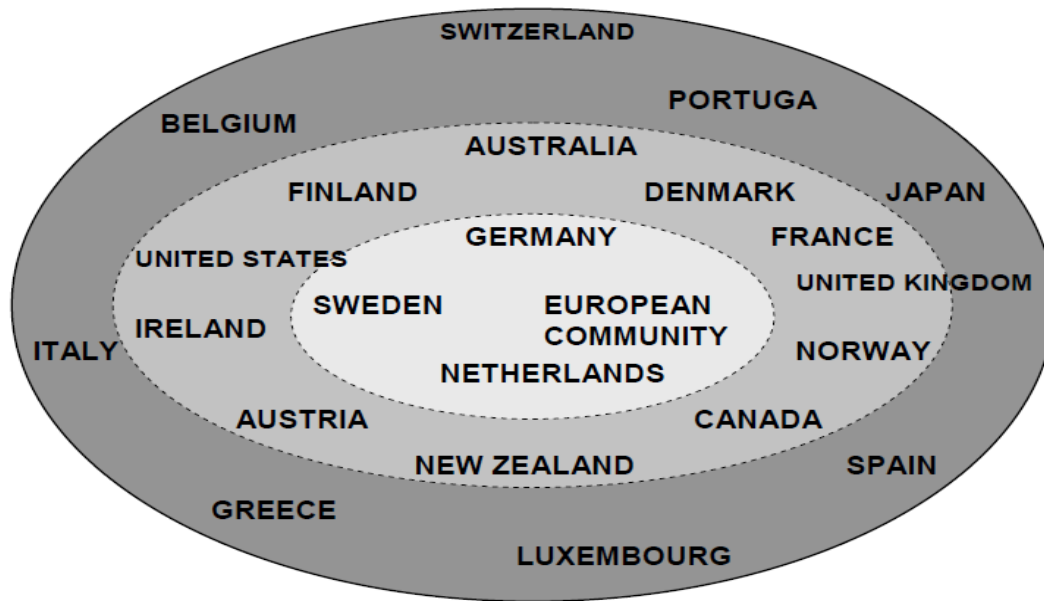





Source: OECD (2009).

Germany's progress on commitment is lower than the Dutch. The Netherlands build the inner circle with Sweden, while Germany is composing the circle of moderate commitment with Austria, Belgium, Denmark, Finland, France, Ireland, Luxembourg and the UK. Portugal Greece and Italy are the three EU member states with the lowest progress on commitment.

With regard to the progress on coordination mechanisms, Germany, the Netherlands and Sweden are the three countries represented in the circle of substantial success.

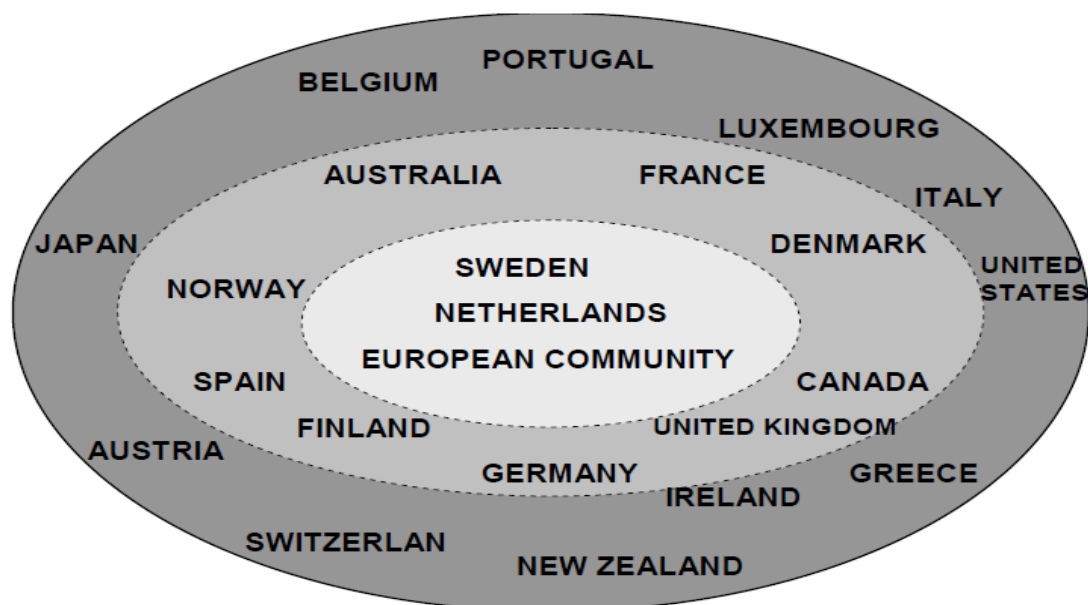
Graph 2.3.2 (2): Progress on coordination mechanisms

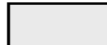




-  = Substantial success in putting policy co-ordination mechanisms in place
-  = Moderate success in putting policy co-ordination mechanisms in place
-  = Partial success in putting policy co-ordination mechanisms in place

Source: OECD (2009)

Graph 2.3.2 (3): Progress on monitoring systems



-  = Substantial success in putting monitoring/analysis/reporting systems in place
-  = Moderate success in putting monitoring/analysis/reporting systems in place
-  = Partial success in putting monitoring/analysis/reporting systems in place

Source: OECD (2009).

When it comes to monitoring systems, the Netherlands still remain in the inner circle, while Germany shifted again to the group of moderate success. Due to the Netherlands' consistency over those three 'building blocks', as the OECD calls it, it is a suitable case for this study. Exactly the opposite is the case for Germany. Because it is inconsistent it is the second EU member state chosen for this study. Even though both countries are relatively successful in their policy coherence, taking two different patterns provides a better basis for this study, as I do not want to test only the best performing countries.

As the goal is to find out whether the EU countries are first of all coherent in their policies and secondly whether this coherence is significantly different from other states outside of Europe, two cases are chosen as control cases. The first criterion is therefore being non-European. That leaves basically all states from the other six continents. Most of these countries however play a minor role in Vietnam or are not providing development aid at all and can for this reason be ignored here. The cases for further consideration are Australia, Canada, Japan, New Zealand and the United States of America. According to the 2009 OECD report, Australia provided US \$56 million for development aid in Vietnam, which is a quite small amount compared to Japan which provided US \$711 million for Vietnam. This divergence is only logical as Australia is much smaller than Japan with regard to the economy and population. Nevertheless, due to this reason Australia's development aid is seen as not being of major importance and thus not included in this study. Japan, on the other hand, has its priorities in South-East Asia and contributes financially to such an extent that it cannot be left out of the study.

In addition to the development policies, trade policies will be analyzed as well. Therefore the cases for this study should have strong economic relations with Vietnam. Both Japan and the US are among the top ten import, export and trade partners with Vietnam (COM, 2013). Australia, Canada and New Zealand are not main trading partners.

Furthermore, the US and Japan have a similar share of ODA with 0.2% and 0.18% respectively (OECD, 2012). This makes the two countries more comparable.

As a result, the two cases chosen as control cases following the selection criteria above are Japan and the USA.

2.4 Data Collection and Operationalization

After having selected the cases for this study, I present the data collection and operationalization in this sub-section.

In the section on the research design I already stated that this research is a comparative case study. Comparative case studies are often small-n studies, which will also be the case here. "A nominal strategy implicitly or explicitly assumes a deterministic understanding of causation built around the ideas of necessary and sufficient conditions" (Mahoney, 2000, p. 389), which distinguishes a small-n study from a large-n study. In contrast to this, when an ordinal measurement is used the probabilistic approach is supported and therefore that strategy is more comparable to large-n studies. Since I use a small-n study and hence a deterministic approach for this research all measurements will be nominal instead of ordinal.

European Values. To see whether the seven values identified are indeed European values or perhaps internationally introduced values, I compare the two EU documents - the Treaty and the Consensus - to values emphasized by the OECD, UN and the World Bank. It could be argued that the International Monetary Fund (IMF) and the World Bank should also be included in this evaluation as they are also active in the field of development, however since the IMF and the World Bank do not incorporate any PCD assessments in their annual reports as the other three organizations do they therefore drop out of this study (see IMF, 2006; Picciotto, 2005; World Bank, 2006). Also the overview of development approaches below shows that the IMF's and World Bank's concern are primarily economic.

Table 2.4: Development approaches

Actor	Approach
WTO	Free Trade
IMF, World Bank	Neoliberalism, monetarism, social liberalism
UN	Human development
States	Medley of all approaches

Source: Nederveen Pieterse (2009), p. 188

For the evaluation of the values 'European-ness', I take three publications from the OECD - the 2009 'Report on Managing Aid', the 2011 publication 'Better Policies for Development', and the 2012 'Strategy on Development' - and two documents from the UN - the Charter of the United Nations from 1945 and its Declaration on Human Rights from 1948.

In order to classify the values found I introduce a simple framework. If more overlap than distinction can be found, the values cannot be claimed as being European but rather international. As already shown above, seven out of 14 values show up in both documents whereas the other seven are either mentioned only on the TEU or in the Consensus on Development. As half of these values vary, the focus will lie on the stable half. Like this it is assured that all the values under consideration are fully supported by the EU in general as well as by the development related policies. Those seven values are the following: freedom, democracy, rule of law, human rights, justice, solidarity, and gender equality.

As it is mentioned in Article 208 in the section on development cooperation in the Treaty on the Functioning of the European Union that the EU and its member states should cooperate with other international organizations in this field, it can be expected that some of the values will overlap. Therefore the threshold will be higher than in cases where two variables are totally unrelated. If five or more values coincide, it cannot be claimed that the EU values are solely European. If on the other hand the majority of values is only mentioned by the EU and not by the OECD, UN or World Bank, it can be stated that those values are indeed European.

Article 208 (2) TFEU

The Union and the Member States shall comply with the commitments and take account of the objectives they have approved in the context of the United Nations and other competent international organizations.

As non of the organization constantly list the values to show the importance, more focus will be put towards the context. Even if one value in the OECD, UN or World Bank report only appears once, it will be counted as a positive measure. The frequency will not be taken into account. Furthermore, the lengths of the documents vary greatly. In a long document the frequency will be higher than in a short document. As it is not possible to find perfectly comparable documents, the frequency of values will not be measured.

Application of values. In order to analyze how coherent the EU is in its application of values in the development policies I take a look at several official documents published by the EU and other organizations. The Treaty on the European Union is the starting point providing the basis on which the EU has been built on. In addition to that, the Consensus on Development 2006 is the second document used as a control variable. Those two documents provide a list of values that the EU claims to apply and hence are used as a reference. The documents used for the analysis are Annual Reports on the European Union's development and external assistance policies and their implementation which have been published by the Commission since 2001. As the European Consensus on Development has been introduced in 2006, this study will not consider Annual Reports published before this year. The first Annual Report is therefore the one released in 2007 as it covers the year 2006. The latest report has been published in August 2012, which implies that 2011 is the last year that has been covered. As a result six annual reports are analyzed.

Next to EU documents OECD peer reports about the two EU member states will give insight into the countries application or non-application of values. In contrast to the

Commission's annual report the OECD reports have been published approximately every 5 years. As a result the number of reports since 2006 is rather limited compared to the annual reports. Nevertheless it is useful to analyze them as they provide a careful examination of the countries' actions. For the Netherlands two peer reviews are available: peer review 2006 and 2011; and for Germany it leaves one peer review: 2010.

Measuring the application of values in non-EU states will be done by analyzing OECD peer reports, just as it is done with the two EU member states. Japan has one peer review published in 2010 as the previous has been published in 2003, which is before the time frame I am interested in. The same is the case for the US, which had a report published in 2006, but as this report refers to the year 2005, it is not of interest here. This leaves the peer review 2011 for the United States. In addition to the two peer reviews, several documents dealing with development cooperation will be analyzed as well. For Japan three additional documents are of relevance: Japan's Official Development Assistance Charter, Country Assistance Policy for Vietnam, and the 2012 Annual Report on Japan's ODA Evaluation. For the US I analyze the Foreign Assistance Act 1961, the 2009 performance evaluation for assistance towards Vietnam and the East Asia-Pacific region, and the 2013 financial plan for the Bureau of East Asia and Pacific.

Policy coherence. Horizontal coherence is the type of coherence under study for this paper. Thus, the coherence between aid and non-aid policies is examined. Two EU member states and two non-European countries are compared with regard to their development policies and their trade policies as the example for non-aid policies. Trade policies play a great role in development, because they influence a country's economic situation by for example putting tariffs on goods that are to be exported from the developing to the developed country. If those barriers are too high the developing country will not be able to export the goods it is producing and therefore the economic development will stagnate even though investment is

flowing into the country through development programs. The same can be the case for subsidies that developed countries provide for their farmers. As a result those farmers can offer their goods for a cheaper price outcompeting goods from developing countries. Again, this is counterproductive to the intention of development aid which largely aims at economic growth.

If EU values come up in both policy arenas and overlap to the largest extent, trade and development policies can be said to be coherent with regard to the application of values. It needs to be pointed out very clearly that only once values occur, normative PCD is possible. Applying values in only one of the two policy sectors analyzed leads to the conclusion that there is no normative PCD. Applying values in both policy sectors means that there is normative PCD. Not applying values in both sectors is logically also coherent, however does not affect normative coherence. Normative coherence can only exist when values are involved. Coherently not applying values therefore results also in the conclusion that normative PCD does not exist.

3. How European are the values?

Before analyzing development and trade policies and the application of values within these areas, another question needs to be answered first: Are the values that the European Union promotes actually European or are they simply taken over from another international organization? Can the EU claim to have special values that other countries do not have? Having values and emphasizing their importance in each policy field is a typical characteristic of the EU. It is perceived by external as well as internal actors as an institution promoting peace and democracy along with other norms and values.

In this rather brief chapter I will show whether the importance of values is indeed only European or whether other international organizations actually have the same standards.

The EU lists a range of values in its Treaty and the Consensus for Development which I compare to the values given by the OECD, the UN and the World Bank. As already explained above, I will only use the seven values which are mentioned both in the Treaty and in the Consensus. These values are freedom, democracy, rule of law, human rights, justice, solidarity, and gender equality.

OECD. Looking at OECD statements on development it quickly becomes clear that its main goal is economic growth. When words like freedom or governance come up it is in the context of freedom of investment, corporate governance, economic governance or financial government (OECD, 2011). Especially in the 2011 and 2012 publications the importance of values is basically non-existent. Only human rights have been mentioned once in 2011, and justice and gender equality in 2012. The other values have totally been left out.

This was different in 2009 in the report 'Managing Aid' on all DAC members and their contribution to development. Here almost all seven values have been named at least once. Freedom and the rule of law were not mentioned. Human rights and gender equality on the other hand have been mentioned several times. Leaving out the frequency, it still shows that

the OECD is an economy focused organization with only a limited commitment to values. Human rights, justice and gender equality came up in all three publications, whereas freedom and the rule of law have not be named in either of these three documents. In table 3.1(1) an overview of the three OECD reports and the appearance of values can be found. An exhaustive list with values given in other contexts and the exact counts are provided in Appendix 1.

Table 3.1(1): EU & OECD values comparison

EU	Managing Aid 2009	Better policies for development 2011	Strategy on Development 2012
Freedom	-	-	-
Democracy	yes	-	-
Rule of law	-	-	-
Human rights	yes	yes	-
Justice	yes	-	yes
Solidarity	yes	-	-
Gender equality	yes	-	yes

All in all, values are being mentioned by the OECD, however only to a very limited extent. Especially in the past two years the level of importance seems to have decreased since also the variety of values that are mentioned diminished.

UN. In contrast to the OECD with its economic goals, the UN's main goal is peace and security. This is pointed out very clearly in the charter establishing the UN. Already in the preamble it is stated that the signing parties came together to promote peace, "to practice tolerance and live together in peace with one another as good neighbors, and to unite our strength to maintain international peace and security, and to ensure, by the acceptance of principles and the institution of methods, that armed force shall not be used, save in the common interest, and to employ international machinery for the promotion of the economic and social advancement of all peoples [...]" (UN, 1945). In addition to that, however, other

values are named as well. Freedom and human rights play an important role for the UN. Freedom and human rights have been named both in the UN Charter as well as in the Declaration on Human Rights. The same is the case for justice. Gender equality on the other hand only came up in the Charter. Table 3.1 (2) gives an overview of both documents. In the Declaration on Human Rights, as the name already indicates, human rights are the priority. Nevertheless, freedom, the rule of law, and justice are also referred to. Four out of seven values are therefore found in the UN Declaration on Human Rights. An exhaustive list can again be found in Appendix 1.

Table 3.1 (2): EU & UN values comparison

EU	UN Charter	UN Declaration on Human Rights
Freedom	yes	yes
Democracy	-	-
Rule of law	-	yes
Human rights	yes	yes
Justice	yes	yes
Solidarity	-	-
Gender equality	yes	-

As can be seen, the OECD values and EU values are not overlapping a lot. Only in 2009 many values are mentioned in the OECD report, but the following years this was not the case. The UN tells a different story. In each of the documents four out of seven values are referred to. However, only three of them are named in both of them. As a result, it can be said that those values in this research are indeed European values. No other international organization supports this wide range of values.

4. Development Policies

In this chapter I analyze whether the four chosen countries apply European values in their development policies. As the goal of this research is to find out about normative PCD, first it needs to be established if values play a role in the area of development. Once this has been proven, another policy field can be included for comparison. Chapter 5 will thus deal with values in trade policies. With regard to the EU, which is the main case for this study, I focus on the member states as its representatives since they are the central actors in development. Where possible I will directly include EU information.

The current chapter is structured as follows. The first section shows the different ways of organizing development cooperation. Depending on how well a system is structured, coherence can be expected to be higher or lower. Section two gives an overview about the different sectors that development aid is aiming at. In the fourth section I present the commitment to development index. This index has been developed by the Center for Global Development and can be used as a standard for comparing different countries in their political commitment to development. The fifth section deals with the application of values in development cooperation. Documents, that have been outlined above, are analyzed in this part and the EU countries are compared to the non-EU countries. The last section concludes this chapter.

4.1 Organizational Structure in the Donor Countries

The organizational structure of a policy process plays an important role for policy coherence. The more actors are getting involved the more difficult it becomes in effect to be coherent. Having only one or two actors working on an issues results in better communication and adaption of interests as in case of a large range of actors. Goals can be established and followed easily as only a limited number of interests are to be respected. With an increase in the number of actors the number of interests adds up and in most cases also diverges. Finding a goal that all actors fully support is difficult or in cases even impossible. Coherence is

therefore less likely to be found in a system involving many divergent actors than in a system with a few like-minded actors. In addition, the way of interaction plays a role. When many actors deal with their own issues without communicating these to other actors involved, policy coherence is impossible. In a system which provides the basis for knowledge exchange and room for cooperation policy coherence is much more likely. In the following I will thus show the structural systems applied in the Netherlands, Germany, the United States and Japan.

Netherlands. In the Netherlands the issue of development aid is part of the Ministry of Foreign Affairs. Before the structural changes in 2010, an independent Ministry for Development Cooperation existed. Two ministers, the Minister for Foreign Affairs and the Minister for Foreign Trade and Development Cooperation, represent this ministry.

Four Directorates-General are part of the ministry, one being the DG for International Cooperation (DGIS). The DGIS is responsible for development cooperation by overseeing the coordination, implementation and funding. Under this DG a range of thematic departments have been set up. One of them is the Effectiveness and Quality Department (DEC) which ensures effectiveness and coherence of development aid.

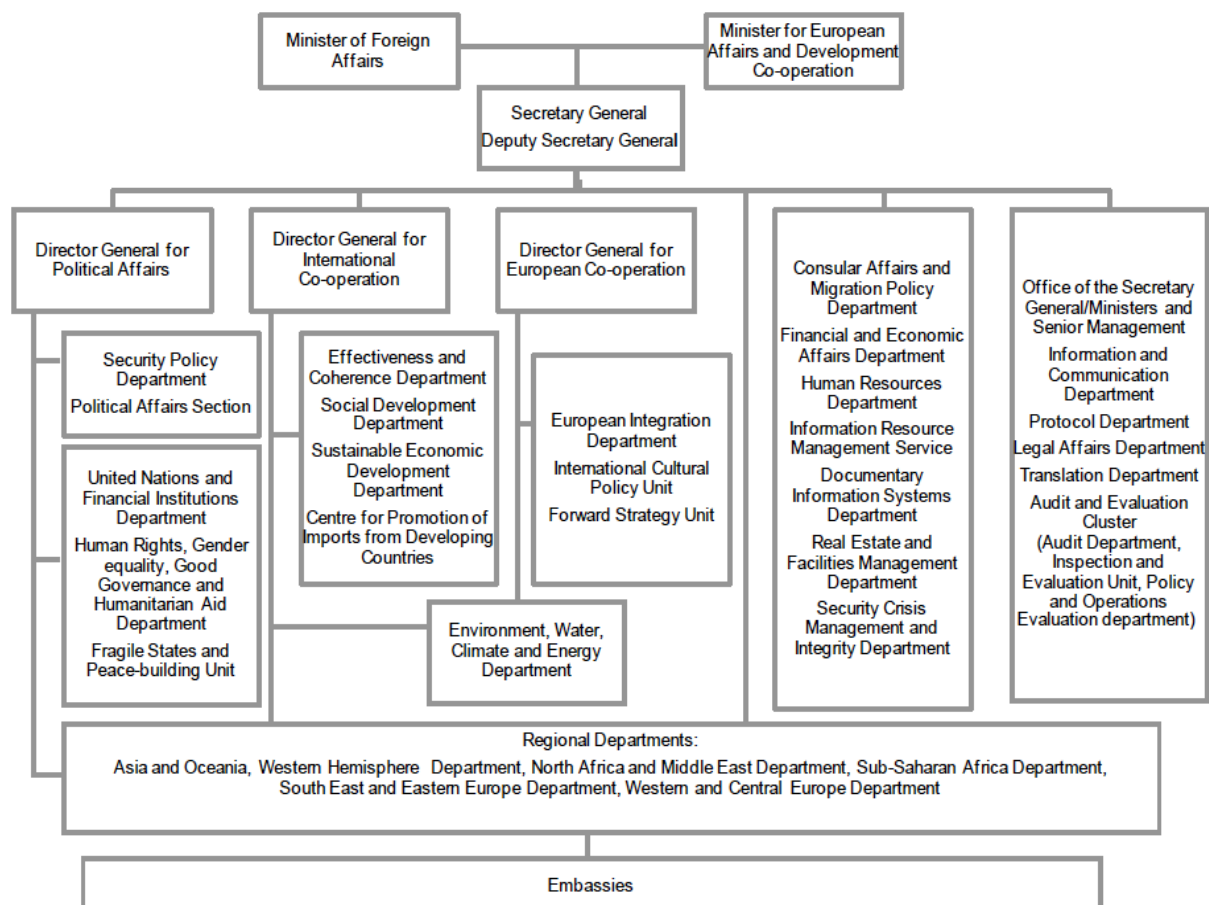
In addition, there are three thematic divisions: Development Policy and Coherence Division, Quality of Aid Division, and Public Sector Division.

Furthermore, the Human Rights, Good Governance and Humanitarian Aid Department (DMH) develops and coordinates policies on the issues of human rights, good governance, conflict prevention and resolution, humanitarian assistance and gender equality. Four divisions comprise this department: Humanitarian Aid Division, Human Rights Division, Good Governance Division, and Gender Division.

The Netherlands provided €4.5 billion for development aid in 2011 (CONCORD AidWatch, 2013). This is a reduction of aid from 0.81% to 0.75% of GNI. Even though the Netherlands have reduced their aid, they still meet the DAC target of 0.7% of GNI.

Along with the budget cut, the number of partner countries has been reduced from 33 countries to 15. The remaining states are Afghanistan, Bangladesh, Benin, Burundi, Ethiopia, Ghana, Indonesia, Kenya, Mali, Mozambique, Palestine, Rwanda, Sudan, Uganda and Yemen.

Graph 4.1 (1): Organizational Structure Development Policies



Source: OECD (2011)

Vietnam is not among the partner countries of the Netherlands. Therefore this policy process does not apply in this case. In Vietnam aid is channeled through the parties towards NGOs which implement projects. These so-called co-financing organizations (MFOs) are Oxfam

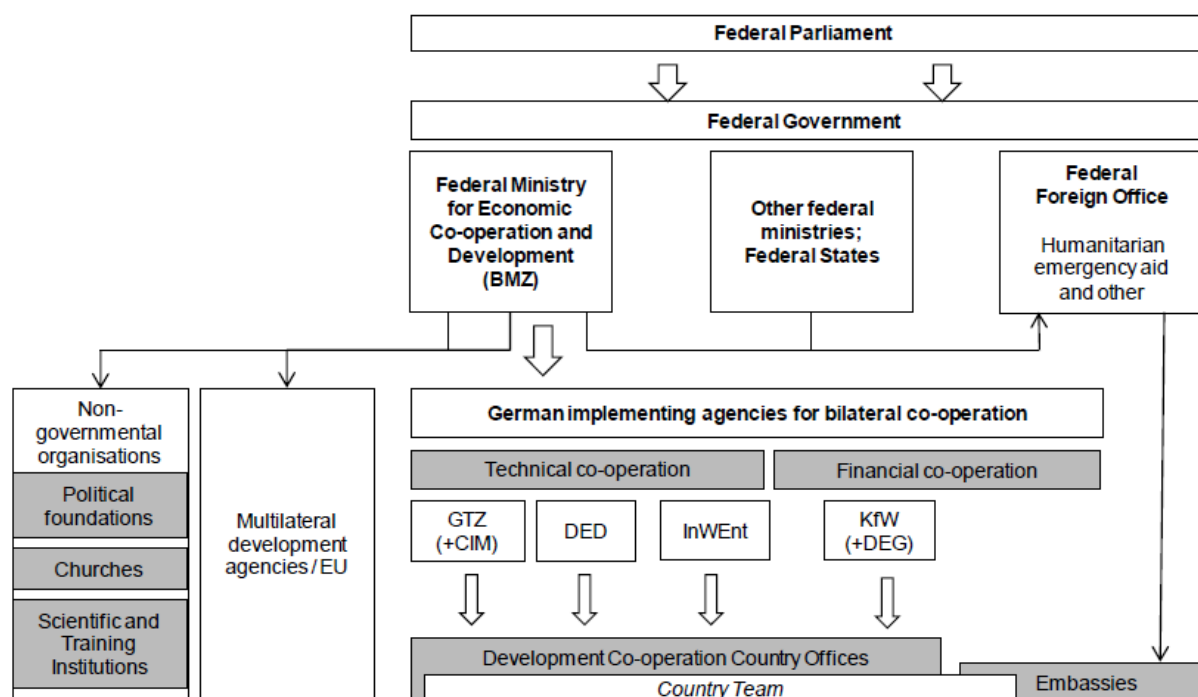
Novib, ICCO, Hivos, Cordaid, Plan Netherlands and Terre des Hommes (Source: Email Interview).

Germany. Germany's development cooperation is split between technical cooperation and financial cooperation. Germany has its own ministry for development called Bundesministerium für wirtschaftliche Zusammenarbeit und Entwicklung BMZ, the ministry for economic development and cooperation, since 1961. This ministry employs organizations that put its programs and projects into practice. The KfW development bank is the main agency responsible for financial cooperation, while the GIZ is in charge of technical cooperation.

The Gesellschaft für Internationale Zusammenarbeit GIZ (Agency for International Cooperation) takes a great part in development aid. Since 2011, it comprises the Gesellschaft für technische Zusammenarbeit GTZ (Agency for technical cooperation), Deutscher Entwicklungsdienst DED (German Development Service) and Internationale Weiterbildung und Entwicklung gemeinnützige GmbH InWEnt (International Education and Development). GIZ is a state organization and therefore supports the government in its work on development cooperation. Mainly it works for the BMZ, but also for the ministry of foreign affairs and the ministry for environment.

In the graph GTZ, DED and InWEnt are still displayed as separate agencies, because the report has been published in 2010. As already said however, the year after, those three agencies have been combined under the umbrella organization GIZ.

In general it is the case in Germany to have the strategic part of the development policy with the BMZ while the actual implementation lies with NGOs, agencies, foundations and the federal states. Thus, even though there is one single ministry officially in charge of development cooperation many external actors also get involved as they are the exercising partners.

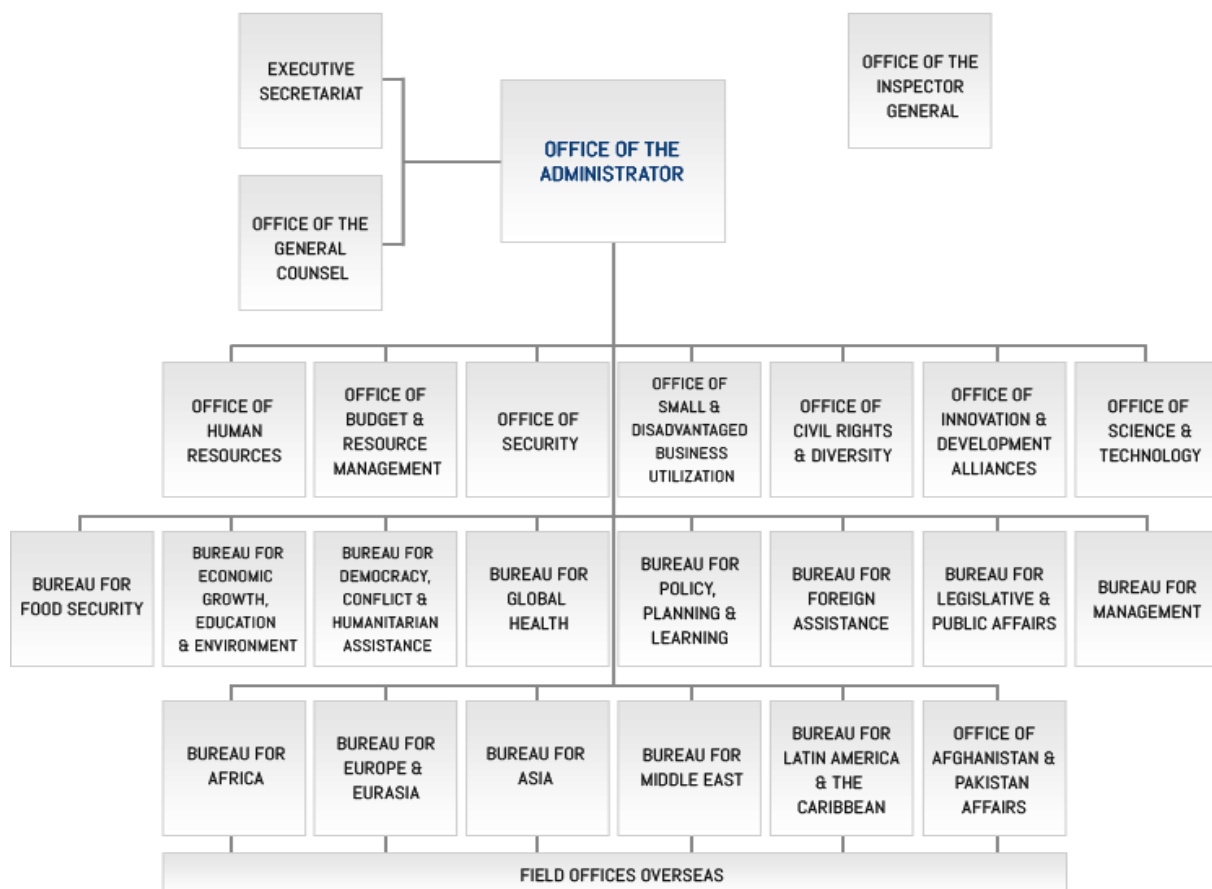
Graph 4.1 (2): Organizational Structure German development cooperation

Source: OECD (2010).

United States. The American aid system is very complex as it combines many public institutions ranging from the Department of Labor the Environmental Protection Agency. USAID is next to the State Department one of the two the main institutions for development. It is composed by 13 bureaus which are responsible for policies in their field.

Next to geographic divisions there are thematic divisions and headquarters. The bureau for Asia is split up into several offices among which the Office of East Asian Affairs is responsible for Vietnam and several other countries. In addition to those bureaus there are 12 independent offices that serve specific issues of interest, like the Office of Afghanistan and Pakistan Affairs which supports those two countries in technical matters and security in order to defeat al Qaeda. The Bureau for Policy, Planning and Learning is in charge of evaluations and, based on this, setting up new strategic plans. The Office of Budget and Resource Management gives advice on budget plans. This office prepares budget proposals which are to be approved by the State Department. An Advisory Committee on Voluntary Foreign Aid helps bringing together private initiatives for development and the government's programs.

Chart 4.1 (3): Organizational Structure USAID



Source: USAID (2013).

Next to USAID, the State Department is involved in development aid. The Secretary of State is the President's foreign policy advisor and the State Department manages a range of large funds. USAID reports to the State Department, but nevertheless USAID remains the key driver for development as it provides all resources necessary for this field.

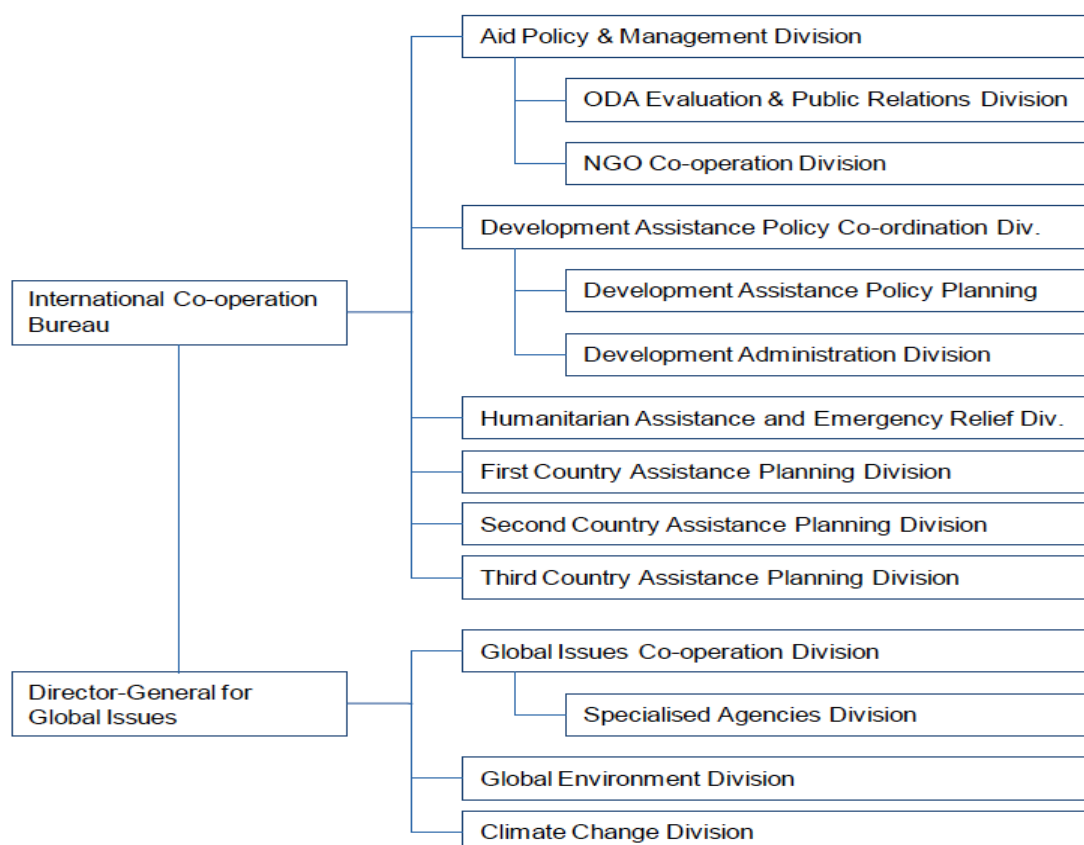
Four other departments play an ever more important role in development: the Department of Health and Human Services, the Department of Defense, the Department of Treasury, and the Millennium Challenge Corporation. As policy arenas get more interconnected, the number of actors involved also increases, which is the case in the US.

Japan. In Japan, development aid is dealt with by the Ministry of Foreign Affairs (MoFA). Only in 2008 an additional agency has been set up, the Japan International Cooperation Agency (JICA). It is comprised of a part of the former Japan Bank for International

Cooperation and a part of MoFA, with the task of managing grants, loans and technical assistance. JICA is an independent agency mainly working on administration of development aid and is related to the Ministry of Foreign Affairs through a multi-annual performance plan.

The Overseas Economic Cooperation Council supports the government in coordinating development policies between the different ministries. Next to the Ministry of Foreign Affairs, the Ministry of Finance is of crucial importance as it is responsible for Japan's role - financial contributions - to the World Bank and IMF. The Ministry of Economy, Trade and Industry gets involved in the area of public-private partnerships and the approval of loans.

Graph 4.1 (4): Organizational Structure International Cooperation Bureau



Source: OECD (2010)

As the MoFA is the main actor for development aid, it has its own International Cooperation Bureau which is in charge of development policies, policy coordination, cooperation with

NGOs, humanitarian aid and country specific approaches. It has been set up in 2006 and restructured in 2009. This restructuring is expected to support Japan in developing a more country-based approach rather than an instrument-based approach (OECD, 2010). Its main tasks are the formulation and implementation of development policies, cooperation with international organizations, collecting data and providing statistics on economic cooperation, and handling global issues on environmental sustainability. MoFA's Southeast and Southwest Asian Affairs Department is in charge of policy formulations dealing with this regions and its coordination of implementation.

Conclusion. The organizational structure of the institutions in charge of development policies, including external actors, is very complex in each country. Only the Netherlands have set up a unit which is responsible for coherence among the development policies. This Effectiveness and Quality Department deals with both, development and trade issues since they are combined under one ministry. Therefore the Netherlands are very likely to be coherent in their trade and development policies, while the other countries will probably apply a lower level of normative coherence.

4.2 Priority Sectors

Priority sectors in development play a similar role for policy coherence as the structure of the policy system does. The more sectors are dealt with, the more difficult it becomes to follow the same goal. It is true that large countries with a higher contribution to development aid usually have more priority sectors, which does not automatically imply less coherence. Therefore, the amount of sectors is not the main concern.

Rather, relevance to normative coherence occurs through the type of sectors in which is being invested. Contributions to health, governance and democracy, education or social services imply that values are indeed important in development policies. Those sectors are not directly linked to the values I identified, but nevertheless they foster the promotion of values,

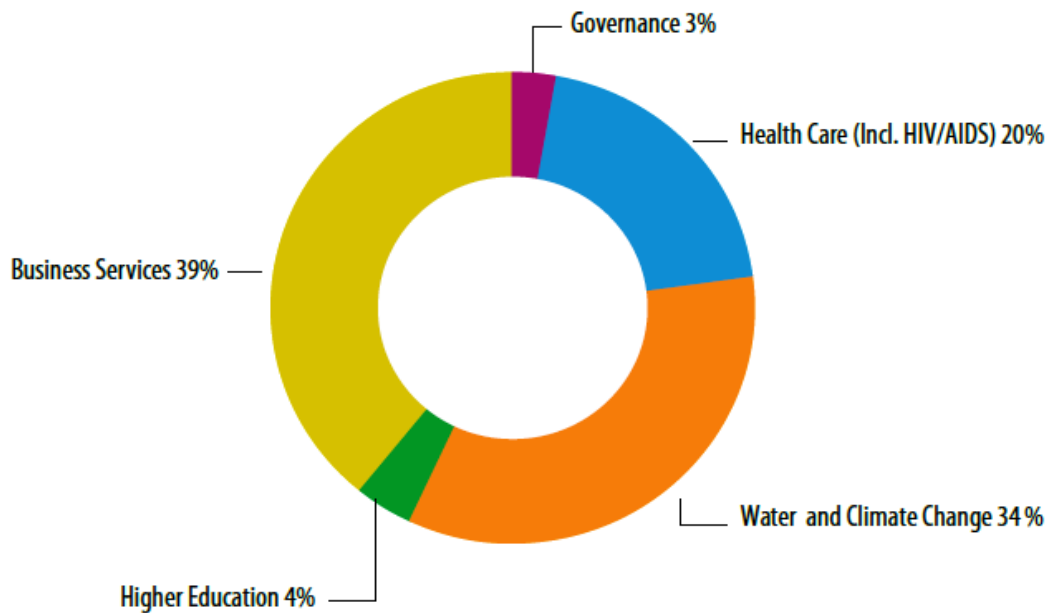
because through education, for example, citizens of the developing country can learn about more possibilities for their future, recognize themselves that the political situation in their country might not be ideal and might be willing to work on changes.

On the other hand, development aid invested in economic growth or financial sector does not indicate interests in values but rather material benefits from an improving economic situation. The lines can obviously not be drawn that clearly and I do not want to say that every country interested in economic growth does not have values, but nevertheless these priorities indicate the direction of interests and inherent level of importance of values.

Netherlands. During the period between 2008 to 2011 the priorities set by the Dutch government have been business services, water, climate change, agriculture, higher education and health care (EU, 2011). With the necessities of budget cuts and the following restructuring of the ministries, however, also the priorities had to be adapted. Under the broad goals of stability, security and promotion of human rights, "[t]he new priorities are water, food security, security and the legal order, and sexual and reproductive health and rights (SRHR, with fighting HIV/AIDS as a major component)" (Dutch Ministry of Foreign Affairs, 2011).

The graph below taken from the EU Blue Book 2011 gives an indication about the percentages of total development spending in various sectors. Due to the different approaches between the national government and the EU, in the graph the division looks a bit different than the one given by the Ministry. Nevertheless, water, health care, and security and the legal order still remain the priorities.

The largest share of Dutch development aid is given to business services. With 39% it lies clearly before water and climate change with 34% and health care with 20%. 4% are dedicated to higher education and 3% to governance.

Graph 4.2 (1): Distribution of Assistance by Sector

Source: EU (2011). EU Blue Book.

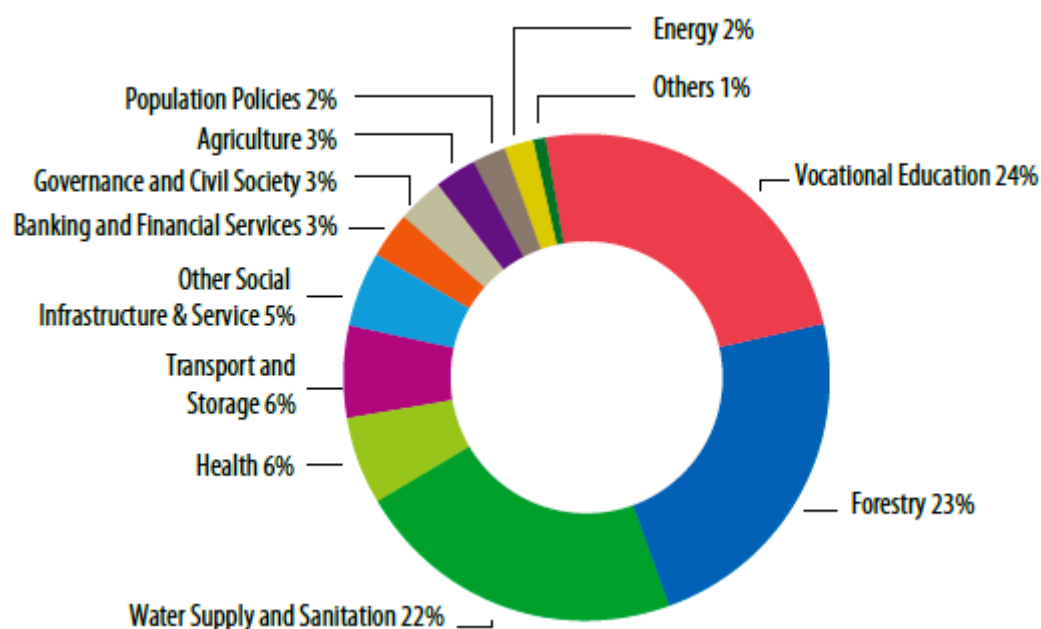
The Ministry of Foreign Affairs states that prosperity, employment, security, environment, health and freedom are the main Dutch interests which determine their action abroad. As development policies are dealt with by this ministry, these interests also apply to this policy area.

Germany. Germany's priorities lay with sustainable development with regard to political, economic, social and ecological aspects. "Die GIZ richtet ihre Arbeit am Leitbild der nachhaltigen Entwicklung aus und berücksichtigt politische, wirtschaftliche, soziale und ökologische Aspekte" (BMZ, 2012). This includes renewable energy, building partnerships, and providing access to clean drinking water (Rothermund, 2010).

In the graph below it can be seen how development aid is split between sustainable economic development, vocational training, environmental policy, natural resources, urban development and health. The sectors receiving the most aid is vocational training with 24%, forestry with 23%, and water supply and sanitation with 22%. These three sectors are clearly

the priorities as they all have a percentage of more than 20%, almost reaching 1/4 of development aid each.

Graph 4.2 (2): Distribution of Assistance by sector



Source: EU (2011). EU Blue Book.

The remaining 31% are divided among nine other sectors leaving only a relatively small share to each of them. 6% are each invested in health and in transport and storage, 5% in other social infrastructure, 3% each in banking and financial services, governance and civil society, and agriculture, 2% each in population policies and energy, and 1% in other fields.

Representing the implementation of technical cooperation, GIZ is working in a range of areas: (1) Good governance, (2) Rural development, (3) Sustainable infrastructure, (4) Security and reconstruction, (5) Social development, (6) Environment and climate change, (7) Economic development and employment, and (8) Cross-sectoral themes. Applying this division to Vietnam, the GIZ has chosen five out of these eight areas in which it is currently implementing projects and programs: (1) Governance and Democracy, (2) Sustainable infrastructure, (3) Social development, (4) Environment and climate change, and (5) Economic development and employment.

KfW on the other hand is in charge of financial cooperation. It is involved in 12 main sectors: (1) Building peace, (2) Education, (3) Energy, (4) Financial System Development, (5) Governance and decentralization, (6) Rural development, (7) Health, (8) Natural resources and rainforests, (9) Transport, (10) Urban development (11) Waste management, and (12) Water.

United States. The general areas of activities are set by the State Department, while USAID specifies certain fields as it is the implementing agency. For the financial year 2014 peace, security, stability, economic growth and poverty reduction are the targets that have been set. "With just over one percent of the federal budget, the State Department and USAID budget advances U.S. national security, protects Americans at home and abroad, opens markets overseas, fights disease, hunger and extreme poverty, creates American jobs, forges global partnerships and delivers real results for the American people" (US Department of State, 2013).

These broad guidelines are put into practice by USAID. Generally speaking, there are ten areas in which USAID acts: (1) agriculture and food security, (2) democracy, human rights and governance, (3) economic growth and trade, (4) education, (5) environment and global climate change, (6) gender equality and women's empowerment, (7) global health, (8) science, technology and innovation, (9) water and sanitation, and (10) working in crisis and conflict. Not all sectors are included in the development cooperation in Vietnam. Economic growth, HIV/AIDS prevention, education and social services are the main fields in which USAID acts in Vietnam (USAID, 2013).

Japan. Japan's priority areas of ODA are poverty reduction, sustainable growth, global issues and peace building (MoFA, 2013). Four sectors are included in poverty reduction: education, health and population, water and sanitation, and agriculture and rural development.

Sustainable growth aims at infrastructure and ICT, while global issues comprise environment, energy, and disaster reduction. Peace building deals with conflict and development.

As Japan follows a self-help strategy, the increase of human resources and building infrastructure and institutions are among its strategies (Government of Japan, 2003). In 2008, according to the OECD Peer Review 2010, 32% of the total ODA was allocated in economic infrastructure and services, where transport and energy are the two issues receiving the most support. Social infrastructure and services amounted to 22%. JICA invests in projects in the following sectors: (1) Education, (2) Health, (3) Water resources and disaster management, (4) Governance, (5) Transportation/Infrastructure, (6) Natural resources and energy, (7) Agricultural/rural development, (8) Urban/regional development, (9) environmental management, and (10) citizen participation.

Conclusion. In Germany it seems that values play a great role. The overview given by the EU, as well as the priority sectors of GIZ and KfW show that social services, education, and political involvement are important. In addition to that employment and economic development come up as well, just as it is being invested in the banking and finance sector, the majority of attention however is given to more social aspects of development.

A similar situation can be found in the Netherlands and the US. Education, health, the legal order and gender equality seem to be important fields of action.

Japan has a different approach. While it also stressed education and health, infrastructure, rural development and resource management take the leading position.

Thus, Germany, the Netherlands and the US support sectors which indicate the importance of values.

The table below summarizes all priority sectors and their relevance in Vietnam.

Table 4.2: Priority Sectors

Country	Priority Sectors	Priority Vietnam
Netherlands*	<ol style="list-style-type: none"> 1. Water and Sanitation 2. Food Security 3. Security and the Legal Order 4. Health 5. Education 6. Crisis and War 7. Gender equality 	<ol style="list-style-type: none"> 1. Water and Sanitation 2. - 3. Security and the Legal Order 4. Health 5. Education 6. - 7. Gender equality
Germany (GIZ)*	<ol style="list-style-type: none"> 1. Good Governance 2. Rural Development 3. Sustainable Infrastructure 4. Security and Reconstruction 5. Social Development 6. Environment and Climate Change 7. Economic Development and Employment 8. Cross-sectoral Themes 	<ol style="list-style-type: none"> 1. Governance and Democracy 2. - 3. Sustainable Infrastructure 4. - 5. Social Development 6. Environment and Climate Change 7. Economic Development and Employment 8. -
United States (USAID)*	<ol style="list-style-type: none"> 1. Agriculture and Food Security 2. Democracy, Human Rights and Governance 3. Economic Growth and Trade 4. Education 5. Environment and Global Climate Change 6. Gender Equality and Women's empowerment 7. Global Health 8. Science, Technology, Innovation 9. Water and Sanitation 10. Working in Crisis and Conflict 	<ol style="list-style-type: none"> 1. - 2. Democracy, Human Rights and Governance 3. Economic Growth and Trade 4. Education 5. Environment and Global Climate Change 6. - 7. Global Health 8. - 9. - 10. Working in Crisis and Conflict
Japan (JICA)*	<ol style="list-style-type: none"> 1. Education 2. Health and Population 3. Water and Sanitation 4. Agriculture and Rural Development 5. Infrastructure 6. ICT 7. Environment 8. Natural Resources and Energy 9. Disaster Reduction 10. Conflict 11. Development 12. Good Governance 	<ol style="list-style-type: none"> 1. Education 2. Health and Population 3. Water and Sanitation 4. Agriculture and Rural Development 5. Infrastructure 6. - 7. Environment 8. Natural Resources and Energy 9. - 10. - 11. Development 12. Good Governance

*an exhaustive list of currently active projects in Vietnam can be found in Appendix 2

4.3 Commitment to Development Index

The commitment to development index is a measure introduced by the Center for Global Development with the aim to "see how well countries are living up to their potential to help" (Center for Global Development, 2013). This index does not tell anything directly about policy coherence for development, but it is an indicator for a country's commitment to development cooperation. The more a country is committed to an issue, in this case development, the more it will do to support this issue also in other arenas. If commitment is low, chances are high that other policies will be either not supportive of or even counter-productive to development as development does not play a major role in this country. Normative policy coherence for development in less committed countries can, thus, be said to be of less importance and, as a result, lower than in more committed countries.

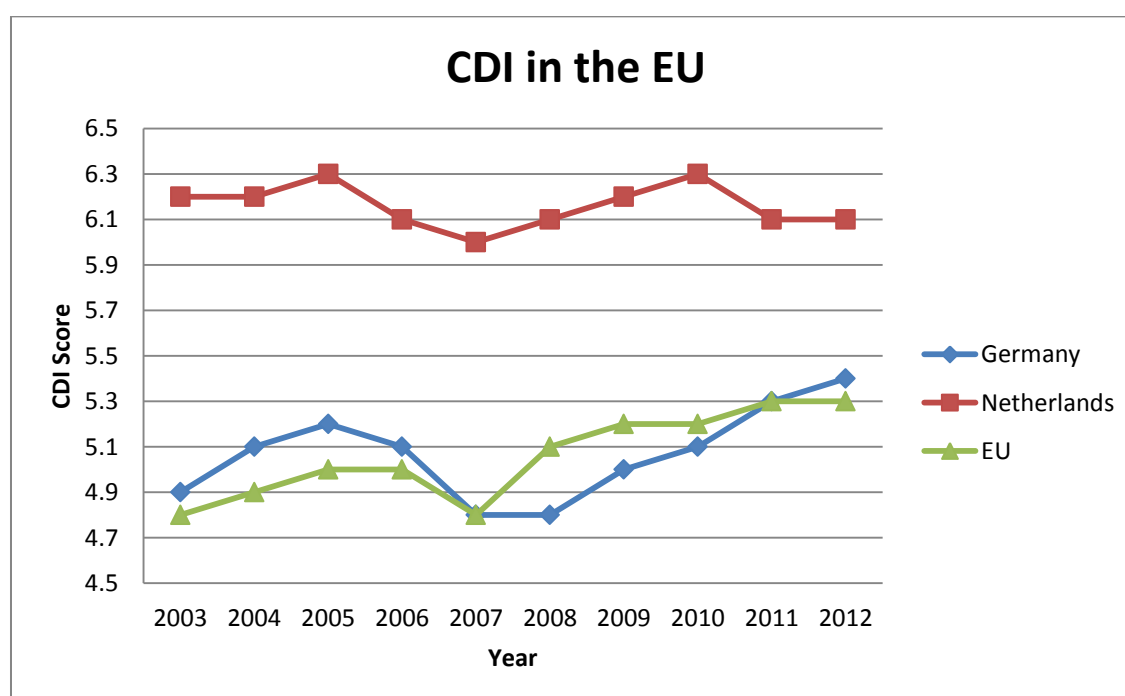
According to the Center for Global Development, seven policy areas are linked to development. For each area a score is given, which in the end results in an overall score. The higher the score, the more supportive the policies and projects are for the development of poor states. Aid, trade, investment, migration, environment, security and technology are the seven policy areas.

EU/Member States. With regard to the CDI, the Netherlands ranked 6th after Denmark, Norway, Sweden, Luxembourg and Austria in the year 2012 with a score of 6.1. In comparison to 2003, the year when the CDI has been published first, the Netherlands lost 0.1 points, having started out with a score of 6.2. Germany's score in 2012 was 5.4, which placed it on the 12th rank. An improvement of 0.5 points from 4.9 in 2003 to 5.4 in 2012 can be seen, however Germany's score still remains lower than the Dutch.

Taking a look at the overall EU score, Germany remains relatively close to it, following the general trend of an increase over the years. Both, Germany's and the EU's scores, improved between 2003 and 2006, then dropped from 5.1 and 5.0 respectively to 4.8

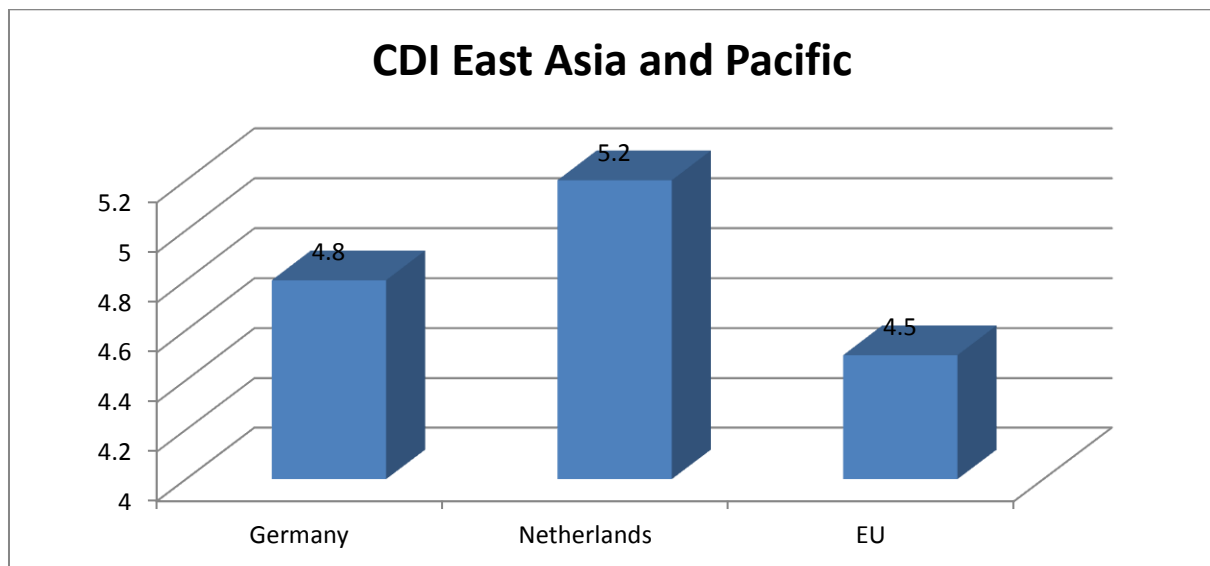
in 2007. Since then a steady increase has been visible. The Netherlands do not follow this pattern. While they also experienced an increase in the first three years with a subsequent drop in their score, they did not recover as quickly as Germany or the EU in general. After another improvement from 6.0 in 2007 to 6.3 in 2010, the score fell again to 6.1 and remained there until the last measurement in 2012. Even though this means that the Netherlands overall decreased their score instead of increasing it as Germany did, they are still far ahead of Germany with a difference of 0.7 points.

Graph 4.3 (1): CDI in the EU, Germany and the Netherlands



Data: Center for Global Development (2012)

In 2008, a regional CDI has been published for the six regions that the World Bank has defined: East Asia and Pacific, Europe and Central Asia, Latin America and Caribbean, Middle East and North Africa, South Asia and Sub-Saharan Africa. As Vietnam is part of the East Asia and Pacific region below a graph can be found describing the CDI for this area.

Graph 4.3 (2): CDI towards the East Asia and Pacific region

Data: Center for Global Development (2012)

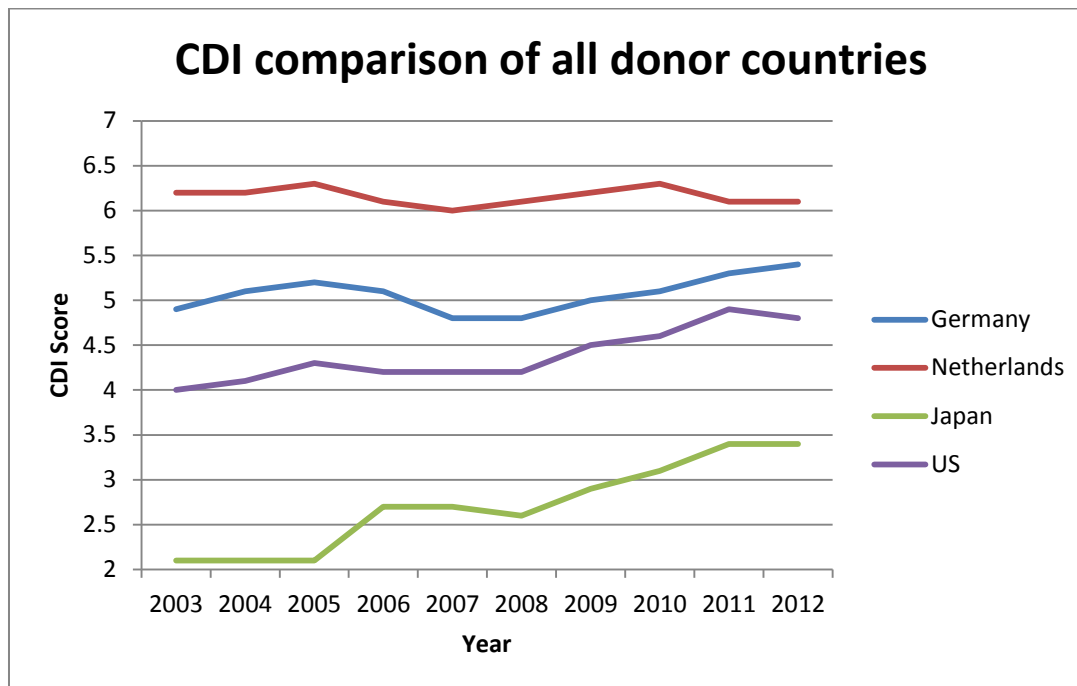
Germany scored the same values in the East Asia and Pacific region as it did in the general CDI in 2008, namely 4.8. With a score of 5.2 the Dutch CDI in East Asia and Pacific is 0.9 points lower than its overall CDI. Also the EU's score for this region is lower than when looking at the general CDI. A difference of 0.6 points can be found.

Comparison to the US and Japan. The data above already gives information about the EU member states, but a comparison to the non-European countries is necessary to see whether EU member states are actually in a better or worse position when taking the global level into consideration.

As can be seen in the graph below, the two European countries are achieving better results in the CDI than do the US and Japan. In 2012, the Netherlands reached a score of 6 and Germany a score of 5.4. The US is relatively close to Germany with 4.8 points, but Japan is far behind the other actors achieving a score of 3.4. While both non-European states improved their score over the years, they still have not met the European example. Japan started in 2003 with a CDI of 2.1, which means it increased its score within nine years about 1.3 points. The US only presents an improvement of 0.8 points. Germany's increase is even

lower showing an improvement of 0.5 points. The Netherlands' CDI even decreased over the years from 6.2 to 6.1. Despite the rather limited improvement of the European states, the non-European countries cannot reach their scores. In 2012, the US reached the level at which Germany started in 2003 and Japan still lacks behind even though its increase was the highest.

Graph 4.3 (3): CDI of all donor countries



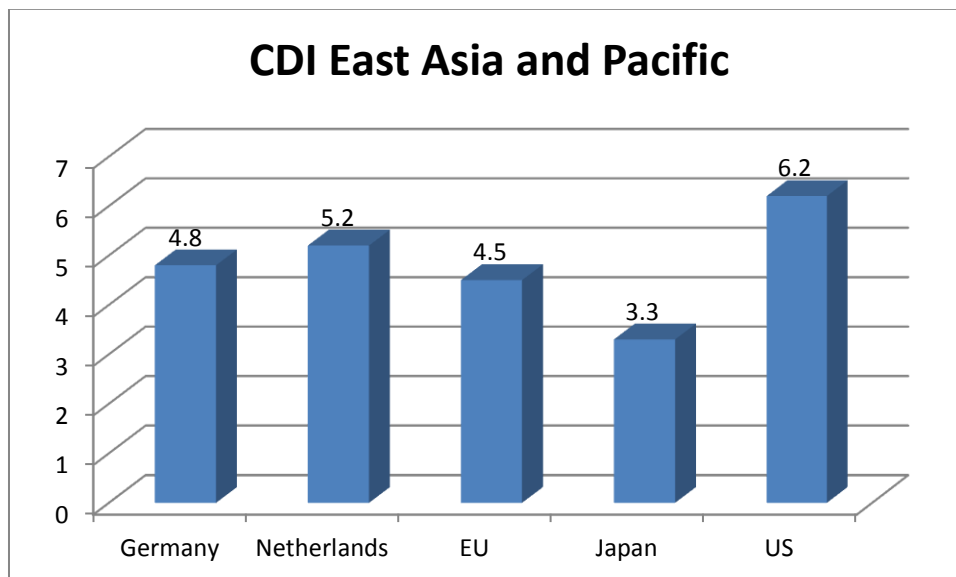
Data: Center for Global Development (2012)

Depending on which countries are compared, the degree of difference varies, but overall Japanese and American scores are lower than the Dutch and German. Taking the extreme, the difference in 2003 between the Netherlands and Japan amounts to 4.1 points. But still in 2012 a difference of 2.7 remains. Having a look at the two median countries the difference amounts to 0.9 in 2003 and 0.6 in 2012 with Germany representing the better scores.

As already said, these CDI scores are the average of all sectors and all countries taken together. To get a better picture about the CDI towards a certain region, the Center for Global Development provides data on several regions around the globe. Vietnam is grouped into the East Asia and Pacific region and taking a look at those scores, the picture changes.

The US has the highest score for this region. With 6.2 points it is one point ahead of the Netherlands, which are 0.4 points ahead of Germany. Japan, again, has the lowest score with a CDI of 3.3.

Graph 4.3 (4): CDI in the East Asia and Pacific region



Data: Center for Global Development (2012)

As a result of narrowing down the range of countries to the region under consideration, the EU member states lost some points. The Dutch score dropped from 6.1 to 5.2 and the German from 5.4 to 4.8. The CDI for the US increased from 4.8 to 6.2, which is an improvement of 1.4 points leading the US to the first rank.

To sum up, the US received the highest scores in 2012 for the CDI in the region of East Asia and the Pacific. Even though the European states are doing better on the overall CDI, the more important score for this study is the more specific one, as the focus lays on Vietnam. But since country specific scores - CDIs for one country to a developing country - are not available, the next higher level is the appropriate one, which is therefore the regional CDI. Thus, in this section the US is placed first, followed by the Netherlands, Germany and at last Japan.

4.4 European Values in Development policies

The previous section already gave indicators for the countries' potential level of normative PCD. In line with this, the actual application of values in development policies will be tested in the following. Firstly, I give examples drawn from the Netherlands and Germany as representatives of the EU, as well as direct references to EU statements. Afterwards the same is done for the US and Japan to place the EU's achievements on a global scale.

Netherlands. Having a look at the values the Netherlands promote, human rights can be said to be one of the main priorities of the Dutch Ministry of Foreign Affairs. In 2012, the Report on Human Rights has been published. In the same year the Human Rights Fund for the period 2012-2015 has been introduced. This shows the significant importance of the promotion of human rights in the Netherlands.

In addition, the Dutch government mentions human rights, as well as gender issues, to be involved in each sector of development. "De Rijksoverheid wil de Nederlandse economische positie in de wereld verbeteren, werken aan stabiliteit en veiligheid in de wereld en mensenrechten bevorderen" (Rijksoverheid, 2013). The government continues: "Bij elk van de bovenstaande speerpunten [water, voedselzekerheid, seksuele gezondheid, veiligheid en rechtsorde] speelt zo'n thema een rol. Het gaat daarbij om gender (de cultureel en sociaal bepaalde verschillen tussen mannen en vrouwen), goed bestuur, milieu en klimaat" (Rijksoverheid, 2013). It is the Dutch goal to achieve a better economic position in the global environment, improve stability and security in the world as well as support the promotion of human rights. All work that is done in the sectors of water, food security, sexual health, and security and legal order are led by the themes of gender equality, good governance, environment and climate.

To give a very concrete example, Cordaid, which is one of the MFOs, has an investment project in Vietnam. This project aims specifically at providing loans, micro credits, and insurance to women and their families in order to create more equality between

the rich and poor, but also between men and women (Cordaid, 2013). In the first place an investment projects would not be linked to values, in this case however it is being used for the promotion of the quality of life of women.

Even though there is a strong focus on human rights and gender equality, it does not mean that the other values are being left out, as the section on the EU will show.

Germany. The German government puts strong emphasis on the rule of law, gender equality and human rights. "Sie sieht in der Verwirklichung der Menschenrechte den Schlüssel zu nachhaltiger Armutsbekämpfung" (BMZ, 2013). Human rights are seen as the key to sustainable poverty eradication. The German Ministry for Economic Cooperation and Development points out the importance of human rights in development policies in particular. Human rights are the central normative foundation for development cooperation (BMZ, 2013). Already in previous years, the Ministry supported the actions taken in the area of human rights: "Das Bundesministerium für wirtschaftliche Zusammenarbeit und Entwicklung hat die Bedeutung des Themas für die deutsche Entwicklungszusammenarbeit mit den Entwicklungspolitischen Aktionsplänen für Menschenrechte 2004-2007 und 2008-2010 unterstrichen" (KfW, 2013). Along with human rights, gender equality is an issue the BMZ is concerned about. "Equal rights, equal duties, equal opportunities and equal power for women and men is one of the basic principles of German development policy. Promoting gender equality is a cross-cutting issue that touches all areas of German development cooperation" (BMZ, 2013).

The GIZ, which is responsible for the implementation of technical cooperation, identified five key areas in which it is working: Sustainable infrastructure, social development, governance and democracy, environment and climate change, and economic development and employment. Striking is the area of governance and democracy as it shows the importance of this issue. "Civil society and rule of law are strengthened and benefit

inclusive and sustainable poverty reduction. The participation of the population, in particular of marginalized groups, in decision-making processes is assured" (GIZ, 2013).

The KfW development bank which is responsible for financial cooperation lists gender issues and human rights among the main topics next to poverty reduction and employment. "Gender equality and the empowerment of women are important goals in development cooperation. Gender equality is not only a human right in itself; it is also a basic requirement for sustainable economic and social development" (KfW, 2013). Having a closer look at the KfW's projects it becomes clear that also other values are always involved. The following quotes demonstrate this.

"Nowadays, we are aware that a politically stable state, free from despotism and corruption, with an efficient administration, the rule of law and democratic decision-making processes, is the essential foundation for lasting improvement in the living conditions in developing countries" (KfW, 2013).

"The projects and programs implemented by KfW [development bank] in the field of good governance are concerned primarily with decentralization and promoting the rule of law" (KfW, 2013).

"[...] KfW [development bank] is placing increasing emphasis on the provision of further education, whether through vocational training or in universities; because every country needs highly skilled personnel for its economic and social development. Education also provides better opportunities for political involvement and the development of democratic structures" (KfW, 2013).

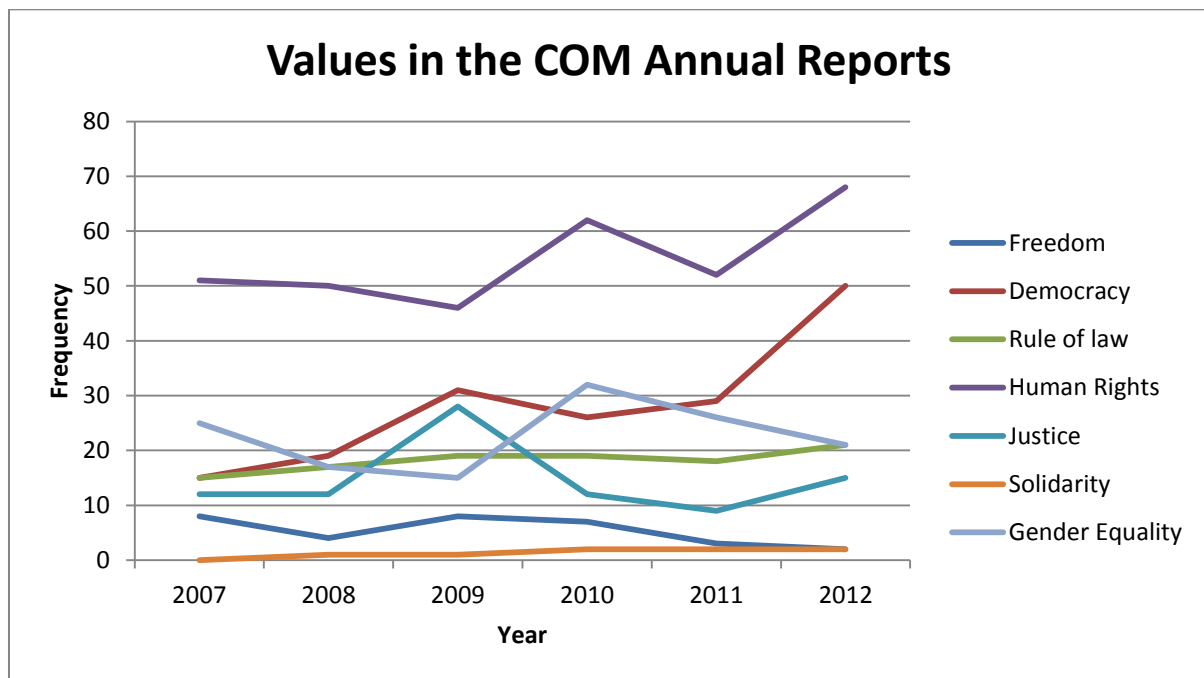
Even in a project that does not have obvious relations to values some values are applied nevertheless. The Reafforestation Program in Vietnam is one of these cases. Although it is not officially stated that this program is based on the values laid out above, the following

statement still shows that gender equality is respected even in a program for forest management: "The inhabitants concerned, *including the women*, are involved in the planning, the selection of plots and the distribution of the profits. [...] Because the farmers are involved from the outset, *and women, too*, are able to articulate their specific needs, the projects are able to make 'participation' a living reality" (KfW, 2013, italics added). The specific emphasis on women and the necessity to point out the inclusion of women in this project shows how important gender equality is, because an equal treatment between men and women cannot yet be assumed in Vietnam.

All in all, the German focus with regard to values lies on human rights, gender equality and the rule of law. But as is also the case in the Netherlands, these are not the only values that play a role since the EU provides guidelines for development cooperation that include more values. This is shown in the following section.

EU. Taking the EU as a whole, the two values human rights and democracy seem of specific importance. Human rights have always been a major concern of the EU and since 2009 also democracy became a big issue in development aid.

To give a quantitative overview I calculated the frequency of each value in the Commission's annual reports on development assistance. Human rights, democracy and the rule of law are three values that show up increasingly. Gender equality was a big issue in the 2010 report after its drop in 2009. With this values one gets the impression that this issue experiences a different degree of importance every year. The frequency for justice is also fluctuating. In 2009, the year when human rights and gender equality had their lowest points, justice reached a peak.

Graph 4.4 (1): Values in the Commission's annual reports on development assistance

Except for solidarity, which has not been mentioned in the 2007 report, all values are referred to over the years. The frequency changes, but nevertheless each of these values plays a role in development aid. A few examples below also demonstrate this position.

"Fostering democracy, respect for human rights, good governance and the rule of law have remained significant issues for the Union" (COM, 2007, p. 71).

"Specific policy developments as well as concrete international commitments in the field of development have led to the establishment of thematic programs. These programs provide the Commission with an instrument to make a distinct contribution in areas such as environment, fighting AIDS or promoting democracy and human rights, in complementarity with country and regional programs" (COM, 2007, p. 86).

"The Commission has redoubled efforts to advance the gender equality MDG" (COM, 2010, p. 9).

"The Commission is committed to mainstreaming certain crosscutting issues as agreed on the European Consensus on Development. They include the promotion of human rights, gender equality, democracy, good governance, children's rights and the rights of indigenous peoples, environmental sustainability and combating HIV/AIDS" (COM 2010, p. 22)

"The objective of the new MFF [Multiannual Financial Framework] is to enable the EU to speak with one voice and meet its development and enlargement objectives: promoting democracy, peace, solidarity, stability and prosperity and poverty reduction – both at global level and in its immediate neighborhood – and also helps safeguard global public goods" (COM, 2012, p. 30).

The European Instrument for Democracy and Human Rights initiated in 2006 complements European development policies. Many references are made to it throughout the annual reports and thus I will shortly outline this tool. The EIDHR has a budget of €1,104 billion for the period 2007-2013 which is used for projects, programs, grants, providing resources, and public contracts. Even though it aims at financing projects in countries where no official development cooperation exists - thus, excluding Vietnam - it still shows that values are even important in less regulated development relations.

To sum up, it can be seen that the EU promotes all values. Some values are being emphasized more than others, but overall each of the seven values plays a role in development aid.

United States. A clear statement on USAID's tasks is given on its website. Next to the main sectors of development, among which are also democracy, human rights and gender equality, a paragraph on the actual goals is what catches the eye of the reader. This paragraph states:

"Our assistance develops the markets of the future; long-time aid recipients have become strong trade partners and are the fastest growing markets for American goods. USAID is developing partnerships with countries committed to enabling the private sector investment

that is the basis of sustained economic growth to open new markets for American goods, promote trade overseas, and create jobs here at home" (USAID, 2013)

Even though human rights, democracy and gender equality are included in the main fields of action, this does not play a crucial role in actual development cooperation. Job creation for US citizens is the major concern here.

When having a look at two other institutions, this picture changes a bit. The two values that then seem to be of importance in US development cooperation are the rule of law and justice. On the US Embassy's website it is stated that "[a]ccelerating Vietnam's transformation to a more democratic, better governed, and market-based economy is a priority for the United States. U.S. assistance will strengthen the rule of law and judicial independence, and promote a more vibrant civil society" (Embassy of the US, 2013). This has also been reinforced by the US Foreign Assistance Resources Department: "U.S. assistance in Vietnam will focus on consolidating gains to ensure sustainable economic development and on promoting good governance and the rule of law" (Foreign Assistance, 2013).

Under USAID, a financial plan for 2013 of the Bureau of East Asian and Pacific Affairs has been published by the Secretary of State. This plan lays down the plans for this region in the area of development.

In addition to that, US Foreign Assistance published a performance evaluation about Vietnam and the East Asia - Pacific region for the year 2009. In both documents only very little reference to values can be found. The table below gives an overview. The basis for development assistance is the Foreign Assistance Act from 1961. Although it is a bit outdated, I decided to include it in this evaluation since it is a very important act for the US development policies.

The only value that is consistently mentioned is respect for human rights. Freedom, justice, solidarity and gender equality are left out both in the performance evaluation as well

as in the current financial plan. The rule of law, which is supposedly an important value according to the US Embassy and US Foreign Assistance, only occurs twice. The oldest document, namely the Foreign Assistance Act, includes the most values. Only solidarity and gender equality are not mentioned in the Act. In current documents however references to values are limited.

Table 4.4: Values in US development policies

Document	Freedom	Democracy	Rule of law	Human Rights	Justice	Solidarity	Gender equality
Foreign Assistance Act 1961	yes	yes	yes	yes	yes	-	-
Performance 2009 - Vietnam	-	-	yes	yes	-	-	-
Performance 2009 - East Asia and Pacific	-	yes	-	yes	-	-	-
Financial Plan 2013	-	yes	-	yes	-	-	-

I would to demonstrate the rather low level of importance of values in US development aid on two concrete examples in Vietnam. The first example is gender equality. As already said above, gender equality is one of the ten main sectors that USAID works on. Assuming that the sector division reflects the US' interests and priorities, it is, thus, surprising that there is no single project in Vietnam dedicated to this issue. The second example is the sector on democracy and human rights which is also one of the key sectors for USAID. Two projects have been initiated in Vietnam in 2011 and 2012 in the sector of human rights and democracy which are currently active. A list of all active projects in all ten sectors in Vietnam can be found in Appendix 2.

The Human Anti-Trafficking Project is a five-year project which has been started in October 2008 by the UN in four out of seven regions in Vietnam. Since 2011, USAID supports this program actively. A total budget of US \$900,000 is available for putting it into

practice. Under this project USAID supports the prosecution of traffickers, the improvement of a legal system and relevant policies, training of judges and raising awareness.

The Program of Comprehensive and Integrated Support for People with Disabilities is a three-year project launched in October 2012 with a total budget of US \$5.2 million. As stated by USAID, the Project's main focus "is to comprehensively address the needs and improve the lives of persons with disabilities (PWDs) by building a case management system that will enable them to access an improved array of specialized services, building upon USAID's twenty years of experience working to support PWDs." (USAID, 2012).

Even though both projects have been launched under the idea of human rights and democracy, the actual target has not exactly been met. Human trafficking clearly falls in this category, but the integration of people with disabilities could also be a project established under the health category. This leaves one specific project for a whole sector on democracy, human rights, and governance which is implemented in only four regions in Vietnam.

As these examples show, while there is superficial attention given to some values in official documents and on the USAID website, in practice this attention can only be found to a very limited extent.

To sum up the situation in the US, the importance of values in development cooperation is very low. The rule of law, justice, human rights and democracy are mentioned occasionally, but the main goal of development aid remains to be economic growth for the benefit of US trade relations.

Japan. On the website of the Japanese Ministry of Foreign Affairs MoFA, a section on human rights can be found. In this section it is listed what the UN is doing to promote human rights and Japan's support of those activities is stated. The quote below demonstrates quite clearly that the UN is the main initiator of human rights programs and Japan takes the role of a following member.

"The promotion and protection of all human rights is among the main objectives of the United Nations. The United Nations has established organizations such as the Commission on Human Rights to deal with human rights, drafted various human rights instruments, encouraged states to conclude them, adopted resolutions requesting that states should improve their human rights situations, and organized a number of worldwide conferences. In June 1993, the World Conference on Human Rights adopted the Vienna Declaration and Program of Action, which has had a large impact on activities in the field of human rights. The post of the United Nations High Commissioner for Human Rights was created in 1993, and Mary Robinson, a former President of Ireland, was appointed as the second High Commissioner in June 1997. She has been active in coordinating relevant UN activities and international cooperation since she assumed office. Japan firmly supports the High Commissioner's activities, including human rights field operations, advisory services, and technical assistance" (MoFA, 2013).

This statement is generally applicable for all UN policies, also applying to development policies. However, following this position, the ministry also points out that "[w]hen any improvement in human rights situations or any trace of democratization is recognized, Japan helps these changes through aid. On the contrary, when the situation is clearly accusable, Japan reviews its ODA projects to the country concerned" (MoFA, 2013). Withholding aid when the country violates human rights or providing support if positive changes are noticed is a sign that some European values play a role in development, however the effort to promote these is rather limited.

Taking a look at the 2012 country assistance policy for Vietnam, no values are mentioned. The focus of development assistance lies on economic growth, competitiveness and good governance. Poverty reduction, social security and a better health care system are also included as they help promoting economic growth (MoFA, 2013). Even though

democratization and human rights are two goals which Japan pursues according to its Official Development Assistance (ODA) charter, the precise policies towards Vietnam do not include any values. In the Japanese ODA charter from 2003 it is pointed out that "[p]reventing conflicts and terrorism, and efforts to build peace, as well as efforts to foster democratization, and to protect human rights and the dignity of individuals have become major issues inherent to the stability and development of the international community. Japan, as one of the world's leading nations, is determined to make best use of ODA to take the initiative in addressing these issues" (Government of Japan, 2003, p. 1). In practice though this does not take place. While the assistance policy to Vietnam already showed this, also the annual report on Japan's ODA evaluation 2012 supports that practical lack of values. Only solidarity between Japan and other countries is named. An evaluation for assistance for gender equality is to be published in the future.

Also the OECD confirms the lack of coherence within the Japanese policies. In the 2010 peer review it is pointed out that peace building is Japan's priority, but that actual investment in this field remains very low. Even though peace building is not a value directly connected with this study, the Japanese government stated that democracy and the respect for human rights is necessary for the creation of peace. Thus when investment in peace is low, this implies that investment in the area of European values is low as well.

Detailed information on projects cannot be found in English language. The long list of projects undertaken in Vietnam however also indicates that values are not of great importance. Many projects deal with infrastructure, like the Hanoi ring road No3 construction or the Noi Bai International Airport terminal 2 construction. Education and social issues also come up, but most projects are technical projects. A full overview of all currently ongoing projects in Vietnam can be found in Appendix 2.

Comparison. The EU indeed promotes its values also in development policies and not only in internal matters. From the graph above it is visible that human rights and democracy are the two most important values for the EU.

Democracy and human rights also seem to be important in Japan's development cooperation. Many references are made to the UN standards and Japan's support of these. However, active promotion of values can hardly be found. Participation in UN organized projects and events, or the raise of financial contributions are the activities that MoFA points out, but an own initiative is mostly lacking. Even though human rights and democracy are also included in the Japan's Official Development Assistance Charter, those cannot be found in the actual implementation of development policies and programs.

Even though the US has the best scores in CDI for the East Asia and Pacific region, there is only a limited number of values included in their development actions. The rule of law and justice are being pointed out.

Table 4.5: Values in development cooperation

Country	Netherlands		Germany		US		Japan	
	Official Docs.	Actual Impl.	Official Docs.	Actual Impl.	Official Docs.	Actual Impl.	Official Docs.	Actual Impl.
Democracy	-	-	yes	-	-	-	yes	-
Freedom	-	-	-	-	-	-	-	-
Rule of law	-	-	-	yes	yes	-	-	-
Human Rights	yes	yes	yes	yes	-	-	yes	-
Justice	-	-	-	-	yes	-	-	-
Solidarity	-	-	-	-	-	-	-	-
Gender Equality	yes	yes	yes	yes	-	-	-	-
	2	2	3	3	2	0	2	0

4.5 Conclusion

This chapter showed how different the four donor countries are in their approach to development and the application of values in development policies. While Germany and the Netherlands do not support EU values as actively as had been expected, their actions still follow EU guidelines which include those values. In contrast, the US and Japan have the

highest interests in economic development which results in little references to values and no application on the implementation level. The US' achievement might come as a surprise as its CDI score towards East Asia is even higher than the European scores. This however does only imply higher coherence between the sectors and not a higher involvement in the promotion of values. Whether coherence between development and trade exists will be examined in the next chapter.

Japan does not mention values very often and does not have a high CDI score either. Normative policy coherence can therefore not be found in Japanese development policies. Even if it was the case in trade policies, thus even if Japan applied values in this field, this would not be coherent with their actions in development. It could be argued that it is coherent to not apply values at all, which is strictly speaking true, however normative PCD is about the application of values. Without any involvement of values there is no normative aspect to be found and therefore no normative PCD.

5. Trade policies

Analyzing policy coherence implies that at least one other policy field next to development is being reviewed and the actions in both areas compared with regard to the support of development aid. In this chapter the application of values in the countries' trade policies is examined. Trade policies are a major concern for PCD as they often include actions which hamper development. In case development policies aim at the construction of factories producing electronics, employees are trained and managers educated; those actions have the goal of fostering that country's economic growth as the country can sell these products in the markets of developed countries. Trade policies however may set restrictions on imports such as tariff barriers or quantitative restrictions which do not allow the developing country to sell the products abroad because it is not able to afford those fees.

Thus, while a donor country's development policies try to help a third country in creating its own goods, the trade policies of the exact same donor country might pose restrictions on trade which leaves the developing country with a large number of products it cannot sell. In the following I will therefore show the trade relations of the EU, US and Japan with Vietnam, and also analyze their application of values in trade policies as we are dealing here with normative coherence.

In the first section I share some light on the organizational structure of trade policies in the countries providing development aid. In section two I show the trade relations between the cases of this study and have a look at the tariffs and the protection of the market as an indicator about the countries' openness to foreign goods. Following this, the third section provides information on the commitment to development index specified on trade. The CDI provided in the previous section is the general index. Trade is one of the components of this index and this specification has been provided by the Center for Global Development for the years 2003-2012. Section four is dedicated to European values in trade policies. After having gotten a good insight into trade policies, in this sub-section it is analyzed whether the four

donor countries also apply the values promoted in their development policies in their trade policies. A comparison and concluding remarks are given in the fifth and last section.

5.1 Organizational Structure in the Donor Countries

As already explained in the section on organizational structure in development policies, the political system of a country is crucial to policy coherence. The more actors are involved the harder it is to be coherent. Although the organizational structure in trade policies does not directly affect development policies, indirectly it does. In order to achieve policy coherence, all actors involved need to work together in the sense of exchanging information and cooperating on issues. If coherence between development policies and trade policies are to be achieved, the actors from those two areas need to establish a common ground. Again, this becomes more difficult with an increasing number of actors. Each stakeholder pursues his own interests, which means that the variety of interests becomes larger when more actors are involved. Finding common ground is rather complicated under those circumstances.

A clearly structured system with already existing mechanisms of cooperation and exchange will foster policy coherence much more than does a fragmented non-interactive system. I will therefore give an overview of the organizational structure of the four donor countries as also done before. Although the EU is the main actor in trade policies, I want to show the national structure of the member states, because negotiations take place on all levels. The EU is the final decision-maker, but the process going on before includes national governments, companies, NGOs, regional governments and other agencies.

EU/Member States. In the Netherlands trade and development are dealt with by the same ministry, the Ministry for Foreign Affairs. Next to the Minister of Foreign Affairs the Minister for Foreign Trade and Development Cooperation plays a role. As already mentioned in the development section above, a special department within the ministry is devoted to coordinate policies on human rights, good governance, conflict resolutions and gender

equality. This interactive system implies a high level of coherence between trade and development policies.

German trade relations are dealt with by three different pillars. Firstly, embassies and consulates are the representatives in countries with which Germany has diplomatic relations. Secondly, German foreign chamber of commerce, delegations and representatives of the German economy are involved in trade issues. The last pillar is the Germany Trade and Invest mbH. These three institutions support German enterprises in establishing their businesses abroad with the purpose of increasing exports. In addition, trade unions and associations, like the East Asian Association representing regions worldwide, are involved in policy making internally. In contrast to the Netherlands, Germany has a very complex system. Many actors are involved on several levels which leads to the conclusion that German policies are very likely to be incoherent.

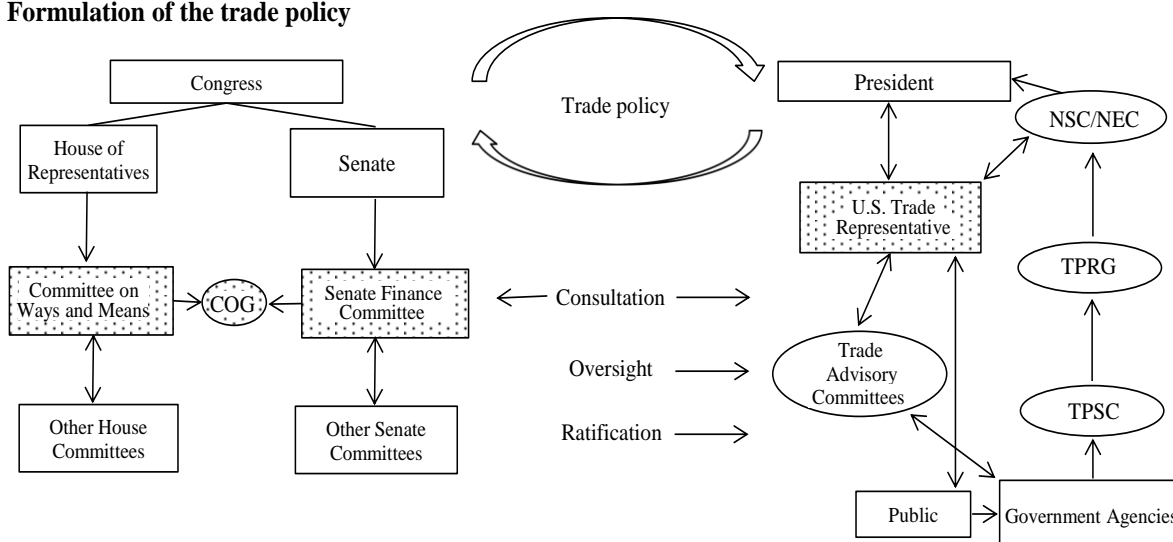
As members of the EU however, both countries are bound to follow agreements, targets, guidelines or any other measures in the area of trade that are being decided on at EU level. In 1992 the textile trade agreement has been signed by Vietnam and the European Community. Three years later the EU granted Vietnam the most favored nation status. Another agreement, the Framework and Cooperation Agreement (FCA), laid down that also Vietnam will lift some restrictions to EU trade and created the basis for mutual trade. This agreement came into force in June 1996. At the end of year 2004 the Market Access Agreement has been signed by the two parties which lifted all quantitative restrictions for textiles from Vietnam starting from January 2005. In June 2012 the EU-Vietnam Partnership and Cooperation Agreement (PCA) has been signed replacing the 1996 Framework Cooperation Agreement.

United States. Many actors are involved in the creation and implementation of US trade policies. The Office of the US Trade Representative (USTR) is the main body which develops

and coordinates trade and investment policies, but also negotiates with other countries. The head of the office is the US Trade Representative, who is a member of the cabinet as well as the President's advisor, negotiator and spokesperson. Two consultancy groups are involved in the policy process: the Trade Policy Review Group (TPRG) and the Trade Policy Staff Committee (TPSC). Both help developing government positions with regard to international trade and related issues such as investment.

Chart 5.2 (1): Trade policy formulation

Formulation of the trade policy



Source: WTO (2012)

The USTR works closely with the Congress through consultations and briefings for Members of the Congress and other committees. Consultations take place with the two Congressional committees on international trade - the House on Ways and Means Committee and the Senate Finance Committee -, the Leadership Offices of the Senate, and the Leadership Offices of the House. Briefings are meant for other Congressional offices, committees and individuals.

A private trade policy advisory committee has been set up to provide the Congress with "information and advice with respect to U.S. negotiating objectives and bargaining positions before entering into trade agreements, on the operation of any trade agreement once entered into, and on other matters arising in connection with the development,

implementation, and administration of U.S. trade policy" (USTR, 2013). It consists of 28 committees, the President's advisory Committee on Trade Policy and Negotiations, five on policy advice and 22 on technical advice, each drafting a report on proposed trade agreements for the US Administration and the Congress (see WTO, 2012).

The US International Trade Commission (USITC) is an independent agency investigating trade matters, such as infringements or subsidies, and reporting these to the USTR. It also gathers data and information on trade when necessary to provide it to the policy makers. "The mission of the Commission is to (1) administer U.S. trade remedy laws within its mandate in a fair and objective manner; (2) provide the President, USTR, and Congress with independent analysis, information, and support on matters of tariffs, international trade, and U.S. competitiveness; and (3) maintain the Harmonized Tariff Schedule of the United States (HTS)" (USITC, 2013).

Coherence in the American system can only be found on the highest level in the form of information exchange. Many actors are involved which make policy coherence rather difficult. By keeping each other informed, however, the Congress and the USTR can create at least a minimum level of coherence.

Japan. In Japan the Ministry of Economy, Trade and Industry (METI) is in charge of trade policies. It comprises six bureaus supervising different policy areas: Economic and Industrial Policy Bureau, Trade Policy Bureau, Trade and Economic Cooperation Bureau, Industrial Science and Technology Policy and Environment Bureau, Manufacturing Industries Bureau, and Commerce and Information Policy Bureau. Next to these bureaus there are three agencies, which are the Agency for Natural Resources and Energy, the Japan Patent Office, and the Small and Medium Enterprise Agency.

The Trade Policy Bureau is split into eight policy divisions: (1) Trade Policy Division, (2) International Economic Affairs Division, (3) Economic Partnership Division, (4)

Americas Division, (5) Europe Division, (6) Middle East and Africa Division, (7) Asia and Pacific Division, and (8) Northeast Asia Division. Within the Trade Policy Bureau also a Multilateral Trade System Department has been set up. The Trade and Economic Cooperation Bureau is divided into five divisions. The first is the Trade and Investment Facilitation Division, the second the Trade Finance and Economic Cooperation Division, the third the Financial Cooperation Division, the fourth the Technical Cooperation Division and the fifth and final the Trade Insurance Division. In this bureau the Trade Control Department has been set up which has a Trade Control Division, Trade Licensing Division, Security Export Control Policy Division, and Security Export Licensing Division.

From the ten Councils which deal with economic, trade and industrial issues, the Export and Import Transaction Council is involved in trade related issues. Furthermore, independent administrative agencies are involved in the trade policy process.

The Japanese system comprises a wide range of actors which are working independently of each other. There is no mechanism of communication or coordination. Achieving policy coherence is not very likely under these conditions.

Conclusion. As can be seen, in all four countries a large variety of actors is involved in the policy process, which can make proper policy coordination and the resulting coherence very difficult. Only the Netherlands have trade and development issues combined under one ministry. In addition, they also have a unit which is explicitly in charge of policy coherence. The US created a link between the Congress and USTR by holding regular meetings and consultations. In contrast to this, Germany and Japan do not have any measure to coordinate policies and create communication between the different ministries. Within the ministries or, generally speaking, the trade systems many divisions, sub-divisions, agencies or other actors have a say in trade policies. This large number of actors makes normative policy coherence highly unlikely.

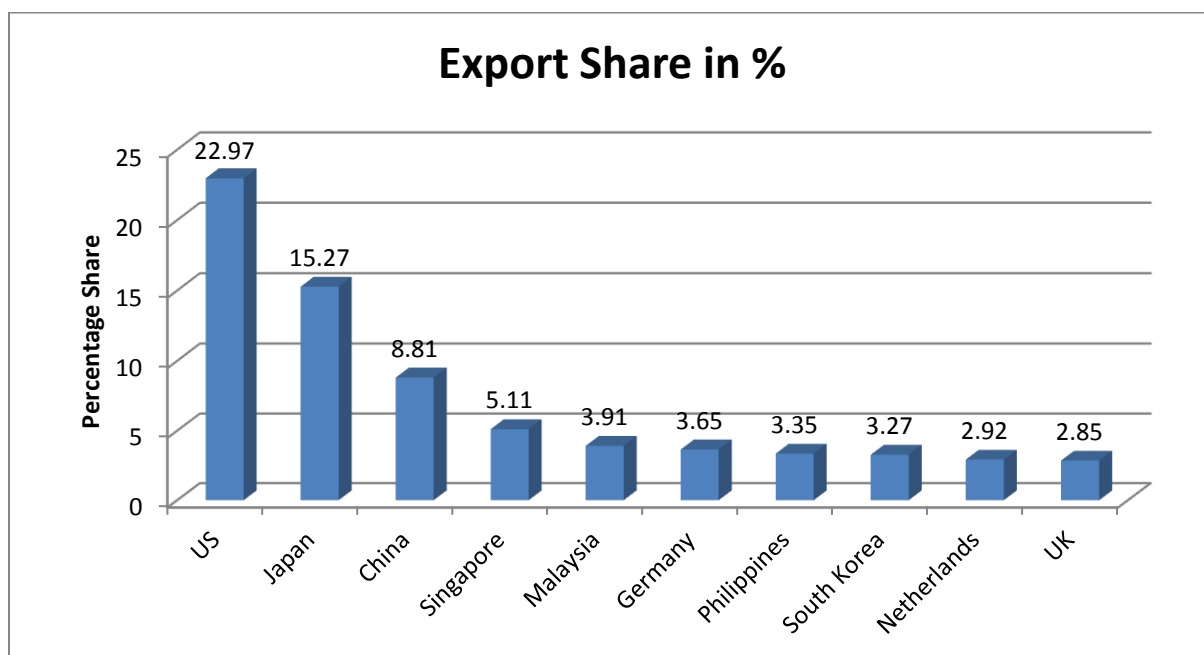
5.2 Trade relations and barriers to trade

Introducing trade relations between the donor countries and Vietnam is important because this shows how serious a country is interested in Vietnam's economic development. Economic development is beneficial for the donor country as long as the developing country does not become a major competitor in a field. With trade that means that a developing country often can produce goods cheaper than a developed country can, because labor is less expensive. If those products can access the market in the donor country without any barriers, they will be sold cheaper than the ones produced in the home country. This can pose a threat to the donor country's economy and is therefore often tried to be avoided. Implementing those measures can be incoherent with development policies. In the rest of this section those trade relations will shortly be demonstrated.

Vietnam. Vietnam's trade relations mainly focus on its neighboring countries and the US. Vietnam's major export partners are the United States, Japan, China, Australia and Singapore. Imports are coming from China, South Korea, Taiwan, Thailand and Singapore primarily (see Trading Economics, 2012). In 2008, the US share for Vietnamese exports was 22.97% , followed by Japan with 15.27% and China on rank three with 8.81%. Those three countries taken together comprised almost half of Vietnam's exports. With regard to Europe, Germany was the first EU member state on rank six of the export overview with a share of 3.65% and the Netherlands followed on rank 9 with 2.92%.

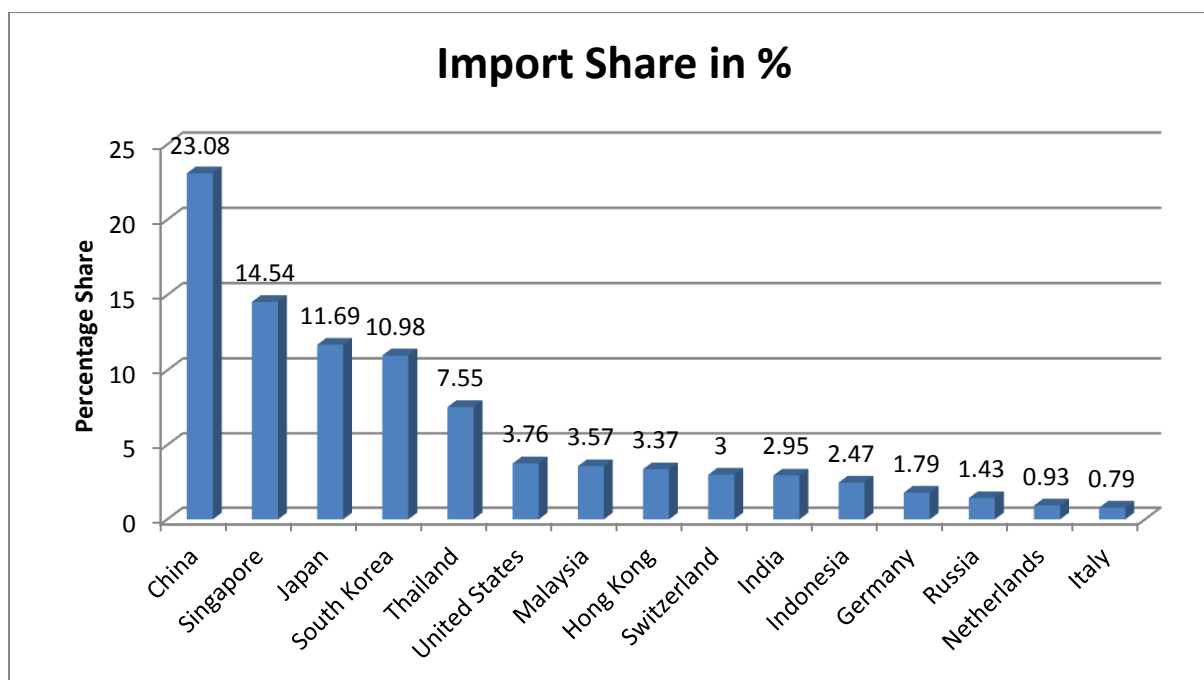
With regard to Vietnamese imports, China was the major trading partner in 2008 with a share of 23.08% representing almost 1/4 of Vietnam's entire imports. China is followed by Singapore with 14.54% and Japan with 11.69%. The first European country was Switzerland on rank nine with 3%. Germany was again the first EU member state with a share of 1.79% placing it on rank 12.

Graph 5.1 (1): Vietnam Exports



Data: The Brigat.com (2013)

Graph 5.2 (2): Vietnam Imports

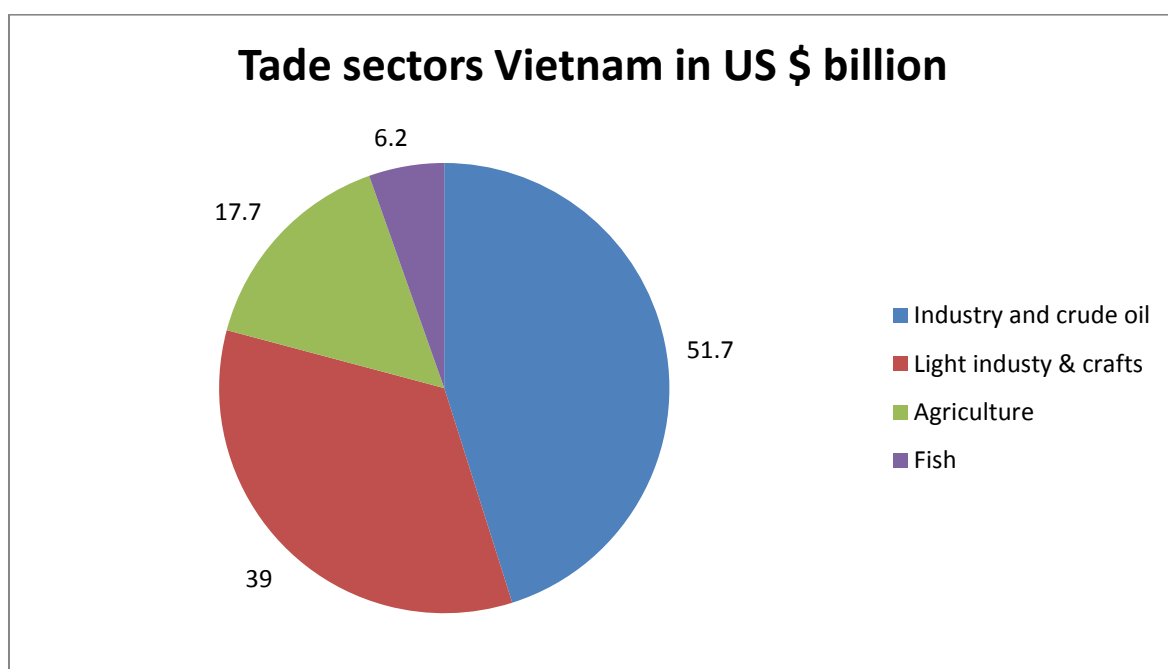


Data: The Brigat.com (2013)

The Netherlands and Italy were close behind on ranks 14 and 15 with 0.93% and 0.79% respectively.

Vietnam's export is mainly based on crude oil, textiles, seafood, rice, electronics, computers and rubber, whereas the imports are machinery tools and parts, petroleum, steel, fabrics, and plastic. In 2012, the Vietnamese main export sectors were industrial products, both heavy and light industry, crude oil, crafts, agricultural products like rice, coffee and spices, and fish.

Graph 5.2 (3): Vietnam Trade Sectors



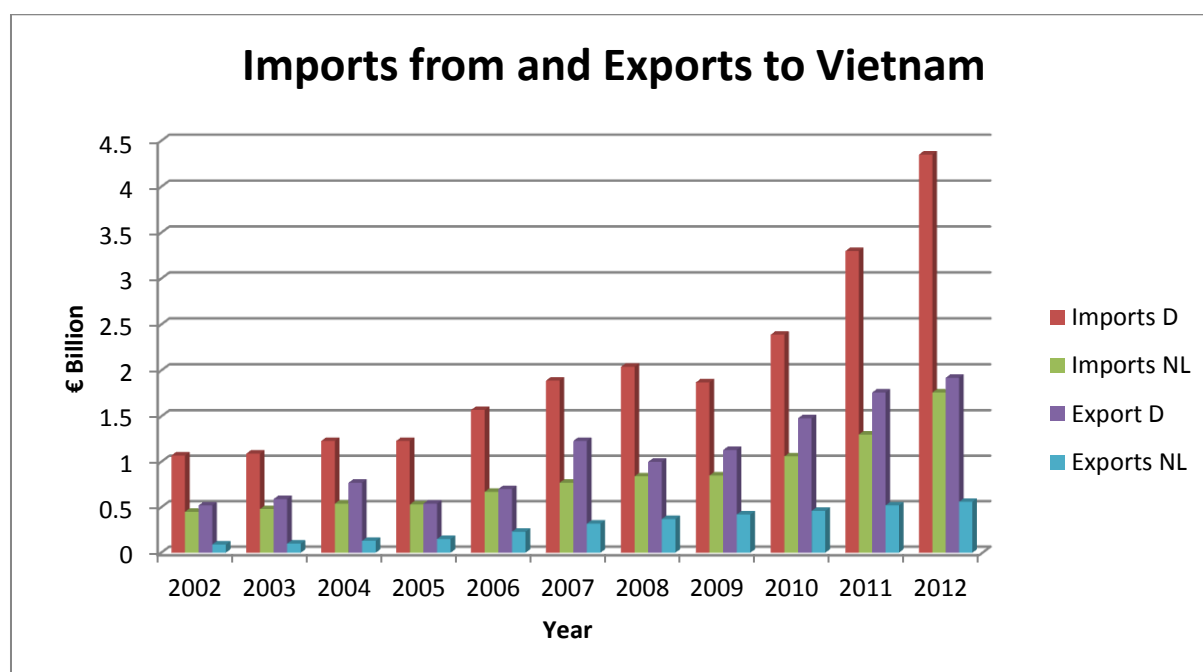
Data: Auswärtiges Amt (2013)

Out of US \$114.6 billion, heavy industry and raw oil amounted to almost one half. The second biggest sector was light industry like textiles and shoes and crafting products with almost one third of the total. Agricultural products took the third rank with US \$17.7billion, whereas fish export amounted to US \$6,2billion.

EU/Member States. During the last ten years both imports and exports between Germany and Vietnam, respectively the Netherlands and Vietnam, increased. While Germany imported goods in 2002 for the value of around €1 billion, the Netherlands reached about €450 million. For both countries the value of imports from Vietnam rose significantly. German imports in

2012 reached a value of approximately €4.3 billion, which is more than four times more than in 2002. A similar result is visible for the Netherlands as they reach almost €1.8 billion in 2012. A similar pattern can be found for German and Dutch exports to Vietnam. Dutch exports rose in the past ten years from roughly €85 million to €560 million, while German exports increased from €520 million to €1.9 billion.

Graph 5.2 (4): Imports and Exports Vietnam, Germany, Netherlands



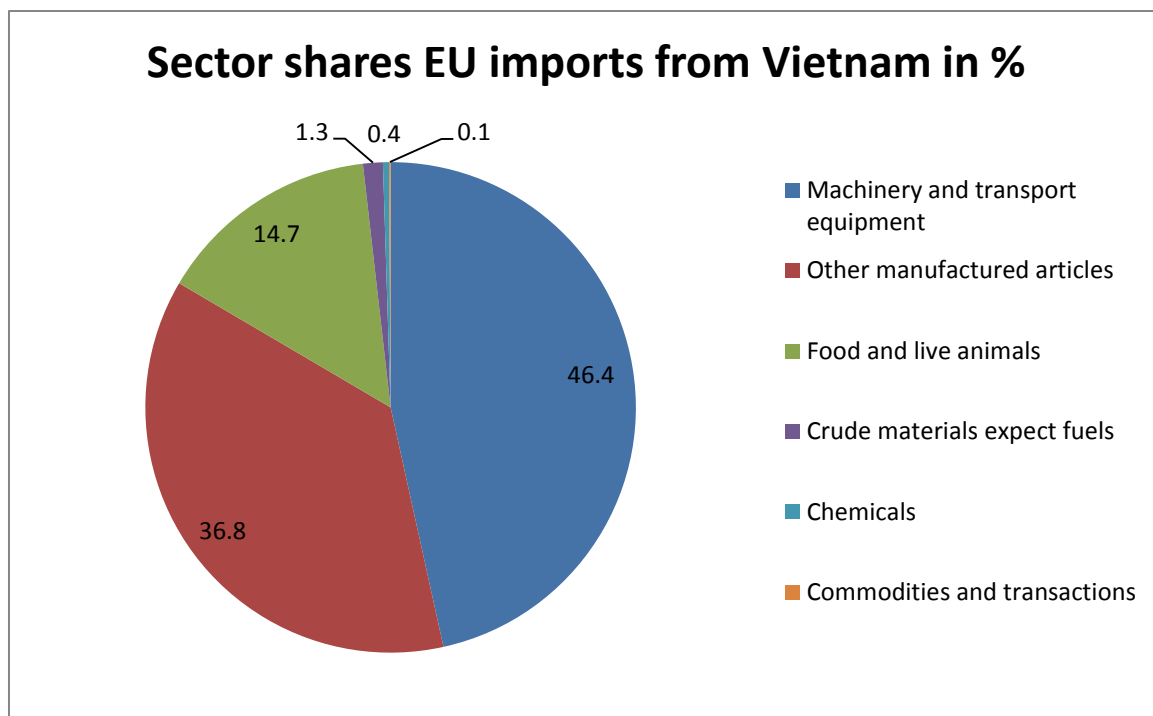
Data: Eurostat (2013)

Trade in general does not say much about its indications for policy coherence. Only when looking at the distribution of trade sectors and the according tariffs, it can be seen whether a country is indeed actively promoting trade development.

Taking a look at the EU as a single market, the most imports from Vietnam come from the sectors of machinery, manufactured articles and food. Machinery and transport equipment comprise 46.4% of the total share of imports, thus represent almost half of the entire imports. Manufactured articles, officially called 'other manufactured goods' is a heterogeneous group consisting of manufactured goods which range from basic semi-manufactured goods such as leather, rubber, wood, paper, textiles, metals, building fixtures and fittings to more labor-

intensive products like clothes, shoes and accessories, scientific instruments, clocks, watches and cameras" (Eurostat, 2012). 36.8% is the share for other manufactured articles. Food and live animals take 14.7% of the share. The remaining few percent are divided among manufactured goods, chemicals, crude materials and commodities.

Graph 5.2 (5): Sectors of EU imports



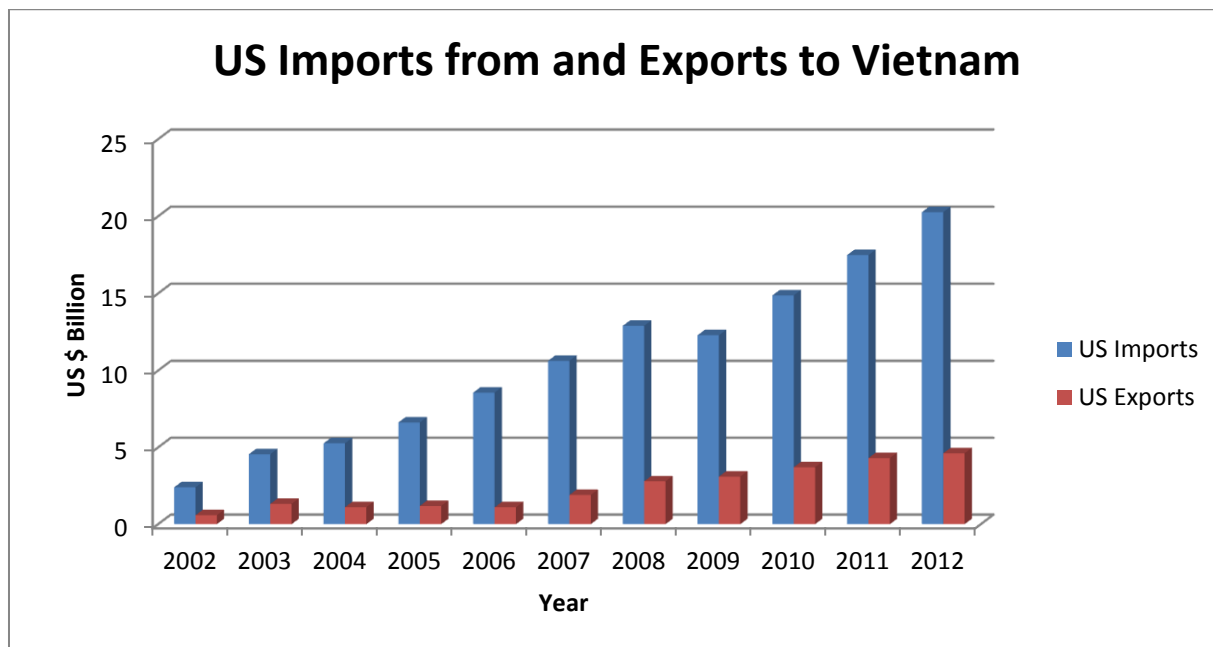
Data: COM (2013)

After transportation equipment, textiles and clothes were the second most important good from Vietnam imported to the EU in 2011.

United States. The US is one of the major trading partners of Vietnam. In 2012 its imports from Vietnam reached approximately US \$20 billion. This is a major increase from US \$2.4 billion in 2002. The value of exports also grew steadily throughout the years, but not as significantly. While in 2002 the value accounted to US \$580 million, in 2012 it was US \$4.6 billion. In comparison to Germany, for example, these numbers far exceed German trade relations. The US exports in 2012 amount to a value approximately four times higher than the German exports during that year. Having a look at the Netherlands, the divergence is even

bigger. The Netherlands do not even reach €2 billion, while the US imports amount to \$20 billion. This is almost ten times worth the Dutch imports.

Graph 5.2 (6): Imports and Exports Vietnam, US

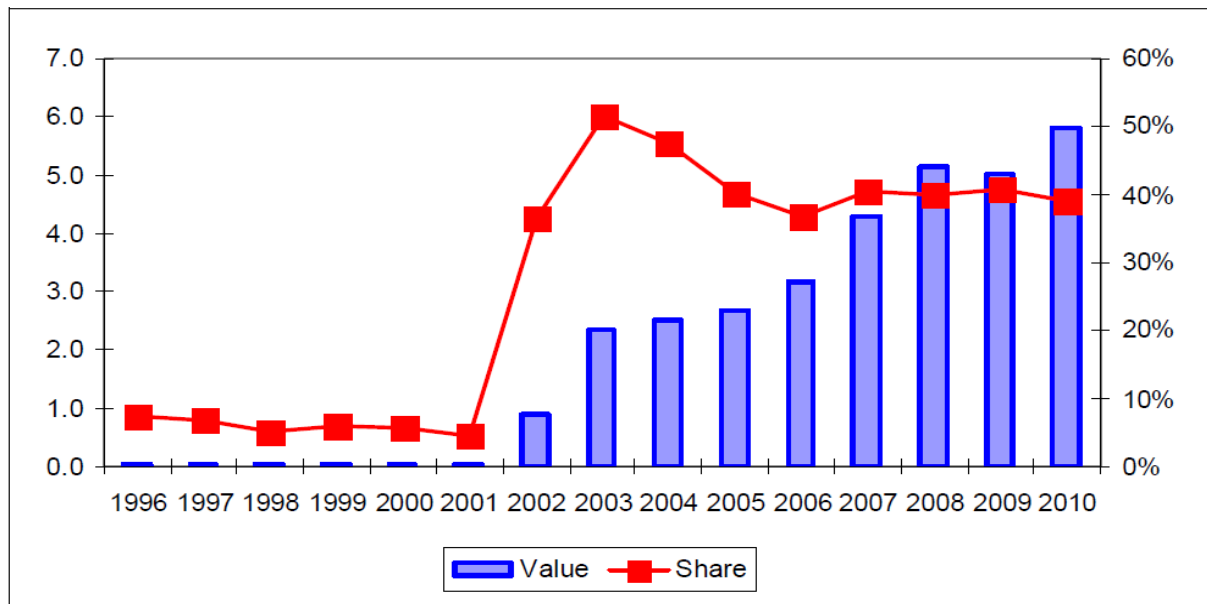


Data: US Census Bureau (2013)

Again, trade sectors will help identifying the US position towards trade relations. The US Congressional Research Service published a document about US-Vietnam trade relations in 2011. One sector that strikes as important is the clothing sector. The share of clothing decreased from 2003 until 2010, but the total values constantly increased.

Similar to the EU, clothing is the largest sector from which the US is importing. This is followed by furniture, footwear, electrical machinery, machinery, and food. An exhaustive list can be found in Appendix 3.

Graph 5.2. (7): US clothing imports from Vietnam in US \$ billion and share of total imports



Source: CRS (2011)

Conclusion. The textile and clothing industry is one of the most important sectors for Vietnam's exports. In US imports it takes the largest share, while it is the second largest of the EU's imports. As this is such an important sector, in the following passage on tariffs I will focus on clothes and textiles.

Tariffs. Tariffs on imported goods to a developed country create a great barrier for the developing countries' export market. Tariffs and duties can be used for both imports and exports but are usually associated with a country's protection of the market and therefore the goods imported. Generally tariffs on manufactured goods are relatively low, with the exception of textiles and clothing. Filippini criticizes the EU's position in trade with Asian countries: "The ASEAN-EU Vision Group (2006) recommended the creation of a FTA between the two entities. In the past few years the ASEAN has concluded or is negotiating many FTAs with neighboring or distant countries and similarly the EU. But oddly enough nothing has been proposed to strengthen their reciprocal links" (Filippini, 2007, p. 157).

The World Customs Organization (WCO) set up a system, the 6-digit Harmonized Tariff System (HS), to categorize goods, their import value and their tariff. "The system is used by more than 200 countries and economies as a basis for their Customs tariffs and for the collection of international trade statistics. Over 98 % of the merchandise in international trade is classified in terms of the HS" (WCO, 2013). As not every institution or organization is a contracting party to the International Convention on the Harmonized Commodity Description and Coding System, there are 146 official members to this convention. Germany, the Netherlands, the EU as an institution, Japan, the US are all contracting parties to the HS Convention and therefore apply its classification (WCO, 2013).

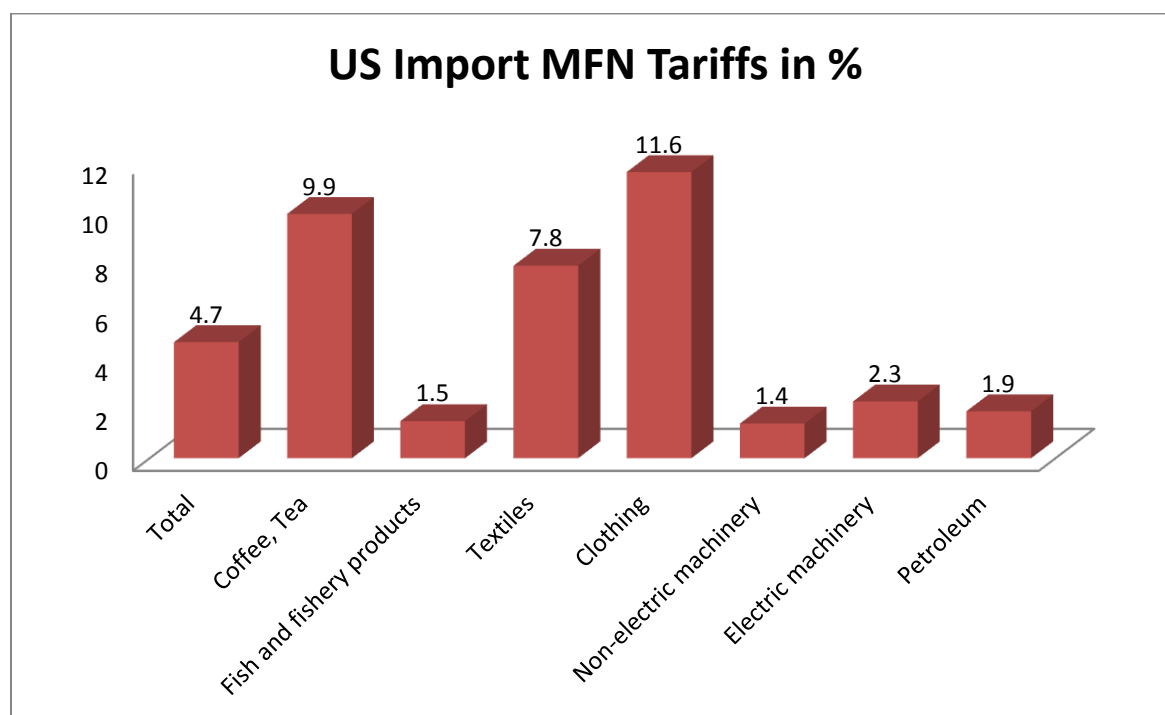
All four countries are also members of the WTO and as such agreed to apply the most-favored nation (MFN) status to all WTO members. Even before Vietnam's accession to the WTO the US granted it MFN status. In 2001 it decided that nondiscriminatory tariffs of normal trade relations, as the MFN status is called in the US, should be applied to Vietnam (US Customs and Border Protection, 2013).

In 2009, the EU's tariffs for clothes and textiles were 6.9% and 12% respectively. These numbers are comparatively high to other sectors, however still remained under the OECD average of 9.4% for textiles and 16.1% for clothes (see COM, 2011).

In its trade policy review report for the WTO in 2012 the US states that it is the most open market with a simple average tariff of 3.5%. Its trade-weighted average tariff amounts to 1.34%. "The United States remains committed to preserving and enhancing the WTO's role as the primary forum for multilateral trade liberalization, for the development and enforcement of global trade rules, and as a key voice against protectionism" (WTO, 2012, p. 8). Almost 70% of all imports in 2012 have crossed the border duty free or with a tariff under 5%. However, a range of quantitative restrictions have been set up mainly for ensuring security,

health and protection of endangered species. Vietnamese trade is not very much affected by this as those restrictions aim at products that are not highly exported by Vietnam.

Graph 5.2 (8): US Import Tariffs



Data: WTO (2012)

In the chart above the average tariff for 2012 can be found along with several examples that are interesting for Vietnam. The total average for all HS products in 2012 is 4.7%. The highest tariff exists for clothing which amounts to 11.6%, while the lowest amounts to 1.4% for non-electric machinery. Clothing, which takes the largest share of imports, meets the highest tariff.

Taking a look at a more general approach and not clothes and textiles in particular, the World Bank provides tariff information on manufactured goods in 2011 (World Bank, 2012). Manufactured goods include chemical products, machinery and transport equipment, and other manufactured goods (textiles, clothes, foot ware, watches, etc.). According to this publication, Germany and the Netherlands had a tariff of 1.4%, the US 2.9% and Japan 2.1%.

The tariff restriction index taken from the World Bank (World Bank, 2012) indicates that the barriers to the EU and US markets are overall very similar. The lower the index, the lower the restrictions to trade. While the EU has an index of 5.6%, the US has an index of 5.7%. Japan reaches an index of 8.9%. Japan is the most protected country out of the three donors.

Conclusion. The imports from Vietnam for each donor country are higher than the exports to Vietnam. Both have been rising over the years. That indicates that trade relations with Vietnam are getting stronger. A problem arises when looking at the specific tariffs each country applies. This information is not available for each country and therefore the country comparison is not exact. Nevertheless, a certain trend can be found towards lowering the tariffs.

Table: 5.2: Overview Tariffs

Tariff	EU	US	Japan
Textiles*	6.9	7.8	-
Clothing*	12	11.6	-
Manufactured Goods**	1.4	2.9	2.1
Tariff Restriction Index***	5.6	5.7	8.9

*EU: year 2009, US: year 2012; **year 2011; ***year 2009

With regard to tariffs, the EU and the US have a roughly similar approach. Tariffs for textiles and clothing are higher than the average tariff for manufactured goods with clothing having the highest tariff. The tariff restriction index shows that Japan is not as open to imports from foreign countries as the US and the EU are.

With regard to policy coherence, this means that strong trade relations and low barriers indicate higher coherence. As development policies are investing in economic growth, restricting trade would be limiting growth which is aimed at by the development policies. The lower the barriers and the stronger the relation, the more coherent will trade policies be expected to be. All three actors have strong trade relations with Vietnam. For the three actors this

results in an expected low coherence for Japan and neither high nor low coherence for the EU and US.

5.3 Commitment to Development Index

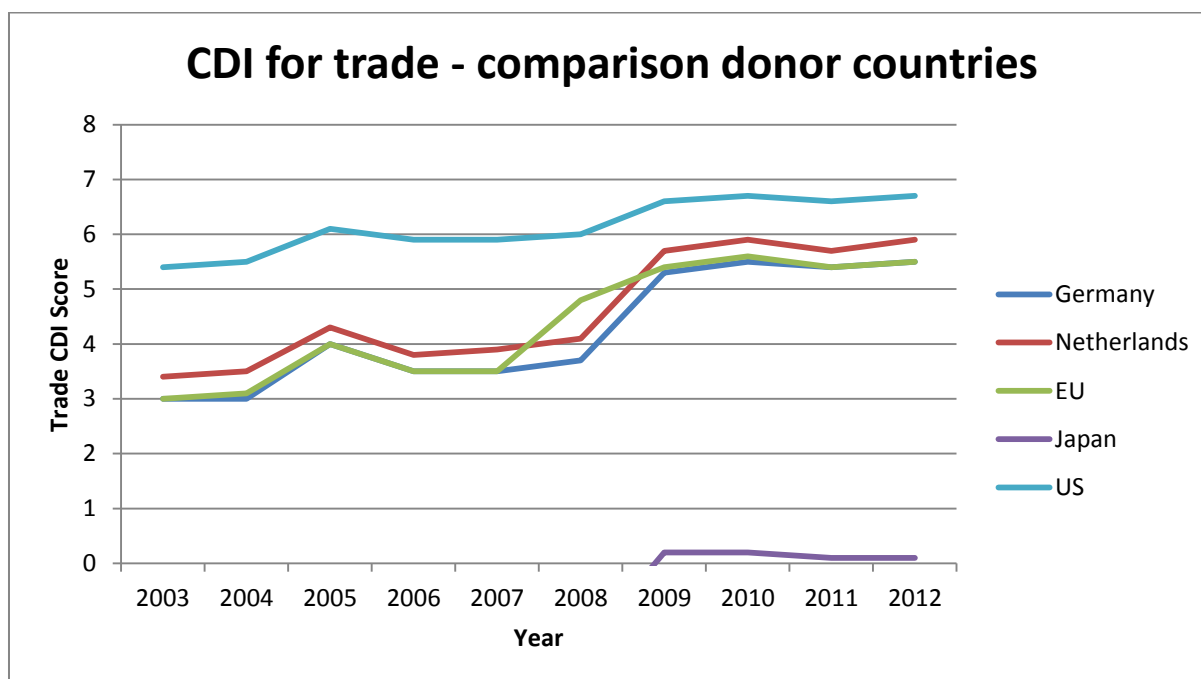
One area of the CDI is devoted to trade. This indicator gives an overview about the trade-development relations of a country and whether trade supports the development of a country. "The focus of the trade component is a measure of barriers in rich-countries to goods exports from poorer ones" (Center for Global Development, 2012, p. 19). Trade CDI is a crucial indicator for policy coherence between trade and development in general, but does not tell anything about the normative aspect. The application of values will be dealt with in the next section. A higher CDI for trade indicates that a country is aware of the connection between the two policy fields and tries to implement policies in trade which support development.

This part of the CDI is directly connected to the previous section on trade and tariffs. The index is composed of two parts. 75% of the index is based on tariffs, measure of protection and domestic subsidies. The remaining 25% is 'revealed openness'. Revealed openness are merchandise exports in ratio to the level of poverty of the exporting country.

The graph below shows that the US has the highest scores in this respect, whereas Japan has the lowest. Before 2009, Japan had a score under 0 reaching -5 as its extreme score in 2004. As a result it is not included in the graph before 2009.

The lowest score in 2003 after Japan, which dropped out of the graph for this year, had Germany and the EU with 3. The Netherlands scored 3.4 and the highest CDI in the trade section had the US with 5.4. The CDI in most countries increased over the years reaching up to 6.7 (US), 5.9 (Netherlands) and 5.5 (Germany and the EU). Also the Japanese score improved from -4.9 in 2003 to 0.2 in 2009, however between 2009 and 2012 it fell again from 0.2 to 0.1. For the US the increase amounts to 1.3, for the Netherlands, Germany and the EU to 2.5, and for Japan to 5. Thus, even though Japan has the highest improvement, it has the lowest result.

Graph 5.5 (1): CDI for trade



Data: Center for Global Development (2012)

The opposite is the case for the US. While it has the least improvement over the years, it achieved the best results. The Netherlands and Germany remain between those two curves, however they are significantly closer to the US than to Japan. Especially in 2009 a great increase of German and Dutch CDI can be seen with an improvement of 1.7 and 1.8 respectively. Nevertheless, Germany's latest results are only 0.1 point better than the US' starting score in 2003. Even though Germany improved in the last ten years, in 2012 it scored 5.5, while the US already scored 5.4 in 2003.

Conclusion. Overall, the US received the best scores in the trade section for composing the overall CDI, while Germany and the Netherlands lack behind. The difference between the US and the EU member states decreased between 2003 and 2012, but the US clearly remains first in trade CDI. Japan has the lowest scores throughout the years. Its score significantly increased with 5 points, however that led to a CDI of only 0.1 in 2012, which makes it the country lacking far behind in trade CDI. Those results imply that the US is most coherent in their trade and development policies, the EU follows behind, and Japan lacks coherence

almost entirely. Once again, this is not related to normative coherence but to the commonly known understanding of PCD.

5.4 European Values in trade policies

The previous chapter already showed that there are several indicators for normative coherence, but one can only be sure once the actual policies and political positions have been examined. Therefore I will go through the four donor countries again, however now with the specific focus on the application of values. The difference to the previous section is the analysis of the EU instead of the member states in particular. That is due to the fact that trade relations are determined by the external borders of the EU single market, which is regulated by the EU as an institution.

EU. As early as in the Framework Cooperation Agreement (FCA) 1996, which was an agreement mainly on trade related issues, between the European Community and Vietnam it has been stated that "respect for human rights and democratic principles is the basis for the cooperation between the parties and for the provisions of this Agreement, and it constitutes an essential element of the Agreement" (Com, 1995, p. 30). Following this, ten years later its successor pointed out the importance of values in the EU-Vietnam Partnership and Cooperation Agreement (PCA). Already in the preface of the PCA, sovereignty, equality and non-discrimination are next to environmental sustainability and mutual benefit the values named which the agreement is based on (see EU, 2005, p. 95). Title 1 of the PCA is dedicated to the nature and scope of the agreement which mainly aims at economic cooperation, trade, investment and economic growth. Nevertheless, Article 1 laying down the general principles points out the importance of the rule of law, democratic principles, human rights. This is supported by the commitment to the European Consensus on Development and the Millennium Development Goals in Article 1(2) PCA.

Article 2 FCA - Objectives

The principal objectives of this Agreement are:

- 1. to secure the conditions and to promote the increase and development of bilateral trade and investment between the two parties in their mutual interest taking into account their respective economic situations;*
- 2. to support the sustainable economic development of Vietnam and the improvement of living conditions of the poorer sections of the population;*
- 3. to enhance cooperation in the mutual interest of the parties, including support to the Government of Vietnam's ongoing efforts to restructure its economy and to move towards a market economy;*
- 4. to support environmental protection and the sustainable management of natural resources.*

Following the general principles, also in Article 2 about the aims of this cooperation human rights, the rule of law and justice are mentioned again.

An additional Title, Title 2, was added for development cooperation. Here the focus lays on the Millennium Development Goals with particular emphasis on the eradication of poverty, environmental sustainability and the promotion of human and social development. In contrast to the section on trade, European values are not mentioned under this Title. However in the following title on peace and security, a reference to human rights, the rule of law and justice is made.

Table 5.4 (1): Values in EU trade policies

EU	Freedom	Democracy	Rule of law	Human Rights	Solidarity	Justice	Gender Equality	Comment
FCA (COM, 1995)	-	Yes	-	Yes	-	-	-	-
PCA (EU, 2005)	-	Yes	Yes	Yes	-	Yes	Yes	Reference to Consensus

Title 4 deals with cooperation on trade and investment issues. In this section, just as in the section on development cooperation, no reference is made to any of the values. Rather it is about technical provisions as trade barriers, customs, competitiveness, promotion of technology, and sanitary issues. Nevertheless, five out of seven values are listed and an explicit reference to the Consensus on Development is given.

Even though the values cannot be found in each single Title of the Agreement, it can be said that the EU applies its values also in trade policies as the preface and general provisions of the PCA, which are applicable to the whole agreement, clearly line these out.

United States. All bilateral trade agreements after 2007 are shaped by Trade and Investment Framework Agreements (TIFA) for individual countries which set out frameworks and principles that govern the trade relations. This agreement will provide the first basis for my research on values in US trade policies. The TIFA has been sign by both parties in June 2007, the same time that it entered into force. It makes references to the trade agreements under the WTO and the bilateral trade agreement between the US and Vietnam, however not to any values. Strictly speaking, the value 'equality' has been mentioned, but it refers to equality between the states and not gender equality. The parties to the agreement are "[d]esiring to enhance the bonds of friendship and spirit of cooperation, expand trade, and strengthen economic relations between the Parties on the basis of equality and mutual benefit" (USTR, 2007).

In the TIFA a reference has been made to the US-Vietnam bilateral trade agreement from 2000. The trade agreement between the US and Vietnam is a very technical document defining services and business facilitation, and listing the conditions for trade among which tariffs are also included. Here is no reference to values being found either.

Following up the TIFA on Vietnam, I looked at more publications by the US on their trade policies. The US publishes annual trade estimate reports on each country that the US has

trade relations with, thus also on Vietnam. In 2012 the main issues were trade barriers set up by Vietnam which hamper US exports, the protection of intellectual property rights, and barriers to investments and setting up services in Vietnam. There is no mentioning of any values in those reports (see USTR, 2012).

In addition, every year a trade policy agenda together with an annual report of the previous year is published. In those reports it is very clearly stated that all trade policies are to benefit the American market and create more jobs in the US. The following paragraph is the first paragraph of the 2012 policy agenda under the headline "Advancing Trade to Support American Jobs":

"Under President Obama's leadership, the United States' trade policy supports American jobs by opening markets and creating opportunities for U.S. farmers, ranchers, manufacturers, and service providers to export more "Made in America" products to customers around the world. The Obama Administration rigorously enforces U.S. trade rights, insisting that countries fulfill their commitments and act according to the rules prescribed under our agreements. We work to strengthen the rules-based international trading system, to build better markets for U.S. exports, and to share the benefits of trade more broadly. These efforts are bringing U.S. trade policy into greater balance with the concerns and aspirations of the American people, attracting and maintaining the jobs and industries of the 21st century here on our shores" (USTR, 2012).

Here it becomes clear that the US' main goal is its own success, economic growth and wealth. Even though the US is far more developed than many of its trading partners, their economies do not play a substantial role. Some values, however, have been named and will be put in their context in the following.

Democracy and the rule of law have both been mentioned in the Policy Agenda and Annual Report. Both, democracy and the rule of law, seem to play an important role for the US as they have been referred to several times.

Human Rights are mentioned two times in this document. Once it refers to the African Growth and Opportunity Act, which is not relevant here, and the second time it states the US participation in the US-Vietnam Human Rights Dialogue. This might make the impression, that human rights are important in American trade policies, however the paragraph quoted from the Annual Report 2012 shows otherwise:

"USTR continued to seek progress by the government of Vietnam on providing freedom of association and collective bargaining rights in conformity with internationally recognized standards, in particular with a view to the Trans-Pacific Partnership (TPP) negotiations. In conjunction with these efforts, USTR participated in the United States-Vietnam Human Rights Dialogue led by the U.S. Department of State, and a Labor Dialogue led by the U.S. Department of Labor in November 2011. In both of these Dialogues, officials from the two governments discussed internationally recognized labor rights and Vietnam's labor reform efforts. Additionally, USTR conducted a seminar in June 2011 with Vietnamese government officials in Hanoi, Vietnam, at which internationally recognized labor rights were discussed with government, trade union, and business representatives" (USTR, 2012, p. 159-160).

Instead of discussing human rights during the human rights dialogue, the US emphasizes the labor rights that have been discussed. Special attention to human rights is therefore not given, even though they have been mentioned in this document.

Fundamental freedoms, solidarity and gender equality have not been mentioned at all. Those freedoms that have been named are about economic freedoms and thus not those values that are relevant to this research. An exhaustive list about the frequency of values and those named in other contexts can be found in Appendix 4.

All in all, out of seven values only two play a greater role, namely democracy and the rule of law. The other five values are either not referred to at all or in a context that makes their reference void.

Table 5.4 (2): Values in US trade policies

US	Freedom	Democracy	Rule of law	Human Rights	Justice	Solidarity	Gender Equality
TIFA 2007	-	-	-	-	-	-	-
Trade Estimate Report 2012	-	-	-	-	-	-	-
2012 Trade Policy Agenda and 2011 Annual Report	-	Yes	Yes	-	Yes	-	-
WTO Government Report 2012	-	-	Yes	-	-	-	-

I will not go into detail with the US Government Report on Trade for the WTO, because there is no reference made to the values except the rule of law. Justice has only been mentioned in the context of the US Department of Justice, and all other values do not occur at all.

Japan. Japan does not publish all legislation on trade related matters in English language. The ones accessible were the Exchange and Foreign Trade Act 2009, the Ministerial Ordinance on Trade Relation, Invisible Trade, etc. from 2007, and the Import Trade Control Order from 2003.

All three are very technical documents. The first lays down the rules under which banks have to operate or similar types or arrangements. No values are mentioned in this act. One reference is made to freedom of foreign exchange and one to justice as the Ministry of Justice, but both do not fall under the values defined for this research. The second and third documents are also a entirelyly technical document without any reference to values.

Even though not many legal documents have been published, those that have been do not include any reference to values. As I can only judge from what I have analyzed, the conclusion is that Japan does not include values in its trade policies.

Conclusion. This chapter showed that the EU indeed applies the values it is promoting in its development policies also in its trade policies. Even though not all values are directly stated the reference to the consensus on development supports this conclusion. Analyzing the tariffs gave mixed results. Both, the EU and the US have relatively high tariffs concerning textiles and clothing, which are the main import sectors, but overall apply low tariffs. The tariff restriction index showed the same: the EU and the US have a moderate score, while Japan has a high score indicating high tariffs.

The US has the highest CDI for trade, which can be taken as an indicator for policy coherence, but as it turned out values do not play a great role with this regard. Japan does have a low commitment to development in the trade sectors, as well a low commitment to values. This action is coherent in itself, however is not related to normative coherence. Normative coherence can only be said to exist when norms are applied, but since this is not the case Japan is not a country respecting normative coherence.

5.5 Comparison to development

It becomes clear in the previous sections that the EU is the actors which applies normative coherence while the other two actors do not. In this comparative section if want to show all indicators again and compare the development policies and trade policies directly with each other.

In both policies the organizational structure is very complex. Many agencies, and external actors are involved in a process which already included various levels of decision-making within a ministry. This precondition is not optimal for achieving high policy coherence. Only the Netherlands have implemented a department which overlooks coherence of development

policies. The second section in both policies have contributed to the understanding of the relation between the donor countries. The priority sectors in trade were expected to give an indication about the likelihood of policy coherence. However, this did not hold entirely true. Both the EU and Japan invest in sectors which are more linked to the values as does the US. However, it turned out that this indicator is not the crucial factor determining normative coherence. The trade relations show a similar scenario. The EU and US have the same score in the trade restrictiveness index, however the analysis showed that the EU and the US do not have the same results with regard to normative coherence. Japan had a higher barrier, which was expected to indicate low normative coherence. This also has been shown in the analysis. Another index which has been developed to measure the importance of development is the Commitment to Development Index (CDI). In both policy areas the US had the highest index, Japan the lowest and the EU a score in between. The last section in development as well as trade dealt with the application of values. The EU applies its values in both policy domains. The US and Japan have their focus on economic growth and their benefits from development rather than on human aspects. As a result, the EU can be classified as being normatively coherence.

Japan and the US on the other can do not apply normative coherence. Having a look at Japan first, I can conclude that is neither coherent in its development policies, nor is it applying values in its actions. A similar picture is shown by the US. Both countries are mainly interested in economic gains rather than supporting development in all areas also including social development or political engagement. As the main focus lies on the economy, values do not play a role. Occasionally the US mentions the rule of law and justice (both in development policies and trade policies), but the other values are basically irrelevant.

Table 5.5: Comparison - Indicators for normative coherence

Indicator for Normative Coherence	EU	US	Japan
Organizational structure Dev.	medium	low	low
Dev. Priority Sectors	high	medium	high
CDI	medium	high	low
Values in Dev.	high	low	low
Organizational structure Trade	medium	medium	low
Trade Relations and tariffs	medium	medium	low
Trade CDI	medium	high	low
Values in Trade	high	low	low
Overall result	MEDIUM	LOW	LOW

In the table above I show all indicators for policy coherence in the development section for each country. For reasons of simplification I made three groups: low, medium high. Depending on this ranking either a low, medium or high level of policy coherence between development and trade is expected. The overall result gives the result for normative coherence according to the analysis in chapter 4 and 5.

From the overview it can be seen that the EU has a medium level of normative coherence. This is due to the fact that most of the aspects considered give mixed results. The organizational structure in both policies is rather complex, however elements can be found which are promoting policy coherence. Especially tariffs are contrasting development policies. This affects the CDI, which is an important indicator for coherence, negatively. Improvement is still necessary. As a results, also normative coherence is only possible to a limited extent. Even though the values are important in development policies as well as in trade policies, the lack of coherence cannot be substituted by the coherent application of values. Therefore the EU only achieves a medium level of coherence.

The US and Japan both have a low level of coherence as there are no mechanisms in place ensuring coherence and because their economic benefits are the priority of development and trade policies instead of the developing countries well-being.

6. Conclusion

In the previous two chapters I analyzed several indicators for policy coherence and examined a variety of documents, statements and publications for the application of values. To sum up the basic results that have been found out, I provide a brief summary here, followed by an overall conclusion for my research. Three questions will lead the way through this chapter: Have the hypotheses been confirmed? What is the future of PCD and normative coherence? What could further research look like?

1. Have the hypotheses been confirmed?

To put it short, the hypotheses have been confirmed. Three hypotheses have been set out in the beginning of this paper.

H1: The EU applies the European values it promotes internally also in its development actions.

As chapter 3 showed, the EU is actively involving values in development policies. While the member states are the main actors in this field, their initiatives have been analyzed with the result that they include the European values in their national approaches to development. Furthermore, I compared the EU to the United States and Japan in order to see whether non-European countries also follow this path or whether values are less important in their development policies. It turned out that the US and Japan talk about values to a limited extent, but in their actual implementation these cannot be found anymore. The EU is therefore the only actor applying European values with regard to the cases studied.

H2: The EU applies European values also in other policies.

In chapter 4, trade policies were considered as an example of non-aid policies. After careful examination of the general conditions for trade and the CDI for trade, the analysis of the application of values resulted in the following. The EU also applies European values in trade

policies. Values have been included in trade agreements with Vietnam already from the start and have been extended since. The US and Japan do not promote values in their trade policies.

H3: EU development policies and non-aid policies are coherent with regard to the application of European values.

Having confirmed the first two hypotheses, it can be concluded that the EU is coherent in its application of values. Put differently, normative coherence can be found in EU policies. This conclusion is limited to the cases and policy areas used in this research, but it shows nevertheless that norms and values are relevant in its relations to third countries both in official statements as well as in the actual implementation. In the US and Japan normative coherence cannot be found. Due to the lack of norms in both policy arenas it can be said that both countries lack far behind the EU in this matter.

Even though the EU is normatively coherent, the two policies should be streamlined better. Just because the EU is paying attention to values in both development and trade policies, does not automatically result in coherence between the two policies. Moving from a medium level of coherence to a high level of coherence thus depends on an increasing importance of values on the one hand, and more coherence between the policies on the other.

2. What is the future of PCD and normative coherence?

Modernization theory and dependency theory do not provide the sufficient basis for possible future scenarios for values in PCD as they only focus on economic development, growth and material richness. The approach of alternative development and human development could offer possible future ways for the inclusion of values in development policies.

Alternative Development. Alternative development is about the strengthening of civil society and support of NGO work. Although it is argued that too strong NGO involvement is

apolitical since professional NGOs do not represent civil society anymore, I do not see why this is a disadvantage. Nederveen Pieterse argues that "NGO professionalization runs the risk of depoliticization and managerialism along with the erosion of state capabilities and an 'alternative dependency' on donor support on agendas" (Nederveen Pieterse, 2009, p. 184-185). There is obviously a risk that NGOs get too professional and like this lose their political touch, but nevertheless their impact might expand and the chances to achieve the targets become higher. Once a professional NGO is established this NGO can then set up other platforms to get the society involved. With regard to values that means that a possible scenario might be that NGOs are set up on the basis of certain values and by becoming more professional these values become a standard that the members of the NGO have to follow. After a certain period of time the values become habit and will be incorporated into the work without paying extra attention to it.

Another critique by Nederveen Pieterse is about a new title for this type of development. "It may be argued that alternative development is no longer an appropriate heading and a more distinctive terminology would be welcome" (Nederveen Pieterse, 2009, p. 185). Following his line of argument, 'popular development' could be an alternative, but this term would undermine the level of professionalization the NGOs have. A second possibility would be 'participatory development', but this notion is too vague to define the problematic. As a result he suggests that the approach of alternative development does not see a future.

Human development. The human development approach includes gender issues, political rights and environmental sustainability. Human security is only one term that arose out of this approach and became an often used term primarily by the UN.

A possible future for this approach could be the linkage between human capital, social capital and cultural capital (Nederveen Pieterse, 2009). This interrelation can have effects on institutional settings, socioeconomics and political culture. Values play a great role in this

approach as society and culture are both built on common rules and understandings. Promoting a different set of values might have (positive or negative) effects on the existing network. Including the study of human capital, social capital and cultural capital in the human development approach would therefore be worth the effort. Especially because this approach is widely used rethinking development and an expansion of issues desirable.

Independent from the development approach countries will take for their future development policies, coherence has to be ensured to achieve the best possible outcome. A combination between alternative development and human development might be a good basis for the EU member states to pursue their development policies including EU norms and values. However, as is argued in the human development approach, cultural diversity needs to be taken into account. This study does not intend to be a moral advice on which values should be promoted or not, but rather it is supposed to give insight into the current situation in the EU.

3. Further research?

This study gave an introduction to the use of European values in policy coherence. This normative coherence is applied by the EU, however those results are limited to the policy field which has been studied. Trade is closely linked to development aid, which is the reason why it has been chosen, but other international issues as security or finance would also be of interest here. In addition only a limited number of countries could be studied due to timely constraints. Eastern European countries were left out due to the fact that they are no DAC members and therefore no reports were published. Other documents should be found for the field of development, mainly national publications, which can give insight into their actions. In addition, more non-European countries such as Australia and Canada should also be examined as their Western culture might include values which are also represented in their foreign policies.

Expanding the study to the private sector would also give more information on normative coherence. One indicator which could be included in future studies is the issue of fair trade. This concept has achieved increasing attention throughout the last years, however it is limited to the private sector or individual initiatives. As the current study was focused on EU policy making and thus on the political sphere, the inclusion of the private sector would be a valuable contribution to this research field.

An extension of this study would give more insight into the issue of normative coherence, nevertheless could I provide a first basis showing that the EU is coherent and in doing so takes a leading position in this area.

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Appendix 1: OECD and UN values

Appendix 1.1: OECD (2009). Managing Aid.

Freedom	Democracy	Rule of law	Human Rights	Justice	Solidarity	Gender Equality
Economic Freedom	1	Objective Portugal	17	1	2	19
Objective Greece	European Instrument for Democracy	Main theme Switzerland	Objective Canada	Justice departments	Regional solidarity	Principle Australia
Objective US	Objective Germany		European Instrument for Democracy and HR	Ministry of Justice	Solidarity taxes	Ireland, Netherlands, Norway created budget
	Objective Greece		Main theme Germany	Ministry of Justice	Andalucian Fund of Municipalities for International Solidarity	Main theme Commission
	Objective Portugal		Objective & Main theme Greece		Objective Denmark	Objective Greece
	Main theme Sweden		Objective Italy		Objective Italy	Main theme New Zealand
	Main theme Switzerland		Main theme New Zealand			Main theme Norway
	Main theme US		Main theme Norway			Main theme Sweden
			Objective Portugal			
			Objective & Main theme Sweden			

Appendix 1.2: OECD (2011) Better policies for development.

Freedom	Democracy	Rule of law	Human rights	Justice	Solidarity	Gender equality
Freedom of investment	-	-	1	INCAF focus on justice	-	-

Appendix 1.3: OECD (2012) Strategy on Development.

Freedom	Democracy	Rule of law	Human rights	Justice	Solidarity	Gender equality
-	-	-	-	1	-	2

Appendix 1.3: UN (1948) Declaration on Human Rights.

Freedom	Democracy	Rule of law	Human rights	Justice	Solidarity	Gender equality
21	-	1	6	1	-	Full equality to a fair and public hearing

Appendix 1.4: UN (1945) Charter of the United Nations.

Freedom	Democracy	Rule of law	Human rights	Justice	Solidarity	Gender equality
6	-	-	7	3	-	1
				International Court of Justice		Equality of men and women
				Administration of justice		Eligibility of men and women to participate under conditions of equality
				Statute of the Permanent Court of International Justice		No distinction as to sex

Appendix 2: Projects in Vietnam

Appendix 2.1: GIZ projects in Vietnam by sector

1. Sustainable Infrastructure

1. Regional Program 'Cities-Environment-Transport'

- Project 1: Clean air for smaller cities
- Project 2: Sustainable port development in the ASEAN region
- Project 3: Energy efficiency and climate change mitigation in the land transport sector

2. Mekong River Commission

- Project 1: Support organizational reforms of MRC
- Project 2: Support MRC in sustainable development of water power
- Project 3: Support MRC in adapting to climate change in the Mekong region
- Project 4: Adaption to climate change through flood management

2. Social Development

- Project 1: Advice on Social Protection
- Project 2: Poverty Alleviation in the Rural Provinces Tra Vinh and Ha Tinh
- Project 3: Social Integration of people with disabilities
- Project 4: Strengthening Provincial Health Systems

3. Good Governance and Democracy

1. Promoting Civil Society and Good Local Governance

4. Environment and Climate Change

1. Environmentally and climate friendly urban development in Da Nang
2. Development of Renewable Energy
3. Adaption to Climate Change through the Promotion on Biodiversity in Bac Lieu Province
4. Wastewater and Solid Waste Management for Provincial Centers
5. Promotion of Sustainable Management of Natural Forest and Marketing of Important Forest Products
6. Management of Natural Resources in the Coastal Zone of Soc Trang Province
7. Integrated Nature Conservation and Sustainable Management of Natural Resources in Phong Nha-Ke Bang National Park
8. Integrated Coastal and Mangrove Forest Protection in the Mekong Provinces for the Adaption to Climate Change
9. Conserving Biodiversity in Forest Ecosystems

5. Economic Development and Employment

1. Supporting the Make it in Germany Welcome Portal
2. Training Nurses from Vietnam to become Geriatric Nurses in Germany
3. Development Partnerships with the Private Sector
4. Reforming Technical and Vocational Education and Training in Vietnam
5. Promoting Labor Market oriented Vocational Training
6. Development of Food Laboratory with an affiliated Laboratory School
7. Regional Cooperation Platform for Vocational Education and Teacher Training in the ASEAN Region
8. Macroeconomic Reforms

Appendix 2.2: Dutch MFO projects in Vietnam

1. Oxfam

1. Rural development
2. Disaster Risk Reduction
3. Humanitarian Aid
4. Civil Society Development
5. Ethnic Minorities
6. Women's Empowerment

2. ICCO

1. Fair Economic Development
2. Conflict Transformation and Democratization

3. HIVOS

1. Green Entrepreneurship

- Financial Rural Entrepreneurship: HIVOS Triodos Fund, Seed Capital

4. Cordaid

1. Promoting Better Income for Women

5. Plan Netherlands

1. Healthy Start in Life
2. Education
3. Water and Sanitation
4. Economic Security
5. Protection
6. Participate as Citizens
7. Disaster Risk Management
8. Sponsorship Communications

6. Terre des Hommes - Currently No Projects

Appendix 2.3: USAID projects in Vietnam by sector and region

1. **Agriculture and food security** - No Projects
2. **Democracy, Human Rights and Governance**

Region 1 Dong Bang Song Hong:

1. Human Anti-Trafficking Project (UNIAP)

Region 2 Dong Bac Bo:

1. Human Anti-Trafficking Project (UNIAP)

Region 4 Bac Trung Bo:

1. Human Anti-Trafficking Project (UNIAP)
2. Program of comprehensive and integrated support to people with disabilities

Region 5 Nam Trung Bo:

1. Program of comprehensive and integrated support to people with disabilities

Region 7 Dong Nam Bo:

1. Human Anti-Trafficking Project (UNIAP)
2. Program of comprehensive and integrated support to people with disabilities

3. **Economic growth and trade****Region 1 Dong Bang Song Hong:**

1. Fair trade and consumer protection
2. Inclusion of Vietnamese with disabilities
3. USAID legislative research program
4. USAID support for implementation of legislation
5. USAID Vietnam competitiveness initiative

Region 2 Dong Bac Bo:

1. Fair trade and consumer protection
2. USAID support for implementation of legislation
3. USAID Vietnam competitiveness initiative

Region 3 Tay Bac Bo:

1. Fair trade and consumer protection
2. USAID support for implementation of legislation
3. USAID Vietnam competitiveness initiative

Region 4 Bac Trung Bo:

1. Fair trade and consumer protection
2. USAID support for implementation of legislation
3. USAID Vietnam competitiveness initiative

Region 5 Nam Trung Bo:

1. Fair trade and consumer protection
2. Inclusion of Vietnamese with disabilities
3. Inclusion of Vietnamese with disabilities (children)
4. USAID support for implementation of legislation
5. USAID Vietnam competitiveness initiative

Region 6 Tay Nguyen:

1. Fair trade and consumer protection
2. Sustainable Cocoa for farmers program

3. USAID support for implementation of legislation
4. USAID Vietnam competitiveness initiative

Region 7 Dong Nam Bo:

1. Fair Trade and Consumer protection
2. Inclusion of Vietnamese with disabilities
3. USAID support for implementation of legislation
4. USAID Vietnam competitiveness initiative

4. Education

Region 1 Dong Bang Song Hong:

1. Higher Engineering Education and alliance program (HEAAP)
2. Social work education enhancement program
3. Vocational university leadership and innovation

Region 3 Tay Bac Bo:

1. Social work education enhancement program

Region 4 Bac Trung Bo:

1. Social work education enhancement program

Region 5 Nam Trung Bo:

1. Higher Engineering Education and alliance program (HEAAP)
2. Vocational university leadership and innovation

Region 6 Tay Nguyen:

1. Social work education enhancement program

Region 7 Dong Nam Bo:

1. Higher Engineering Education and alliance program (HEAAP)
2. Social work education enhancement program
3. Vocational university leadership and innovation

5. Environment and global climate change

Region 1 Dong Bang Song Hong:

1. Vietnam Forest and Delta project

Region 6 Tay Nguyen:

1. USAID Vietnam clean energy project (VCEP)

6. Gender Equality and women's empowerment - No Projects

7. Global Health

Region 1 Dong Bang Song Hong:

1. Sustainable management of the HIV/AIDS response and transition to technical assistance
2. USAID avian and pandemic influenza initiative
3. USAID social marketing, prevention, and supportive services
4. USAID work-based prevention, employment, and supportive services for high risk individuals in Vietnam

Region 2 Dong Bac Bo:

1. Sustainable management of the HIV/AIDS response and transition to technical assistance
2. USAID social marketing, prevention, and supportive services

3. USAID work-based prevention, employment, and supportive services for high risk individuals in Vietnam

Region 3 Tay Bac Bo:

1. Sustainable management of the HIV/AIDS response and transition to technical assistance
2. USAID social marketing, prevention, and supportive services

Region 4 Bac Trung Bo:

1. Sustainable management of the HIV/AIDS response and transition to technical assistance
2. USAID avian and pandemic influenza initiative
3. USAID social marketing, prevention, and supportive services
4. USAID work-based prevention, employment, and supportive services for high risk individuals in Vietnam

Region 5 Nam Trung Bo:

1. Sustainable management of the HIV/AIDS response and transition to technical assistance
2. USAID social marketing, prevention, and supportive services

Region 7 Dong Nam Bo:

1. Sustainable management of the HIV/AIDS response and transition to technical assistance
2. USAID social marketing, prevention, and supportive services
3. USAID work-based prevention, employment, and supportive services for high risk individuals in Vietnam

8. Science, Technology and Innovation - No Projects

9. Water and Sanitation - No Projects

10. Working in Crisis and Conflict

Region 1 Dong Bang Song Hong:

1. Flood modeling and early warning capacity development

Region 4 Bac Trung Bo:

1. Coastal disaster risk reduction
2. Community-based disaster risk management
3. Flood modeling and early warning capacity development
4. Public-private partnerships in DRR

Region 5 Nam Trung Bo:

1. Coastal disaster risk reduction
2. Community-based disaster risk management
3. Flood modeling and early warning capacity development
4. Public-private partnerships in DRR

Region 6 Tay Nguyen:

1. CBDRM in the central highlands
2. Flood modeling and early warning capacity development

Appendix 2.4: JICA Projects in Vietnam

1. Education

1. Higher Education Development Support Project on ICT
2. Project for Strengthening the Capacity of ITSS Education at Hanoi University of Technology

2. Health

1. Project for Strengthening Health Services Provision in Hoa Binh Province
2. Project for Capacity Development for National Institute of Hygiene and Epidemiology to Control Emerging and Re-emerging Infectious Diseases in Vietnam
3. Regional and Provincial Hospital Development Project

3. Water Resources/Disaster Management

1. Enhancing Community Resilience and Livelihood Security to Cope with Natural Disasters in Central Vietnam

4. Governance

1. Technical Assistance Project for Legal and Judicial System Reform

5. Transportation (Infrastructure)

1. Hai Van Tunnel Construction Project
2. Tan Son Nhat International Airport Terminal Construction Project
3. National Highway No5 Improvement Project
4. Project for Traffic Safety Human Resources Development in Hanoi

6. Natural Resources and Energy

1. Phu My Thermal Power Plant Construction Project
2. Omon Thermal Power Plant and Mekong Delta Transmission Network Project
3. Project on the Development Plan of Training Center for Electric Power Sector

7. Agricultural/Rural Development

1. Project for Enhancing Functions of Agricultural Cooperatives in Vietnam
2. Phan Ri - Phan Thiet Irrigation Project

8. Urban/Regional Development

1. Da Nang City Development Master Plan Study

9. Environmental Management

1. Hanoi Drainage Project for Environmental Improvement
2. Project for Implementation Support for 3R INITIATIVE in Hanoi City to contribute to the Development of a Sound Material-Cycle Society
3. Project for Enhancing Capacity of Vietnamese Academy of Science and Technology in Water Environment Protection

10. Citizen Participation

1. Grassroots Technical Cooperation
2. Training Program for Young Leaders
3. About JICA Partnership Program

Appendix 3: US trade sectors in Vietnam trade

Source: CRS (2011)

Top 10 Exports to Vietnam		Top 10 Imports from Vietnam	
Product	Value	Product	Value
Nuclear reactors, boilers, machinery and mechanical appliances; parts thereof	466.235	Articles of apparel and clothing accessories, knitted or crocheted	3,359.480
Vehicles other than railway or tramway rolling stock, and parts and accessories thereof	306.611	Articles of apparel and clothing accessories, not knitted or crocheted	2,438.063
Residues and waste from the food industries; prepared animal feed	266.303	Furniture; bedding, mattresses, mattress supports, cushions and similar stuffed furnishings; lamps and lighting fittings, not elsewhere specified or included; illuminated sign illuminated nameplates and the like; prefabricated buildings	1,826.354
Iron and steel	255.332	Footwear, gaiters and the like; parts of such articles	1,622.933
Cotton, including yarns and woven fabrics thereof	254.261	Electrical machinery and equipment and parts thereof; sound recorders and reproducers, television image and sound recorders and reproducers, and parts and accessories of such articles	807.772
Meat and edible meat offal	247.676	Fish and crustaceans, molluscs and other aquatic invertebrates	647.823
Electrical machinery and equipment and parts thereof; sound recorders and reproducers, television recorders and reproducers, parts and accessories	189.378	Nuclear reactors, boilers, machinery and mechanical appliances; parts thereof	534.195
Wood and articles of wood; wood charcoal	156.289	Coffee, tea, maté and spices	435.524
Plastics and articles thereof	153.806	Mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral waxes	407.495
Dairy produce; birds' eggs; natural honey; edible products of animal origin, nesoi	140.703	Edible fruit and nuts; peel of citrus fruit or melons	344.707

Appendix 4: Values in Trade Policies

Appendix 4.1: USTR (2012). 2012 Trade Policy Agenda and 2011 Annual Report.

Freedom	Democracy	Rule of law	Human Rights	Justice	Solidarity	Gender Equality
-	3	5	1	1	-	-
Freedom of Information Act	Democratic republic of Congo		US-Vietnam Human Rights Dialogue	Modernizing justice systems		
Marketing Freedom for Grain Farmers Acts				Chilean Supreme Court justices		
Freedom of association				Bring to justice those responsible for such violence		
Freedom of expression				Social justice		
				US Department of Justice		
				Training school for Philippine justice		
				European Court of Justice		