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MARGINAL POSITION AS A POTENTIAL TOOL TO ACT AND INFLUENCE: A
CASE STUDY OF ESTONIAN DEVELOPMENT COOPERATION POLICY

Master's Thesis

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Tartu 2013

The thesis conforms to the requirements for a Master's thesis

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ABSTRACT

Donor policy is a good illustration of the fact that being a new small country does not necessarily mean being an unimportant donor. However, the topic remains still controversial and in most cases the new small donor states are negatively labeled as being marginal actors in the international development cooperation.

It is very difficult for a new small donor country to try to have a good position and gain some influence through the development cooperation policy. However, it does not exclude the possibility for the emerging new small donor countries to become successful players in the international development cooperation, despite being new and small in this field.

This thesis aims to connect two different theories of positive marginality and nation branding, in order to provide a new understanding about the policy of development cooperation as a tool for influence and benefit. It tries to deeply explore and analyze the development cooperation policy of a new and small donor state like Estonia from a new angle which brings interesting and useful conclusions, how to better use the position of marginality through the policy of development cooperation. Using and adjusting the theory of nation-branding to development cooperation policy is a new approach to discuss this policy and also the issue of marginality.

The single case study of Estonian development cooperation policy is the main method of this research. The strategy of Development Cooperation and Humanitarian Aid 2011-2013 was analyzed. Six in-depth interviews were conducted with the governmental and non-governmental sectors working in Estonia, which are involved in the development cooperation policy.

The analysis of the data provides clear results and also recommendations for future activities through the policy of development cooperation.

Acknowledgments

I would like to thank my supervisor Dr. Heiko Pääbo, who was always ready to answer my questions and to give me useful advice. I am grateful for his devotion and responsibility to the program of BSRS in general and, particularly, to my master's thesis writing process.

I also would like to thank Ms. Siiri Maimets, who was always ready to answer my technical questions.

Special thank to every interviewee, who found time and gave valuable information for my thesis.

Finally, I would like to thank my family, Enver Gobronidze, Ekaterine Gobronidze and Ana Sadradze, for their support; also my friends, who were encouraging me all the time.

I would like to dedicate this thesis to the memory of my mother, Nestani.

Content

INTRODUCTION.....	1
CHAPTER I. LITERATURE REVIEW AND THEORETICAL FRAMEWORK.....	6
1.1.Role and position of the small states in international relations.....	7
1.2.Theoretical discussion of the role and position of the small states in the international relations.....	9
1.3.The policy of development cooperation and the role of donor countries.....	11
1.4.Small donor states and marginality issue.....	16
1.5.Positive marginality and nation branding: the way to maneuver?.....	17
1.5.1. A theory of positive marginality.....	20
1.5.2. A theory of nation branding and tactics for a marginal actor.....	22
CHAPTER II.METHODOLOGICAL FRAMEWORK.....	26
2.1. Qualitative research: case study.....	26
2.2. The research questions and operationalization.....	28
2.3. The data collected for analysis.....	30
2.3.1. The formulation of the interview questions.....	34
2.4. Limitations of the research method.....	35
CHAPTER III.THE ROLE OF THE EUROPEAN UNION AND ITS MEMBER STATES IN THE INTERNATIONAL DEVELOPEMNT COOPERATION.....	37
3.1. The role of the European Union and its member states in the international development cooperation.....	37
3.2. The policy of development cooperation of Estonia.....	41
3.3. Strategy for Estonian development cooperation and humanitarian aid 2011- 2015.....	44
CHAPTER IV.ANALYSIS OF THE POLICY OF DEVELOPEMNT COOPERATION OF ESTONIA.....	46
4.1. Analysis of the strategyof development cooperation and humanitarian aid 2011- 2015.....	47
4.2. Analysis of the interviews.....	54
4.3. Comparison of the results: the strategy of Estonian development cooperation and humanitarian aid 2011-2015 and the interviews.....	69
CONCLUSION.....	74

ABBREVIATIONS.....	77
BIBLIOGRAPHY.....	78
APPENDICES.....	83
Appendix 1.....	83
Appendix 2.....	85
Appendix 3.....	86

LIST OF ILLUSTRATION

TABLES

Table 1.....	18
Table 2.....	39
Table 3.....	53
Table 4.....	68

INTRODUCTION

The position and the role of the new small donor states in the development cooperation is a topic which is not widely studied. Particularly, their possibility to have any kind of impact through policy is often neglected because of being new, inexperienced donors with limited financial resources.

It can be claimed that new small donors are often marginalized by automatically being labeled as non-important players in the development cooperation. Their image is often negatively perceived by the fact that they are automatically deprived of any possibilities to have important impact as they often lack the financial resources or do not have enough expertise in the development cooperation.

When talking about the marginality of small states, one should take into consideration the fact that marginality of the country was and is primarily understood as being situated off center which automatically labels them negatively as having a lack of influence or power. In modernist discourse a position of marginality is considered to be a position which is to be escaped, to be replaced by a position closer to the center. (Browning and Joenniemi, 2004, p.700) Here comes the question: is there any other way to determine the margins in a more positive mode? The post-modernist approach gives a more positive understanding of the marginal position. According to Noel Parker, margins can possess considerable capacity to influence and they can use this or that potential tool or tactic in order to achieve definable gains in their relationship with the center. (Browning and Joenniemi, 2004, p.700)

This master's thesis gives the ground to challenge the existing modernist approach for marginal position, which claims the inability of margins to influence or have subjectivity, by testing the post-modernist positive approach developed by Noel Parker

on the case of new and small donor countries, and particularly through analyzing deeply the development cooperation policy of Estonia as a tool of enhancing its scope of maneuver.

It is interesting to see how the new small donor countries can see their roles in the development cooperation policy, what possibilities they have, and how they are using them through their development cooperation policies.

Development cooperation policy is considered for new and small donor countries to be a quite important part of their foreign policy. It has the potential and possibility to position those states in a more positive way in relation to the center. Through the policy of development cooperation, the new small donor states have some possibilities to show themselves positively. Furthermore it leaves space for nation branding perspective. As Simon Anholt argues in his book “competitive identity”, “besides the dominant competitive advantage that comes from economic strengths, there is also room in the busy marketplace for those who play by different rules, for example by providing some niche brands.” (Anholt, 2007, p. 135) This work tries to show that development cooperation policy can be discussed as a tool through which marginal countries have the possibilities to make such claims and the example of Estonia is a good source to show this.

Estonia is a new small donor country within the European Union which could not fulfill the target of achieving 0.17% of GNI spent on providing aid, and it is a very interesting case to discuss from the nation branding perspective as Estonia was the first country among the post-soviet countries which launched its nation branding campaign. In order to analyze the policy of development cooperation of Estonia, the theory of nation branding, and particularly some arguments of nation branding, is adjusted to the tactics developed by the theory of positive marginality.

While talking about the Estonian case it should be mentioned that sources about Estonian development cooperation are primarily only available from the website of the Estonian Ministry of Foreign Affairs. There are very few academic works written about it.

It is very important to analyze this policy as it is under the process of development and needs to be studied more.

Estonia is a new and small donor country, officially mentioned in the OECD Development Assistance committee's 1999 report as a donor. It does not really have as much experience or as many resources as, for example, other more experienced and powerful donor countries. Besides being a marginal donor state, one can also claim that it tries to position itself at a positive angle, by for example, promoting its post-communist experience of successful political and economic transition and in this way has the possibility to claim to be unique. At the same time from the perspective of nation branding, as Simon Anholt argues in his book "Brand New Justice": "Estonia is potentially capable to occupying a higher and less vulnerable position in the global supply chain that they currently do, and are among the first of the developing nations to produce their own international brands." (Anholt, 2005, p.30)

The main research question asked in this work is how can Estonia as a new small donor country enhance its scope of maneuver in order to benefit and influence from its marginal position through the policy of development cooperation? This thesis aims to find out and analyze what the scope of maneuver is for the small new donor countries and how it is used or should be used in the future in order to benefit and influence through the policy of development cooperation.

In order to answer this question, the following sub-questions are answered: What are the possibilities and options for the new and small donor countries to use in their policy of development cooperation? What possibilities and options are used by Estonia in its policy of development cooperation? How are these possibilities and options used by Estonia through its policy of development cooperation? What are the main problems and difficulties while using these possibilities and options through the policy of development cooperation? How can these problems and difficulties be solved?

By answering these questions, the aim of this research is to further develop the understanding of marginality and its usage in a positive way by giving a quite new and different approach. At the same time it tries to deeply explore and analyze the development cooperation policy of new and small donor states like Estonia from a new

angle which brings interesting and useful conclusions and, to some extent, recommendations or suggestions of how to better use the position of marginality through the policy of development cooperation while at the same time promoting the nation branding campaign. Using and adjusting the theory of nation-branding to development cooperation policy is a new approach to discuss this policy as well the issue of marginality. The theory of nation branding is mostly used from an economic and management perspective and it should be mentioned that being a quite new theory it is still in its development phase. There are quite few or even no resources or works on how it can be adjusted to political issues or problems, particularly to development cooperation policy. Taking Estonian development cooperation policy as a case study can be viewed as a modest contribution to expand the scope of analysis of this policy by discussing and analyzing it from a quite new and different theoretical angle.

The data collected for analysis of the Estonian development cooperation policy is the strategy of Estonian Development Cooperation and Humanitarian Aid 2011-2015 and six in-depth interviews which were conducted with the persons working directly on the development cooperation policy from the governmental sector, Ministry of Foreign Affairs, and from the NGOs.

The texts were analyzed based on the categories developed by the theories of nation branding and positive marginality.

The following five categories were analyzed: first, the possibility of obtaining intermediation rewards under which the main concern was to find out if Estonia plays the role of mediator between the European Union and the Eastern Partnership countries through the policy of development cooperation. When doing the analysis, the emphasis was on the concentration on the euro-integration issues while dealing with the priority countries. The next category examined was the possibility of competing for rewards, which aimed to find out if Estonia could have the possibility to be competitive and the advantage of being a donor country. The concentration was on the possession of the real added value and the possession of any distinctive characteristic of Estonia through the policy of development cooperation.

The third category which is the possibility of manifesting emulation, aims to find out if Estonia adopts the core values of the EU and how successfully this is done. The emphasis was on the equality of women and the rule of law as they are prioritized by the strategy of Estonian development cooperation policy for 2011-2015.

The fourth category is the level of nation branding through the policy of development cooperation under which was examined the level of cooperation between the governmental and non-governmental sectors; the promotion of a new product, service or initiative through the policy and the level of being distinct and different.

The final fifth category aims to find out the general image and reputation of being a donor country.

After analyzing the categories based on the data obtained through interviews and also the strategy paper of development cooperation policy, there are concluding tables presented where you can see the main conclusions from the analysis, and finally, in the concluding part you will find more detailed conclusions from the data and suggestions are also discussed for improving the policy of development cooperation of Estonia.

The structure of the thesis is the following: there are four main chapters in this thesis. The first one deals with the theoretical part and discusses main literature related to the theories and the topic particularly. Next the methodology is presented, which consists of discussing the case study of Estonian development cooperation. The operationalization is included in the chapter, and the main issues concerning the interview are also discussed, for example, how the questions were generated for interviews and how the interviews were done; who was interviewed and so on. The possible limitations of the research are presented under the chapter of methodology. Then the policy of development cooperation of EU and its new small member states are overviewed, followed by the overview of the development cooperation policy of Estonia. Then the analysis of the development cooperation policy of Estonia is done based on two data sources: the strategy of development cooperation and humanitarian aid 2011-2015 and the interviews which were conducted with representatives of the governmental and non-governmental sector working on the policy of development cooperation in Estonia. Finally the conclusions with the recommendations are made.

CHAPTER I. LITERATURE REVIEW AND THEORETICAL FRAMEWORK

“Marginality is not a straitjacket but may be a rather flexible phenomenon that can be transformed from a sign of weakness to a source of authenticity.” (Browning and Lehti, 2007, p. 711)

In this section of the thesis, the main literature discussion relating to my research field will be introduced, as well as the introduction to the field in order to give the general understanding about the main problem and the puzzle of the particular work. First, the short overview of the role and position of the small states in international relations will be introduced; then the main theoretical arguments concerning the role and position of the small states in international relations will be discussed; then the policy of development cooperation and the role of donor states will be overviewed; after, how small new donor states can be related to the marginality issue will be briefly introduced; then the theories of positive marginality and nation branding will be introduced as a kind of solution for the small new donor countries' marginal position; also the tactics of positive marginality will be analyzed in detail, and finally the arguments from nation branding theory will be elaborated with the tactics of positive marginality in order to show the possible “scope of maneuver” for the small new donor states in the international relations.

In this section the main concepts of the research topic will also be defined. The conceptualization is mainly done through the theoretical framework, but some of the definition is elaborated by the author in consideration of the aim of the research.

1.1 Role and position of the small states in international relations

Throughout the history of the existence of statehood, there were different approaches developed concerning the position and the role of the state. In most cases, the big states were associated with the power and the influence, while smaller ones with the vulnerability and the weakness.

Having influence was, and still is, often linked to the possession of different kind of resources which was and is considered to be a determinant of state's interests and limits for its actions. Esko Antola and Milla Lehtimäki stress that the small states which were associated with having small territory, population and limited resources, were not the objects of much attention and research.(Antola and Lehtimäki, 2001, p.13)

The position and the role of small states in international relations changed as profound changes occurred in the structure of the international system. The first profound change took place in the 1960s, in the period of de-colonization, which resulted in the emergence of many small states in the international system. The next important change in the status and the role of small states took place in the 1990s, when the world witnessed the collapse of the post-war power structure.(Antola and Lehtimäki, 2001, p.15) Through and after the 1990s the world and especially Europe, began to expand its number of states, especially small ones. Such events as the break-up of the Soviet Union which resulted in the emergence of many small independent states, as well as the dissolution of Yugoslavia and Czechoslovakia raised the issue and interest in the small states. As Jennifer Brown argues, "big no longer seems to be best."(Brown, 2000, p. 11) To illustrate a more positive and in some way constructivist approach towards smallness, Christopher S Browning even argues that smallness can be viewed as a resource, as it can be associated with the creation of "space for action by indicating that the state in question poses no threat."(Browning, 2006, p. 674) As we can see, the interest towards the small states grew considerably, and they were not only viewed from the negative angle. It should be mentioned that if the studies on the role and position of small states were previously concentrated on the "top-down approach, which described small states as actors with lacking power, in the 1990s the emerging studies about small states became more multi-dimensional and "bottom-up" as there was more attention

given to the possible influences of small states in international relations. (Antola and Lehtimäki, 2001, p.15)

Another important change in international relations is the growing importance of the international institutions and their important role in world politics. These changes enhanced the interest towards the small states more. With the increasing importance of the international institutions, the positions and roles of the states changed considerably. As it is argued, small states were given more possibilities to have active positions and active roles.

The process of globalization was another important factor which is argued to be, in most cases, a beneficial factor for the increasing interest in the small states. However, it should be mentioned that globalization also became a controversial topic when discussing the role of the small states. Some authors argue that after the emergence of globalization the divide between small and large states lost its importance as all countries became smaller since the concept of autonomy and the traditional understanding of having influence in world politics are diminishing. "The wealth of nations no longer depends on natural resources but on creative capabilities." The process of globalization is considered to be a source of destroying the geographical barriers and a contributor to liberalization of trade, which are considered to be the beneficial factors for the small states to take an advantage. (Antola and Lehtimäki, 2001, p.13) On the other hand, some authors stress that in recent years the fear has increased concerning the small states, as they are viewed as the vulnerable ones towards the process of globalization, which can lead the small states to a marginalized position in the world economy. (Sutton, 2011, p. 147)

The questions asked by the authors Steinmetz and Wivel about why it is important to study the small states and the challenges and opportunities they face today, give very convincing arguments. First of all, the issue that small states are not widely and intensively studied in international relations needs to be emphasized; secondly, the present world order positioned the small states in a new way and increased the interest in their possible roles in international relations. Nowadays, the challenges and the problems which were previously considered just for the small states can also be viewed as the challenges and problems for other states in international relations, as they have

become more global challenges. Also the study of small states may serve as a source of information for all states throughout the world, from the perspective of being a weak part in the international system. Compared to previous periods, small states have now become more active in the international arena, especially in the world market place within the context of a globalized world. At the same time, the challenges which globalization also brought to the small states could be considered an interesting direction to study. The small states now have the possibility to be providers of security in different areas and by different means, and at the same time there is a tendency for small states to try to gain influence over international affairs by different methods or means. This provides the motivation to study them and their policies deeply in order to understand how and why they do it. (Steinmetz and Wivel, 2010, pp. 7-8) Here could be added that even to try to study their hidden intentions under their policies could bring the new insights and the understanding about their role and position in international relations, at least their motivation to acquire some particular role and position. And finally, the authors argue that “as the most heavily institutionalized and thoroughly globalized region in the world, small states in Europe now face some of the challenges and enjoy some of the opportunities that small states in other parts of the world may face in the future.” (Steinmetz and Wivel, 2010, p. 9)

1.2 Theoretical discussion of the role and position of the small states in international relations

Even though the literature concerning the small states has increased considerably, there is not a universally agreed and approved definition of the concept of small states. Different authors and different international organizations offer different definitions of this concept. What became and is still often a problem in defining the small state, is the confusion between the terms small state and weak state; small states are often directly associated with being weak states (having a low level of legitimacy) and also often represented as weak powers. (Sutton, 2011, p. 144) Size of population is generally used in order to define the smallness of the state, also indicators like gross national product, the area of territory and so on. But the problem is that there is neither a universally agreed size of population, nor the amount of GNP to define a state to be small.

Besides the fact that there is not a universally agreed definition of the concept, different theoretical approaches were developed towards the concept of small states which give the possibility to view them from different angles and from different perspectives.

Antola and Lehtimäki make a very good description of some theoretical approaches concerning the role and position of the small states. They discuss the core approaches like power-politics, which mainly argues that small states have limited interests and power, the main concern for them is to secure their existence and sovereignty as this approach views the international system as the condition of anarchy. (Antola and Lehtimäki, 2001, p.15) The structural approach concentrates on arranging countries on the basis of hierarchy, where some countries are dominant and some are dominating. Small states in this system of hierarchy are placed on a lower level, where possibilities for political influence are limited. (Antola and Lehtimäki, 2001, p.16)

Neo-liberal institutionalism stresses the role of institutions in the international system. According to it, small states are put in a better position, as the international law and institutions formally give the small states the same rights as larger ones. Here the principle of sovereign equality is important. According to this theoretical approach, small states have the possibility to “establish and perform functions that reflect their individual strength and resources.” (Antola and Lehtimäki, 2001, p.17) World-system analysis is also mentioned as a theoretical framework which views the small states from the perspective of being in a disadvantaged position, as it is considered that they lack autonomy and are dependent on major states. This approach views countries from the economic logic of a capitalist world and categorizes them as core countries, semi-periphery countries and periphery countries. (Antola and Lehtimäki, 2001, p.17) The author of this theoretical approach is Immanuel Wallerstein, who developed the world-system analysis in his book “The modern world-system: capitalist agriculture and the origins of the European world-economy in the sixteenth century”. He discusses the late fifteenth and early sixteenth century period, when according to him a European world economy was born. (Wallerstein, 1974, p. 15) In the last chapter of the book, Wallerstein develops a theoretical framework mainly from the perspective of economics. He defines the world system as a place where an extensive division of labor exists and argues that “the range of economic tasks is not evenly distributed throughout

the world-system.” According to his theory, the advantaged areas of the world-economy are the core-states, while peripheral areas are considered to be disadvantaged ones and semi-peripheral areas are in between. (Wallerstein, 1974, pp. 347-349) While the theory of the world-system developed by Wallerstein gives a more economic perspective to the division of the world system into core, peripheral and semi-peripheral states, it is very close to the modernist understanding of central and marginal actor in international relations, which also develops the division of the actors or entities by categories of being central or marginal in the international relations and analyses their relationships. Mainly it concentrates on two directions of analysis: the modernist perspective and the post-modernist. While the modernist understanding stresses the negative sides of being a marginal actor, the post-modernist understanding of marginality gives a good possibility to view the policy of development cooperation of the small new donor states from a more positive perspective. It makes defining the roles and positions of marginal actors in international relations from positive angle possible, and it gives the opportunity to identify the possible scope of maneuver for marginal actors like small new donor countries, by using the tactics of positive marginality through the policy of development cooperation.

1.3. The policy of development cooperation and the role of donor countries

International development cooperation is not a new phenomenon for the world. It was the creation of the Second World War and “became an important public concern in the second half of the twentieth century”. (Stokke, 2009, p. 3) Institutions like the UN and its specialized agencies, as well the World Bank “have influenced international discourse on development assistance since the world body was established in 1945.” (Stokke, 2009, p. 4) It is also necessary to emphasize that not only the institutions played an important role in the development assistance, the governments also played and are still playing a very important role and the non-governmental sector is also mentioned as an actor in the international development policy. (Stokke, 2009, p. 4) In this particular work mainly the role of governments of particular donor countries will be concerned, but the non-governmental sector will also be considered.

According to the definition given by the OECD, a donor “is an official agency-including state and local governments- that provides Official Development Assistance. Under this definition, Non-Governmental Organizations and private companies do not qualify as donors”. (Glossary of OECD) Official Development Assistance (ODA) “has measured resource flows to developing countries since 1961”. The Development Assistance Committee first defined ODA in 1969 and tightened the definition in 1972. It is considered that “ODA is the key measure used in practically all aid targets and assessments of aid performance.” (Official development assistance-definition and coverage)

When giving these definitions, it is necessary to mention how important the role of Development Assistance Committee is in the development cooperation. First, it was formed in 1960 as a Development Assistance Group within the Organization of European Economic Cooperation (OEEC) and, along with the aim of distribution of the aid of the Marshall Plan, it also had the objective to achieve better cooperation among the major western donors concerning their assistance in developing countries. After the OEEC was reorganized into the Organization for Economic Co-Operation and Development (OECD) and the DAG became the Development Assistance Committee (DAC) of the OECD (Stokke, 2009, p. 7)

International development itself is considered to be an important policy for states, where they have the possibility to “pursue their interests, both directly and indirectly by shaping international norms and regulations.”(McEwan and Mawdsley, 2012, p. 1194) The role and the identity of the states are stressed when describing the policy. While the importance of the DAC is emphasized, it is also argued that the donors who are not members of the DAC have some level of autonomy in the framework of international development to pursue their national interests.(McEwan and Mawdsley, 2012, p. 1194)

In order to understand what role the small donor countries can have in the international development cooperation today, one should be familiar with the conceptual development of the development cooperation itself. Olav Stokke presents and describes very well the change of the international and conceptual environments of the international development. He identifies and analyzes the different phases of development assistance.

The first phase is the 1940s and 1950s, when the development assistance emerged. As the author writes “this phase was characterized by two major concerns: the needs that surfaced in connection with the decolonization process and the needs that were the result of the emerging Cold War.”(Stokke, 2009, p. 4) So the main actors in the official development assistance were the colonial powers and the international organization which emerged after the Second World War. It is argued that while providing the development assistance, the imperial powers were trying to guarantee their security and economic interests. But at the same time “as these actors pursued their primary interests, however, they facilitated the transmission of new technologies, capital (mainly private-sector enterprises), and social services such as health and education (mainly the missionaries).” (Stokke, 2009, p. 5)

The second phase of development assistance is the 1960s and the 1970s. As stated by Stokke, the concern for the major colonial countries in the 1960s was to secure the infrastructures which they had built in their former colonies and, at the same time, to maintain good connections with the countries which had recently become independent. Also the role of the Cold War in forming the aid policy is stressed, as the aid policy during this period was mainly characterized by two major players until the end of the Cold War.(Stokke, 2009, p. 7)The major actors were still the hegemonic powers, particularly the United States.As we can see the role of small states within the development cooperation was very limited and not important.

Realpolitik was the main paradigm from which the development cooperation policy was viewed from the very beginning of its emergence. As it is argued, the Cold War and the rivalry between the East and West made a great impact on the development assistance.

For Western powers, the importance of the aid was analyzed as having an objective to fight with communism in the South through the promotion of democracy and the development of the open market economy. On the other side, the Eastern powers and particularly the Soviet Union also used aid as a foreign policy instrument. (Stokke, 2009, p. 18) However, realpolitik is not a sufficient paradigm to explain the other side of development cooperation, especially during the 1990s. As Stokke argues there were also altruistic aspirations of some donor countries which were not captured by the realist understanding of the aid policy. The paradigm which emerged as a contrasting paradigm

to realpolitik was called humane internationalism. “The core of humane internationalism is an acceptance of the principle that the citizens of industrial nations have moral obligations toward peoples and events beyond their borders and this, in turn, has a bearing on the duties of governments.” (Stokke, 2009, p. 18) So there emerged the understanding that there is another side to development cooperation and different interest of the donor countries.

The third phase indicated by Olav Stokke is the 1980s and 1990s. The 1980s was a bad period for the developing countries as the result of their growing debt. Economic crises had the impact on the development cooperation. (Stokke, 2009, p. 11) The fundamental reorientation in development assistance took place in the 1980s. The main concern for the aid providers became the “creation of the enabling environment for development” by helping the recipient countries in economic policy reform. There was an increase in the tendency of providing ODA as capital assistance. “Its function became to provide assistance for crises management.” (Stokke, 2009, p. 11) The concepts of sustainable development and institution building also became important objectives for the development cooperation in the 1980s. (Stokke, 2009, p. 12) This period was also characterized by conflicts rising in many developing countries, so conflict resolution and conflict prevention became the concerns of development assistance. (Stokke, 2009, p. 13)

The last phase indicated by the author is 2000 and beyond. In this phase, the role of the UN Millennium Declaration and the Millennium Development Goals are stressed.¹ (Stokke, 2009, p. 14)

Alex Duncan and Gareth Williams developed a table, which shows the historical depiction of development thinking from the 1950s until 2000. For the period of the 1950s and 1960s, they identified the paradigm of financing gaps and capital spending, which assumed that filling the funding gap would be followed by growth. The second paradigm prevalent in 1970s concentrated on basic needs and rural development, which aimed to fund the basic needs of the poor; while the third paradigm characteristic of the 1980s is called the structural adjustment, which concentrated on the price regulations

¹ You can see the Millennium Development Goals and their description on the following address:
<http://www.unmillenniumproject.org/goals/index.htm>

what was followed by efficient resource allocation. The last, but not least, paradigm indicated by the authors for 1990s is institution building or capacity development, which aimed to promote develop-country models of formal institutions and to build local capacity in order to run them. (Duncan and Williams, 2012, p. 134)

Mainly after the year 2000, important roles for the small states became possible within the development cooperation. Their contribution to the development assistance became very high and their roles increased as donor countries in international relations. As McEwan and Mawdsley write, the role of new donor countries increased as they became more active and important in development cooperation in general. If the old and traditional donors were previously skeptical about the possible influence of emerging donor's in the international development, now they tend to be more optimistic towards new donors and towards new donor's potential power. (McEwan and Mawdsley, 2012, p. 1186) As it is stated: "DAC donor states, multilaterals and civil society organizations have begun to acknowledge the emerging powers as development actors and adjust to their growing influence and potential implications."(McEwan and Mawdsley, 2012, p. 1189)

Even though interest has increased towards the new donors in the development cooperation, they still have to face some challenges and problems due to being small and new donor countries, which often negatively associates them with being marginal in the development cooperation policy.

Talking about challenges, one of the challenges for small states is not to lose their visibility and identity as a small donor country, while trying to become an important and influential player in the international development cooperation. At the same time, it is a very important challenge for them to earn a good reputation within the dominant international aid providers. Their marginal position of being new small donor countries threatens them with losing visibility and not creating a good image, but at the same time gives them a good opportunity to act and maneuver without losing visibility while allowing them to earn a good reputation and promote a good image.

The donor policy is one good illustration of the fact that being a new small country does not necessarily mean being an unimportant donor. But the topic remains still

controversial, and in most cases the small new donor states can be negatively labeled as being marginal actors in the development cooperation.

It should also be mentioned that it is very difficult for a new and small donor country to face these challenges and try to have a good position and gain influence through the development cooperation policy. However, this does not exclude the possibility for the emerging new small donor countries to become successful players in the international development cooperation, despite the fact of being small and new in this field. As one author argues “small donors can probably often increase their impact by being selective and focus on a limited number of policy actions where they have expertise and recent experience.” (Hilmarsson, 2012, p. 9)

1.4.Small donor states and marginality issue

Even though a relatively large amount of attention is given to the discussion of the potential and existing problems and challenges that the new small donor countries are facing today, it is very difficult to find a study conducted with the aim of trying to elaborate more deeply on the potentialities of the small new donor countries, the possibilities of using their marginal position in a positive way, and of trying to define their role and position in international relations from a positive angle.

In order to look at the aid policy from the small new donor countries' perspective, one should take into consideration the problem of marginality when referring to them as donor countries. Their importance and possibilities are restricted, as they are often viewed from a marginal perspective. In order to analyze the policy from a more positive perspective, it is important to think about how the small new donor countries can enhance their scope of maneuvering from their marginal position through the development cooperation policy. The scope of maneuvering defines the possible role and position of the small new donor state in international relations. In order to define the opportunities, it is necessary to define the main problems and also indicate the possible ways to solve them effectively.

To analyze the main problems and opportunities for the new small donor states allows the countries that are not yet the donor countries to conclude, from their experiences of implementing the policy, what are the main problems they might face, what are the main responsibilities, what are the possible opportunities for them, and how they can gain any kind of influence and enhance their scope of maneuvering while being a new small donor country.

In this work, the new small donor state will be defined as a new donor state within the European Union, who became a member of the European Union after 2002 and provided aid amounting to less than 0,17 percent of their GNI by 2010, (as it was set by the EU), and who are also not members of the Development Assistance Committee. Why this definition? This definition was developed by the author, as it shows the marginal position of a new small donor country in relation to more established and dominant aid providers within the European Union, which is considered as one of the most important aid provider in the world.

1.5. Positive marginality and nation branding: the way to maneuver?

The theories of positive marginality and nation branding will be introduced as the theoretical framework for analyzing the small new donor countries development cooperation policy. These two theories, which are both relatively new, develop a new understanding of the scope of maneuvering for the actors of marginal position in international relations. Particularly, the theory of positive marginality both introduces a new understanding of the marginal position, which should be maintained and used in order to benefit and influence, and at the same time develops the potential tactics for maneuvering for the marginal actors. The theory of nation branding, and particularly some arguments of this theory, is taken by the author to view the small new donor country's marginal position from the perspective of having additional tactics to use in order to gain and influence.

There are two main discourses for defining the concept of marginality: modernist and post-modernist. In modernist discourse marginal position is associated with no

influence and lack of power, while in post-modernist discourse it has a positive meaning. Modernist discourse views marginality as a position to be escaped, and it places the marginal actors or entities closer to the center. The post-modernist approach views marginality as a position to maintain and use in order to gain and influence. (Browning and Joenniemi, 2004, pp. 700-701) In this work, the marginal position of the new small donor states will be discussed from the post-modernist perspective, where their marginal position will be analyzed from the perspective of how can it be used and maintained in order to benefit and influence.

In the following table you can see the main differences between these two discourses: (Browning and Joenniemi, 2004, p. 705)

Table 1

Discourses of Marginality

Discourses	Margin's Self-understanding and identity	Conceptualization of borders	Relationship to core(s)	influence agency and Opportunities for
	Margin as a final edge and object of the state hard.	Understood as fixed, impermeable, States as "Billiard balls"	Directed to one core. Margin as final limit of a state's territorial sovereignty.	Margin becomes a subject in state's defense; Playing on Threat
	First line of defense			
Postmodern (Open)	Margin as a bridge/link transcending the borderbetween states	Flexible, open to revision	Margin relates to two or more cores(states)	Margin able to break free from previous constraints

In many works the concept of marginality is viewed from these two theoretical discourses. It should be mentioned that during the Cold War period the modernist discourse was dominant, and after the Cold War the postmodernist discourse gained attention. As some authors argue, when the states are more interconnected and spaces are overlapping, there is a greater need for creating and encouraging the participation of multiple networks in the process of globalization. It is argued that, in this process, borders should not be considered as simply places of exclusion but should be viewed as sites of interaction. (Browning and Joenniemi, 2004, p. 700)

Noel Parker is considered to be one of the main proponents for positive understanding of marginality, sharing postmodernist approach. But at the same time, as some authors argue, Noel Parker uses the modernist approach when he defines and categorizes the attributes of margins. (Browning and Joenniemi, 2004, p. 701)

Browning and Joenniemi tried to extend Parker's work and adopt a more fluid discursive approach towards marginality. They disagree with some arguments of Parker but at the same time they consider his arguments as an important step in order to show marginality with a new angle and understanding.

According to Noel Parker, the terms marginal and peripheral can be differentiated between, in that peripheral is often used for a negative and passive condition while marginal position is described as a more positive and active term. As Parker states: "The term margin is used to focus attention on the possibility that what lies on the edge has autonomous, active effects beyond its marginal space, including upon what is central in the space where it is marginal." (Parker, 2008, p. 9) There are many different ways to present a marginality position of a country within the space of international relations. In this work, the marginality position of the small new donor state will be introduced and mainly discussed as a small and new donor country, that is, a member of the European Union after 2002, could not meet the target of 0.17 percent of GNI spent on aid policy set by the EU by 2011, but which has some capacities and opportunities to use from its marginal position.

Talking about space, it is not necessarily understood only as territorial; as Noel Parker claims, “the space where centers and margins coexist can be either territorial or non-territorial”.(Parker, 2008, p. 9)

In the world of globalization, when centers and margins are interacting very intensively, it becomes very interesting to observe the position of margin and to discuss its interaction with the center. As it is argued, it is possible “to find a rich seam of hidden dynamics in the formations of space”. (Parker, 2008, p. 10)

Margins are viewed, not just as the constructions of the centers, but also as constructive in relation to the center. This indicates the reason why we should look more closely into the relationships, motives and potentials of margins when interacting with the centers, in order to see what kind of impact they could have upon the spaces which are constructed by the centers.(Parker, 2008, p. 10) In this particular work, the interaction of margins and the center will be illustrated by the interaction of the new small donor countries within the EU and the EU itself as one of the world’s most influential and important aid providers.

After giving a short introduction to the term marginality and the marginal position, a theory of positive marginality will now be addressed which develops a positive framework for the marginal position of an actor or an entity and describes the tactics as the capacities and opportunities which the margins can possess for maneuvering in order to gain and influence.

1.5.1. A Theory of positive marginality

Noel Parker in his book -“Geopolitics of Europe’s identity: A center, boundaries and margins”,- develops and discusses a theory of positive marginality.

Positive marginality is defined in the following way: “that is, to capture marginality not as mere inadequacy, but rather as substantial qualities associated with being on the edge of, and prima facie subject to something more obviously significant, a center”.(Parker, 2008, p. 11) The author also mentions resources which are possessed by the center or centers. By resources, Noel Parker means different kind of “means” which can be used by an actor or entity to influence and act on the international arena. It could obtain

power by its different understandings, financial, diplomatic capacities and so on.(Parker, 2008, p. 12)

With relation to the center, the margins could have different options or potentials. This is illustrated by Parker in two different ways: one is tactics and the other is identity. Both of them, as he argues, can be used by the margins for their own interests and for gain. He develops twelve tactics that, according to him, are possibilities for margins to maneuver in order to benefit and, in some way, to influence. This work will focus on six of these twelve.

The first tactic that will be analyzed is **obtaining intermediation rewards**. It encompasses the possibility for a marginal actor to obtain some benefits from the center by trying to become a significant player on the boundary between the center and a remote area of the center's influence. It argues that the margin can play a mediating role between these two. In addition to this tactic, a margin can claim **to be a guarantor of the order** in the remote area of the center's influence. **Competing for rewards** is another tactic for a marginal actor, when it has to compete in a clever way with another marginal actor who claims to have the same role and characteristics. Another tactic which is discussed in this work is manifesting **emulation**. By using this tactic a marginal actor tries to adopt the main core values of the center in order to achieve its objectives more easily and, at the same time, to guarantee its success in relation with the center. In some ways this tactic, as Noel Parker argues, if not used in a clever way, may put the margin at a disadvantage by forcing it to compete with the center's strengths. The tactic of **competitive emulation** claims that a margin can compete with the center even by adopting the center's main values. A marginal actor can also **legitimize itself by claiming to have some distinctive characteristics**, which can make it different from the center; in this way it has a chance and possibility to promote itself as a kind of center by using and stressing its particular distinctive characteristic. This last tactic will be integrated with the tactic of competing for rewards, as both of them concentrate on the distinctive characteristics of the marginal actor. (Parker, 2008, pp. 13-16) As we can see, there are six tactics which could be used by a marginal actor and will be analyzed in this work as the potential capacities and opportunities for the small new donor states to maneuver through the policy of development cooperation. In the next chapter, we will

discuss and see how the arguments of the nation branding theory could be applied to these tactics of positive marginality.

1.5.2. Theory of nation branding and tactics for a marginal actor

Under the theory of nation branding, the work will focus on arguments developed by Simon Anholt, who is considered to be the author of the term nation branding and who has written many works concerning this concept. Before discussing his arguments, it is essential to give a general understanding of what the nation branding is about, to briefly introduce the mainstream critique of it and, finally, to explain why it should be used for analyzing the development cooperation policy of the new small donor states.

First of all, it should be mentioned that the concept of nation branding has recently become a popular term and a subject of discussion and wide interest among academics and policy makers. It is argued by many authors that a “strong nation brand can contribute to sustainable development, restore international credibility, enhance global political influence, and encourage stronger partnership with other nations.” (Helmi and Mulyanegara, 2011, p. 36)

As Ying Fan states “a nation brand is a complicated multi-facet construct”. (2010, p. 97) But we should not forget that there is a difference between what nation brand refers to, and what nation branding is about. The main critique is not regarding the existence of nation brands as such, but rather addresses the process of nation branding, and its usefulness and clarity are put under the question.

Recently, even Simon Anholt criticized nation branding by saying that it creates the problem rather than a solution, and he introduced a new concept of “competitive identity”, a mixture of public diplomacy and brand management, as the new model for a nation branding process. (Fan, 2010, p. 97) There is a need for further theoretical development of nation branding. (Fan, 2010, p. 98) Before moving to Simon Anholt and his works, it is essential to show the difference between nation brand and nation branding, as these terms are often subjects of confusion. Ying Fan gives some definitions of nation brand, including this example by Aaker: “a brand is a

multidimensional assortment of functional, emotional, rational and strategic elements that collectively generates a unique set of associations in the public mind.”(Fan, 2010, p. 98) To define nation branding is more difficult, because there is not an easy definition of this term but rather many definitions with different focuses and outcomes of nation branding. As Ying Fan writes “there is not a single definition of nation branding.” (Fan, 2005, p. 6) This research deals primarily with the definition developed by Simon Anholt.

Simon Anholt, who is a founder of nation branding theory in his book “Brand New Justice”, asks a quite important question about the aims and meaning of nation branding. He answers this question by saying that countries, in many cases behave like brands- they have an image and reputation which they take care of and which can be influenced by factors and events uncontrolled by the nations, such as bad stereotypes and so on. According to the author, the characteristics or qualities that a country is associated with are very important, as this association could be an essential factor for the nation’s success or failure in any relations and activities, starting from sport or culture and ending with politics or economics. (Anholt, 2005, p. 105) Branding as Anholt defines it “is the process of designing, planning and communicating the name and the identity, in order to build or manage the reputation.”(Anholt, 2007, p. 4)

The nation branding is a new phenomenon which was introduced by Simon Anholt in 1996, and is still developing. This theory has a lot of critiques regarding its dispersion and usefulness. Few could object to the idea that nowadays, when everything in a globalized world, especially countries, has become so interconnected and competition is growing so fast, the need of being different, distinct or unique has become an advantage for many countries to use for their own gain. This is to say that the image and reputation of a country still plays a very important role in a globalized world; in many cases, countries are still striving to gain or retain a good and profitable image both within and outside of their territories.

Small countries, for which competition might be more difficult in some ways, have an opportunity or an advantage if they are able to find a profitable niche and rely on soft power. According to Simon Anholt, this is one of the great benefits of globalization but,

at the same time, in order to make gains smaller countries should know well how to play by the new rules. (Anholt, 2010, p. 6)

It is important for countries not to forget, according to the author, that “National reputation cannot be constructed; it can only be earned.”(Anholt, 2010, p. 37) So a very carefully planned strategy is needed for the governments and other actors involved in the nation branding campaign to achieve positive and desirable outcomes. As the author argues, in order to make the strategy successful governments should “have a good, clear, believable and positive idea of what their country really is, what it stands for and where it’s going, and manage to coordinate actions, investments, policies and communications.”(Anholt, 2007, p. 26)

Simon Anholt proposes possible measures that should be taken into consideration by governments and other actors involved in nation branding in order to achieve a better reputation. The first measure addresses monitoring the international image in the countries and sectors on which a state is concentrated and which are the most important for the state’s interests. The second measure stresses the importance of an active and effective collaboration between the government, business sector and civil society when adopting a new national strategy. It is argued that this collaboration is essential in order to ensure that the strategy will honestly reflect the genuine skills and will of the society. The last measure discussed by Anholt concerns the government’s responsibility to ensure that the country will focus on innovative products, services, policies and initiatives in every sector which can lead to the world’s attention.(Anholt, 2010, pp. 6-7)

After discussing some arguments of the nation branding theory, it is time to apply it to the tactics developed by the positive marginality theory. Here comes the question: how and why can these measures and arguments apply to the tactics of a marginal actor? The arguments of nation branding allow a marginal actor, like a new small donor state, to use its limited resources in an effective way and, at the same time, enhance its influence by promoting its image and reputation world-wide. It stresses **the need for promotion of good image and reputation** which can be analyzed through the small new donor countries’ additional capacity to develop and to use through the policy of development cooperation. By applying nation branding to the tactics developed by a positive marginality theory, it gives a more room for a small country to maneuver in

international relations. It stresses **the importance of reputation and image** which, in addition to the tactics of positive marginality, can be considered a profitable “tool” for use by a small donor state while pursuing its policies.

To these six tactics discussed under the theory of positive marginality, will be added three measures discussed by Simon Anholt as being additional possible tactics for small new donor states to maneuver. They open more possibilities for a small state to increase its influence by **stressing the role of governments in promoting a good and profitable image and reputation while implementing a policy**, or by **providing a new product and initiative to the world**. In the world of competition they stress **the importance for states to find a profitable niche and use it efficiently** in order to pursue their national interests. **They stress the importance of close cooperation with the business sector and civil society** when adopting a national strategy of the country. All these arguments, together with six tactics developed by the positive marginality theory, will be tested on the case of the Estonian development cooperation policy in order to see if Estonia, as a small new donor country, possesses them and uses its marginal position as the capacity and opportunity to enhance its scope of maneuver in international relations.

CHAPTER II.METHODOLOGICAL FRAMEWORK

Under the chapter of the methodological framework the research method of the thesis, the case study, will be discussed and some justifications will be provided for the single case study. Then the research questions will be introduced, after which is the operationalization, where the main concepts, like the categories, are presented and indicators for measurement are identified for each category. The next issue discussed in this chapter is the data collected for analysis. There is a discussion of the two main primary data used in the research: the strategy for Estonian Development Cooperation and Humanitarian Aid 2011-2015, and the interviews with the governmental and non-governmental sectors. Then the main issues concerning the interviews are analyzed: in particular, the formulation of the interview questions. Finally, the main limitations of the research method are analyzed.

2.1. Qualitative research method: case study

The qualitative research method is used as the methodological framework. In particular, the single case study of Estonian development cooperation policy is the main method of this research.

As Yin states, “the case study method allows investigators to retain the holistic and meaningful characteristics of real-life events—such as individual life cycles, organizational and managerial processes, neighborhood change, international relations and the maturation of industries”. (Yin, 2003, p.2) It should be mentioned that the main criticism of the single case studies is the validity issue. It is argued that single case studies offer a poor basis for generalization. However, one should consider the fact that single case studies rely on analytical generalization where “the investigator is striving to generalize a particular set of results to some broader theory”. (Yin, 2003, p.37) As this research aims to make an in-depth analysis of the policy of development cooperation as

a policy to act and influence for the small and new donor states' marginal position, the single case study can be justified in the framework of the master's thesis. The findings can also be generalized to similar cases that fit the assumptions of the theoretical framework used in this thesis. So mainly, the aim that should be achieved while using the single case study is to generalize findings to theory. (Yin, 2003, p.38) Besides the critics, the use of single case study also has its proponents. One author argues that a "single case study can represent a significant contribution to knowledge and theory building." (Yin, 2003, p.40) This particular work aims to connect two different theories with each other in order to provide a new understanding and knowledge about the policy of development cooperation as the tool for influence and gain. The Estonian development cooperation policy was specifically selected as a case for analysis.

To the question of why Estonia has been taken as a case study, the following justifications are given: it is a small country; it is a new donor country in the European Union and it can be considered to have a marginal position towards the center because it could not meet the target of 0.17% of GNI for 2010 set by the EU, has relatively less experience and expertise in policy compared to older donor countries within the EU and it is not a member of DAC. Estonia is a good example to use when discussing the nation branding perspective.

Compared to Lithuania or Latvia, who are also small and new donor countries, Estonia is argued to be more successful in its transition experience and branding campaign. It is argued that Estonia was the first former Soviet to launch a branding campaign. Similarly to other states of Central and Eastern Europe, after the collapse of Soviet Union and gaining of the independence in 1991, Estonia faced many challenges and problems which were difficult to solve. As is discussed, Estonia was better prepared for the transition process than most other former Soviet states. Its ties to Scandinavian countries are often stressed. All these aspects are discussed as an example of the hybrid case of postmodern branding campaign called "Brand Estonia". (Jansen, 2008, pp.127-128) So Estonia gives better possibilities for analysis from the theories of positive marginality and nation branding.

2.2. The research questions and operationalization

The main research question asked in this work is the following: How can Estonia, as a small new donor country, enhance its scope of maneuver in order to gain and influence from its marginal position through the policy of development cooperation? This thesis aims to find out and analyze the scope of maneuver for the small new donor countries and how they are used or should be used in the future in order to gain and influence through the policy of development cooperation.

In order to answer this question, the following sub-questions will be answered:

- What are the possibilities and options for a new and small donor country to use in their policy of development cooperation?
- What possibilities and options are used by Estonia in its policy of development cooperation?
- How are these possibilities and options used by Estonia through its policy of development cooperation?
- What are the main problems and difficulties while using these possibilities and options through the policy of development cooperation?
- How can these problems and difficulties be solved?

The scope of maneuver for the marginal actor is operationalised as the following:

According to the theories of positive marginality and nation branding, the following possible potentials for maneuver in order to gain and influence can be identified:

1. *Obtaining intermediation rewards* (This encompasses the possibility for a marginal actor to obtain some benefits from the center by trying to become a significant player on the boundary between the center and a remote area of center's influence. This tactic argues that the margin can play a mediating role between these two. In addition, a margin can claim to be a guarantor of the order in the remote area of the center's influence.)

The main concern is whether Estonia plays the role of mediator between the European Union and the Eastern Partnership countries through the policy of development cooperation. The role of mediator is understood as the connecting link for the Eastern Partnership countries to the EU.

Particularly, in the case of development cooperation policy, the relevant indicator is the level of concentration on euro-integration issues when dealing with the priority countries.

2. *Competing for rewards* (When one marginal actor to compete in a clever way with another marginal actor who claims to have the same role and characteristics.) This tactic will be incorporated with the tactic of competitive emulation.

The relevant indicator is the possession of the real added value to share through the development cooperation policy in contrast to the other small new donor countries. Real added value is understood here as an already existing “product” or “initiative” which the country can “produce” by adding its own value.

The tactic of competitive emulation (This claims that a margin can compete with a center even by adopting the center’s main values. A marginal actor can also legitimize itself by claiming to have some distinctive characteristics, which can differentiate it from the center and, in this way, it has a chance and possibility to promote itself as a kind of center by using and stressing its particular distinctive characteristics. This last tactic will be integrated with the tactic of competing for rewards, as both of them concentrate on the distinctive characteristics of the marginal actor.) Here the European Union is assumed to be a center.

The relevant indicator is the possession and promotion of any distinctive characteristic of Estonia through its policy of development cooperation.

3. *Manifesting emulation* (This claims that a marginal actor tries to adopt the core main values of the center in order to achieve its objectives more easily and, at the same time, to guarantee success in relation to the center. In some ways this tactic, as Noel Parker argues, if not used in a clever way, may put the margin at a disadvantage by competing with the center’s strengths.)

The relevant indicator is the incorporation of the following core values of the EU into the national strategy of development cooperation: human rights;

equality between women and men; children's rights; and protection of the environment.

4. *In order to find out how the level of nation branding through the policy of development cooperation the following indicators would go under the nation branding category.*

- a. -The level of cooperation between the government and non-governmental sector
- b. -Promotion of new products, services or initiatives through the policy of development cooperation
- c. -The level of being distinct and different

5. *Promoting its image and reputation world-wide*(the image and reputation of being an influential donor country)

Under this category, the general image and reputation of being an influential donor country will be measured.

2.3. The data collected for analysis

In order to answer these questions, the following data was analyzed: the policy of development cooperation and, particularly, the official document of the Strategy of Development Cooperation and Humanitarian aid 2011-2015. It is the main official document for the policy of development cooperation, which gives the possibility to analyze this policy on the governmental level.

The strategy of 2006-2010 will not be analyzed, as the new and latest strategy also represents the old one and is a continuation of it.

The main aim for analyzing the strategy is to give a starting point of analysis about the scope of maneuver for the small new donor country; however, as this strategy is very descriptive and does not give in-depth information about the topic I am investigating, another data source was necessary for analysis.

As a second primary data source, interview was used as another tool of data collection. It should be mentioned that interview is considered to be one of the most important

sources of case study information. (Yin, 2003, p.89) As it is argued, “Qualitative interview provides the basic data for the development of an understanding of the relations between social actors and their situation.”(Bauer and Gaskel, 2000, p. 39)

Particularly, a semi-structured type of interview with open and closed questions is used. “Semi-structured interview is both flexible and, at the same time, standardized.” (Gillham, 2000, p.69) Also “semi-structured interviews are usually conducted with specific topics in mind, from which questions are generated based on a theoretical framework”. (Anderson and Kanuka, 2003, p. 87) As my questions were generated from the theoretical framework, this type of interview was suitable for the research. Also, as the aim of this thesis is to make an in-depth analysis of one case study on a topic which is not widely studied and discussed, the semi-structured interview was a justified method of data collection, as it gives the author the information which cannot be obtained from other sources. As Gillham writes:“if it requires an elaborated “in-depth” response then you need a semi-structured interview”.(Gillham, 2000, p. 19)

Concerning the reliability of the data, it is generally argued that “none of the methods of data collection provides one hundred percent accurate and reliable information.” (Kumar, 2005, p. 119) But in this case, the names of every interviewee will be known, the question list will be provided, and the transcribed records are available to the author, so the issue of reliability is considered.

Six interviews were conducted. As the aim of this research was to make an in-depth study of the subject, five to six interviews could be considered enough to make an analysis. Another important issue to note, is that the target population interviewed was also very limited in scope. The target population of the interview for my research was the Ministry of Foreign Affairs and the non-governmental organizations working on the policy of development cooperation.

Six semi-structured type interviews were conducted. The duration of the interviews varied between half an hour and one hour. The questions were sent to all respondents beforehand, as it helped them to be more familiar with my research aims and to be ready to give more in-depth answers.

There was not any problem while conducting the interviews.

Some new questions emerged and were asked during the interviews which were not in the list of questions, but they were primarily asked in order to make the answers more specific and profound.

Generally, questions were asked in a logical progression-with the aim to lead respondents gradually into the theme of the research. The interview started with the introductory and simple questions and then progressed to more complex ones.

The interviewees were from both the governmental and non-governmental sector. According to the strategy for Estonian Development Cooperation and Humanitarian Aid 2011-2015, “ the Ministry of Foreign Affairs is responsible for the strategic planning, implementation and coordinating the activities of different participants of Estonian development cooperation.” (Strategy for Estonian Development Cooperation and Humanitarian Aid 2011-2015, p. 8) Specifically, the target was the development cooperation division under the Ministry of Foreign Affairs. Mr. Arvo Anton, who is the desk officer in the development cooperation division and works on bilateral projects of development cooperation, was interviewed.

Due to the aim of the research, the non-governmental sector was also considered for interviewing. As emphasized in both the Strategy and in the Principles of development cooperation, civil society is considered “as an important partner for the public sector”. “The Principles stress the significant roles of NGOs in elaborating policies, designing and implementing specific projects and introducing international development issues to Estonian society.”(Kool, 2007, p. 6)

In order to have more reliable data and representativeness for analysis, the interviewing of the non-governmental sector working on the policy of development cooperation was essential. It was also essential in order to collect more critical and objective ideas which could test the claims made from the governmental sector; and it provided the opportunity to make comparisons and conclusions from the two main sectors working on the policy of development cooperation within the country.

The selection of the organization to be interviewed was accomplished by contacting nearly all the non-governmental organizations working directly or indirectly on the development cooperation policy. They were contacted first via e-mail or mobile phone

and were informed about the aim of my research and were sent questions for the interview. Each of the contacted organization informed me whether they were suitable for my research and gave me the contact information for the most suitable people to interview.

On the top of the list of most suitable contacts for my research, was the Estonian Roundtable for Development Cooperation. (AKU www.terveilm.net) The main goals and activities for the AKU are: to strengthen the role and capacity of non-governmental organizations in the implementation of development cooperation activities, to improve Estonian development policies and to raise the awareness of the general public about opportunities to actively promote global solidarity. In particular, policy officer of the NGO Evelin Andrespok and Piret Hirv from the same organization were interviewed.²

Another NGO recommended for interviewing was the non-governmental organization E-Governance Academy, which aims to create and transfer the knowledge concerning the e-governance, e-democracy and development of civil society.(<http://www.ega.ee/>) As this organization was founded ten years before and is still working in cooperation with the Ministry of Foreign Affairs on the development cooperation projects, it was essential for my research aims to interview at least one person from this organization. E-governance is a very interesting and important issue to investigate especially from the nation branding perspective. In particular, Mr. Arvo Ott, who is the executive director of the organization, was interviewed.³

It should be mentioned that there is no official list of non-governmental organizations working on the policy of development cooperation in Estonia.⁴ But it is generally known that there are two organizations primarily involved in the policy of development cooperation: the NGO MONDO and the E-Governance Academy.

The list of interviewees also included is Johanna Helin, the project consultant and member of the board, from the NGO Mondo. The main objectives of this organization

²The contact information of every organization and person interviewed is provided in Appendix 2.

³More detailed information about the interviews is provided in Appendix 3.

⁴However here you can find a list of the twenty-one non-profit organizations which are under the independent not-for-profit coalition of the Estonian Roundtable for Development Cooperation: <http://www.terveilm.net/?id=13>

are managing and intermediating development cooperation and global education projects and the education of the general public on issues of humanitarian aid and development cooperation.

The sixth person interviewed is Kristina Mänd from the Praxis academy (Center for Policy Studies), who is a member of the executive board and Praxis Academy director. The mission of Praxis is to improve and contribute the policy-making process in Estonia by conducting independent research.

For the purpose of analysis, every recording was transcribed by the author.

2.3.1. The formulation of the interview questions

The questions were formulated under the six main categories operationalized through the theories of positive marginality and nation branding.⁵ The first three questions are just *warming-up questions*, in order to make an introduction to the topic. These are followed by questions which aim to discover *the level of nation branding*. Under this category, the three indicators are measured and questions are asked them separately. The first indicator to be measured is the *involvement of different actors in the policy of development cooperation*; in particular, the main interest is to find out the involvement of the governmental and non-governmental sector and the intensity of their cooperation. Under the *indicator of products and service promotion* questions are asked which aim to find out if Estonia promotes any product or service through the policy of development cooperation and also what products or services can be provided in the future. The third indicator under this category is the *level of being distinct and different*. A question is asked to find out if Estonia promotes any distinctive characteristic through the policy of development cooperation.

Then the *category of manifesting emulation* is examined, under which the incorporation of the main values of the EU into the national strategy of development cooperation is measured. The questions concentrate on the main activity areas according to the strategy of development cooperation 2011-2015, and the rule of law and equality of women are

⁵See the Appendix 1, where the questions are listed.

stressed, as the strategy indicated them as the most important areas on which to concentrate.

The third category is *the tactic of competitive emulation*, which also incorporates the tactic for competing rewards. Under this category, the indicator to be measured is the *level of being distinct and different*. Questions are asked to find out if Estonia promotes any different and distinctive characteristic through the Development Cooperation Policy or would promote in the future and also aim to investigate whether Estonia has to compete with other small new donors.

The next category is *obtaining intermediation rewards*. The indicator to be measured is the level of concentration on the euro-integration issue when dealing with the priority countries. Questions are asked to find out on what level Estonia mediates between the Eastern Partnership countries, and which are the priority countries for Development Cooperation, and the European Union.

The last category is *the promotion of image and reputation world-wide*, under which is, examined the image and reputation of being an influential donor country. Questions are asked in order to find out what reputation and image Estonia has already earned through the policy of Development Cooperation and what are the main problems that should be improved in the future.

One final question is asked in order to give the respondents freedom to tell the researcher any additional information.

2.4. Limitations of the research method

One of the limitations of this research is that the image and reputation of Estonia as a new small donor country is analyzed only from the perspective of the donor country itself, represented through the governmental and non-governmental sector. It is also necessary to analyze this same factor from the priority countries' point of view. This is crucial in order to have a more efficient and diverse picture for illustrating the image and reputation of the new small donor country like Estonia. The problem is, that in order to collect the same data in all the priority partner countries of Estonia, a very big contribution of time and financial resources would be required, which was not available

to the researcher. Nor would this additional information fit in the requirements of the master's thesis, as it would exceed the limits of its length. The institutional level could also be considered another option for collecting the data for analysis; in this particular case, interviewing the experts and policy makers of the European Union who are working on the development cooperation policy would give a very interesting and diverse picture for analysis.

Another issue to be mentioned here concerning data collection is that there was intention to interview people from the business sector, as this could provide interesting and different data for analysis from the nation branding perspective, at the same time it should be mentioned that, from the perspective of the policy of development cooperation, they are not involved actively in this policy.

The next issue to be considered is concerns the theories and operationalization. As the theory of nation branding is still in the developing process there is always need for its further development. In this particular case, some arguments were taken from the theory of nation branding, which was operationalized under the category of nation branding based on three indicators. Other indicators could also be developed in order to measure the nation branding on the political level, as the current models are primarily developed for the economic objectives.

CHAPTER III.DEVELOPMENT COOPERATION POLICY OF THE SMALL NEW DONOR COUNTRY

Under this chapter, the European Union and its members states in the international development cooperation will first be discussed, in order to describe the general picture of aid policy from the EU perspective and from the perspective of the EU member countries and, at the same time, to show the position of new member countries as small donor actors within the European Union. Then Estonia will be discussed as a small new donor country in order to show why it was taken as a case study. The overview of the Development Cooperation Policy of Estonia follows, which briefly describes the development of the policy and its essence. Finally the Strategy for Estonian Development Cooperation and Humanitarian Aid 2011-2015 will be shortly described.

3.1. The role of the European Union and its member states in the international development cooperation

One of the major providers of development aid in the world is the European Union and its member states. (Karamalakov, 2011, p. 66) It is estimated that fifty-five percent of total aid is provided by the European Union. (The European Consensus on Development) The main objective to achieve through the development policy “is the eradication of poverty in the context of sustainable development, including the achievement of the Millennium Development Goals (MDGs)”. (Development and Cooperation-EUROPEAID) It is argued that the EU has a unique role in the development agenda, as it provides such instruments and opportunities not available for other actors in the multilateral sphere of development cooperation. Gavass and Maxwell write: “The United Nations has the political role, but not the capacity to disburse on the

scale or with the variety of instruments available to the EU. The World Bank and other multilateral development banks have the financial resources, nor the role in foreign and security policy. This gives the EU a unique role.” (Gavas and Maxwell, European development policy; Overseas Development Institute)

Within the Union, one can easily distinguish between the big and small donor countries, between the old and new donor countries, between the important and non-important donor countries, between dominant and marginal donor countries. New donor countries who are not also members of DAC are mainly associated with being small, non-important and marginal players in the international development cooperation. Smallness is not understood by the traditional concept of the state being small, but by the aid budget as a percentage of the gross national income of the individual countries. For example, Sweden, Norway, Luxembourg, Denmark and the Netherlands achieved the target of 0.7 percent of GNI; all these countries are considered to be small by the traditional understanding of the small state, but their importance as leaders in the international development cooperation is quite high. (Hilmarsson, 2012, p. 9) As “the EU has committed itself to increasing the aid budget to 0.7 percent of gross national product by 2015, the shared interim goal being 0.56 percent by 2010,” (The European Consensus on Development) these countries can be considered some of the leading and dominant countries in the aid policy within the European Union. “For instance, in 2000, Denmark’s foreign aid commitments represented 1.06 percent of its gross national product while U.S. aid allocations amounted to only 0.1 percent of its GNP.” (Lundsgaarde, Breuning and Prakash, 2007, p. 158) On the opposite side, the small states who have recently become the donors do not have enough experience, resources and expertise to rely on while planning and implementing the aid policy. In this sense, these countries can be labeled as marginal donor countries, which automatically give them negative connotations. Their contribution to the aid policy within the European Union is very low in comparison to more experienced, important and dominant aid providers. Most of all, the new donor countries could not fulfill the targets set by the European Union. “The EU set development financing targets, committing new member states that had joined the EU since 2002 to provide aid amounting to 0.17 percent of GNI by 2010 and 0.33 percent of GNI by 2015.” (Hilmarsson, 2012, p. 5) This target is much lower

than the target for the European Union in general which was 0.56 percent of GNI by 2010 and is 0,7 percent of GNI by 2015.

Most of these small donor states are not members of the Development Assistance Committee, but, they still report their aid to the Committee as DAC countries do.⁶ According to the statistics of the OECD, the amount of aid provided by the new donor countries, shown by the percentage of the GNI spent on foreign aid, is the following:⁷

Table 2

ODA from Non-DAC Donors

(New members of the EU)

Memo: 2011

OECD Non-DAC	ODA\GNI (%)
Czech Republic	0.12
Estonia	0.11
Hungary	0.11
Poland	0.08
Slovak Republic	0.09
Slovenia	0.13
Non-DAC and Non-OECD members	ODA\GNI (%)
Bulgaria	0.09
Latvia	0.07

⁶Non-DAC countries reporting their development assistance to the DAC:
<http://www.oecd.org/investment/stats/non-daccountriesreportingtheirdevelopmentassistancetothedac.htm>

⁷This table was made by me; some changes are made to the original table, as I took the indicators for just new member states of the EU after 2002 who are not the DAC members. The source: the statistics of the OECD

Lithuania	0.13
Romania	0.09
Malta	0.25
Cyprus	0.16

As we can see from the table, most of the countries' percentage of their Gross National Income is below the EU average target.

These countries who became members of the European Union after 2002 had to contribute to the European Union Development Co-operation Policy and “in particular to meet specific targets of official development assistance as a percentage of gross national income.” (Lovitt and Rybkova, 2007, p.1) Besides the targets concerning financial resources, there were many other responsibilities to take and share as an aid provider. The ten new states who became members of the EU and the new donors after 2002 are: Bulgaria, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia and Slovenia. It should be emphasized that most of these countries became aid provider countries very shortly after being aid recipients. (Lundsgaarde, 2011, p.1) It is stressed by many authors that, with membership in the European Union, new member states were expected to contribute to the international development cooperation. (Hilmarsson, 2012, p. 5) The contribution, as previously mentioned, is not only financial; since “while Official Development Assistance (ODA) by definition refers to financial flows having economic development and welfare improvement in developing countries as their main objective, in practice aid does not always represent a real resource transfer.” (Lundsgaarde, 2012, p. 704) It also involves the sharing and promoting of the common principles and values set by the European Union. At the same time, while implementing the development policy there should be consistency between the Community's policy and the policies of the Member States. (The European Consensus on Development)

The European Consensus on Development, which was adopted in 2005, defines the common principles for the EU and its member states for implementing their

development policies. The common general objective is to reduce the level of poverty worldwide and to meet the Millennium Development Goals by 2015.⁸ It is underlined that the objective of poverty reduction is closely linked to the promotion of good governance and respect for human rights as one of the main shared values of the European Union. The common principles of development cooperation activities are: “ownership and partnership, in-depth political dialogue, participation of civil society, gender equality and ongoing commitment to preventing state fragility.” (The European Consensus on Development) The main targets for promotion also include: human rights; equality between women and men; children’s rights; protection of the environment. (The European Consensus on Development)

3.2. The policy of development cooperation of Estonia

The policy of development cooperation is a very good source for discussing the particular direction of the foreign policy of a country, in this case Estonia. As the emergence of this policy is relatively new in Estonia and not widely discussed, it provides a good opportunity for investigation. At the same time, its importance is growing not only for the donor countries but also for the recipient countries and, more generally, for any of those in the world who are involved in aid policy. They now are more concentrated on using their resources in a more efficient way and generally on making this policy efficiently manageable and implemented. It should be stressed that “much of the donor discourse has been about making aid more effective and achieving results. For the first time in history, with the Paris Declaration on Aid Effectiveness in 2005, benchmarks were set for donor practice; these were reviewed and updated in Accra in 2008, resulting in Accra Agenda for Action.” (OECD, 2011, p. 58)

It is therefore very important for the donor countries to plan their strategies in a clever way and spend their limited resources correctly in order to achieve a profitable and efficient result.

⁸You can see more information about the EU’s contribution towards the Millennium Development Goals on the following website:
http://europa.eu/legislation_summaries/development/general_development_framework/r12533_en.htm

Development cooperation is not a new phenomenon for the world. It came into use after World War II, but took intensive form after the Cold War.

In the twenty first century, during the era of globalization, when the entire world is so interconnected, the policy of development cooperation has become a quite common tool. Every donor country has different experience of development cooperation policy, has different objectives to achieve, and has different priority countries to concentrate on. All of them, however, are giving aid to countries which are developing or are underdeveloped. The aid can be given bilaterally or through multilateral agencies.

Under the Principles of Estonian Development Cooperation, which was approved by Estonian Parliament in 2003, development cooperation is defined as: “Cooperation including development assistance and humanitarian aid”. Development assistance encompasses financial and other material assistance, also technical assistance; humanitarian aid is aimed at solving the problems caused by natural or man-made disasters. (Estonian Ministry of Foreign Affairs) Estonia had no experience as a donor country before 1998. After the restoration of independence it became itself a receiver of foreign assistance during the 1990s. It underwent a quite difficult road of political and economic transition in order to consolidate its own statehood. As Estonia was trying to distance itself from the Soviet legacy, the country set the primary objective to integrate into European and international institutions as quickly as possible. (Kasekamp, 2010, p. 188) So it can be said that Estonia started its development cooperation program as a part of its EU accession process. (Andrespok and Kasekamp, 2012, p. 118) Under the principles of Estonian development cooperation it is written four aspects to why Estonia participates and contributes to international cooperation, these aspects are: moral, political, economic and cultural. Under the moral aspect it is considered that Estonia has the responsibility to support other countries, just as Estonia itself was once supported by international donors in order to become a successful country; under the political aspect it is stated that development cooperation is a contributor to the achievement foreign policy goals; under the economic aspect, strengthening international economic development is considered important; under the cultural aspect, representing Estonian culture is important and helping to intensify and develop ties with other indigenous people is stated to be crucial. (Estonian Ministry of Foreign Affairs)

Estonia became a donor country in 1998, and its first aid was given to the regions in Eastern Europe, which were damaged from flood. After this starting point Estonia has continued to support projects in developing countries and countries that are in the transition process. It should also be mentioned that large proportion of the questioned population is supportive of the development cooperation according to an opinion poll, which was conducted in 2005.(Kuusik, 2006, p. 51) When looking at the development cooperation of Estonia, it is obvious that this country is focused on the EU's eastern border's neighboring countries. In this respect it is deeply related to the European Neighborhood Policy, in which Estonia plays quite an important role. It is even thought that development cooperation has often been used by the Baltic States as a tool to implement ENP. (Andrespok and Kasekamp, 2012, pp. 118-119) The recent project partners of development cooperation policy of Estonia, which are Ukraine, Georgia, Belarus, Armenia, Azerbaijan, Moldova and Afghanistan, only Moldova belongs to the Least Developed Countries category, all others are Lower Middle Income Countries.(Kuusik, 2006, pp. 58-59)

There are some arguments used to discuss the reasons or motivations for Estonia to become a donor country. The first argument is political, discussing Estonia's involvement in development cooperation by their aspiration to become a member country of the European Union. The second argument gives more of a moral explanation, stating that Estonia has a responsibility to become an aid provider, as it was previously an aid recipient. The last argument is pragmatic and, as the author states, "attempts to find Estonia's particular niche and a comparative advantage in the broader context of solidarity and global responsibility within the framework of Millennium Development Goals. "(Kuusik, 2006, p. 56) One can stress the importance of one of the arguments for the Estonian policy of development cooperation, but all three "motivations" can also be considered as a driving force for this policy.

3.3.Strategy for Estonian Development Cooperation and Humanitarian Aid 2011-2015

The strategy for Estonian Development Cooperation and Humanitarian Aid 2011-2015 is not the first strategy, but rather the continuation of the previous strategy for 2006-2010. For the most part, all the essential principles and directions remained the same in the new strategy, just a few changes made and old elements are furthered. This strategy was approved by the Estonian government in January 2011. In order to discover out the objectives, the field of activities and the major partners of Estonia's development cooperation policy, one should deeply analyze this strategy, as this document is the groundwork for regulating and planning any activities concerning the development cooperation or humanitarian aid. The strategy for 2006-2010 will not be analyzed in this work because the new strategy for 2011-2015 represents the old one, with minor changes; there is no need to analyze both strategies.

In the introduction of the strategy is written: "the guiding principle of the strategy is to make Estonia a unique donor country that supports international development goals on generally recognized principles of development cooperation..." (Strategy For Estonian Development Cooperation And Humanitarian Aid 2011-2015, p. 3) Considering the limited resources of Estonia, it stresses the importance for accurate planning and efficiency of aid activities. The strategy itself is based on such agreements, goals and principles as the Paris Declaration, the Accra Agenda for Action, the UN Millennium Development Goals and also the European Union's development policy decisions and guidelines. Here should be mentioned that "the Millennium Development Goals(MDGs) have become the high-profile framework for world debates around development." (OECD, 2011, p. 27)

On the national level, the strategy is regulated by the following acts: the Government of the Republic Act, the Foreign Relations Act and the Procedure for Implementation of Development Cooperation Projects. (Strategy For Estonian Development Cooperation And Humanitarian Aid 2011-2015, p. 3)

There are two main areas of activity on which the strategy concentrates: development cooperation and humanitarian aid. The majority of the strategy is devoted to the

discussion of the area of development cooperation. It indicates strategic goals with sub-goals and measures to be taken in order to achieve the objectives of development cooperation policy. The overall goal of Estonian development cooperation is, according to the strategy, to eradicate world poverty and to attain the Millennium Development Goals, which was the same main objective as the previous and first development plan for Estonian Development Cooperation and Humanitarian Aid 2006-2010.

As is mentioned in the strategy, Estonia tries to promote its information and communication technologies through the development cooperation policy, and Estonia also aims to offer the countries involved in bilateral development cooperation added value relying on its own experience. It should be mentioned that Estonia increased its spending on its official development assistance to 0, 1% of its gross national income, and its goal is to attain the level of 0, 33% of its gross national income. This percentage was agreed on by the EU's Council of Ministers in 2005. (Strategy For Estonian Development Cooperation And Humanitarian Aid 2011-2015, pp.4-5) According to the strategy, under the main strategic goal of development cooperation policy, which contributes to the reduction of poverty and achievement of the Millennium Development Goals, five sub-areas of activities and eleven sub-goals have been identified. There are three principles on which Estonian development cooperation tries to base its activities: human rights, gender equality and environmental friendliness. (Strategy For Estonian Development Cooperation And Humanitarian Aid 2011-2015, p. 5)

CHAPTER IV. ANALYSIS OF THE POLICY OF DEVELOPMENT COOPERATION OF ESTONIA

In this chapter the development cooperation policy of Estonia is analyzed based on the data obtained from the strategy of Development Cooperation and Humanitarian Aid 2011-2015 and in the interviews from the governmental and non-governmental sector involved in the policy of development cooperation.

First the strategy will be analyzed, and then the analysis of the interviews will be introduced. At the same time, I would like to briefly describe how the analysis was made.

Taking into consideration the aims of my research, the analysis of the strategy and the interviews was done by fitting the data to the categories developed based on the theories of nation branding and positive marginality. Under each category, the main key-phrases or key-words were identified; these provided the main focus topics on which to concentrate while analyzing the data, both in the strategy document and in the interviews. After analyzing the data, a table was developed which clearly shows the main results from the analysis.

First, the analysis of the strategy of Development Cooperation and Humanitarian Aid 2011-2015 was performed, and next the interviews were analyzed. The structure of the analysis is same in the both cases.

4.1 Analysis of the strategy of development cooperation and humanitarian aid 2011-2015

In this section, the analysis of the strategy paper is performed. Each of the five categories developed under the theories of nation branding and positive marginality is analyzed.

Obtaining intermediation rewards concentrates on the possibility for a marginal actor to obtain some benefits from the center by trying to become a significant player on the boundary between the center and the remote area of the center's influence. In the case of Estonian development cooperation, the main concern was to find out whether Estonia plays the role of mediator between the European Union and the Eastern Partnership countries through the policy of development cooperation. Specifically, the indicator measured is the level of concentration on euro-integration issue while dealing with the priority countries. The key-phrases to concentrate on while analyzing the texts were: the development of the Eastern Partnership countries; sharing the transition experience and integration knowledge with them and improving the level of democracy in these countries.

According to the strategy document, there is a big amount of attention given to the Eastern Partnership countries. Stating that Estonia will offer added value in these countries signifies the transition experience which led Estonia to become integrated into Western society; this is one of the main added values which Estonia wants to share with the Eastern Partnership countries. The main areas on which Estonia bases its development cooperation with its priority countries of the Eastern Partnership are the improvement of the level of democracy and, generally, the preparation of some basis for being closer to the European Union. The Eastern Partnership Center, which was opened in 2011, is a good indication of how Estonia concentrates on the priority countries' integration perspectives to the European Union. Even though there are not any clear statements mentioning euro-integration knowledge, the strategy indirectly reflects the aim of concentrating on the topics directly or indirectly connected to the process of euro-integration. Through concentrating on the integration issues while dealing with the priority countries Estonia can obtain intermediation rewards from the European Union. This means that Estonia, as a small new donor country, can obtain

some benefits from the EU due to the fact that it has the possibility to be a significant player in the Eastern Partnership countries through the policy of development cooperation.

Competing for rewards gives the marginal actor the possibility to compete in a clever way with another marginal actor who claims to have the same role and characteristics. In the case of the development cooperation policy, the main emphasis was on the possession of real added value to share and of any distinctive characteristic visible and usable through the policy of development cooperation, which, if used in a clever way could make the donor country compatible with other donors; that is, it would have some advantage to offer compared to the other donors. In order to find out if Estonia has the possibility to compete for rewards, I was looking in the texts to see whether Estonia has any added value relying on a country's experience, like transition experience, and how important that is according to the texts. The texts were also examined for extensive use of innovative technological solutions. In order to find out how distinctive Estonia is as a donor country, the experiences of E-governance, including e-elections, was analyzed based on the texts; transition experience and being a unique donor were also analyzed.

According to the strategy, "Estonian bilateral development cooperation is primarily aimed at countries to which Estonia can offer added value relying on its own experiences and which are ready to move towards a democratic society built on human rights." (Strategy of Development Cooperation and Humanitarian Aid 2011-2015, p. 4) The statement that Estonia's choice of priority countries is based on the possibility of whether Estonia can offer its own added value, shows how important it is considered to offer the real added value to offer through the development cooperation policy. As indicated, Estonia's success story is one of the most important added values that it can offer through the development cooperation policy. (Strategy of Development Cooperation and Humanitarian Aid 2011-2015, p. 14) It also should be mentioned that it is a little bit unclear what exactly is meant by "Estonia's success story" according to the strategy, because there is not any clear explanation of it. At the same time, it is obvious that the priority for Estonia is supporting the creation of a society based on democratic values and the organization of the state based on the good governance practice. Specifically under the good governance practice, Estonia shares its own experiences of

the election system (incl. e-elections) and democratic organization of the state. It should also be mentioned that, through the strategy, it is easy to see the extensive use of innovative technological solutions for many of the strategic goals set by the strategy.

The distinctive characteristics of Estonia which it can offer through the policy of development cooperation are: environmentally sustainable development; good administrative capacity; concentration on using renewable energy sources and innovative technological solutions. As Estonia aims to finance and implement bilateral development cooperation projects concentrated on these issues, they can be considered very important for Estonia, who offers assistance in these fields.

As stated in the strategy, its guiding principle is to make Estonia a unique donor country. (Strategy of Development Cooperation and Humanitarian Aid 2011-2015, p. 3) By concentrating on the already discussed added value based on Estonia's experience and its own distinctive characteristics, which can become the actual issues to develop in priority countries, Estonia can compete for rewards by claiming to be a unique donor country. So Estonia can offer its own added value due to its experience of creating a society based on democratic values and good governance practices, which are now main topics for concentration. Even though Estonia mainly concentrates on internationally agreed upon in the development policies, in its strategy Estonia also tries to legitimize itself as a donor country by claiming to have some distinctive characteristics to offer. These can make it a different and unique donor country when compared to the rest of the European Union.

Manifesting emulation, the third category examined, is the possibility for the marginal actor to adopt the core main values of the center in order to achieve its objectives more easily and, at the same time, to guarantee success in relation to the center. In the case of development cooperation policy it means that, if a small and new donor country tries to adopt the main core values of the EU through the development cooperation policy, it can be a guarantor to success in relation with the EU. In order to find out how and why Estonia adopts the core values of the EU the two most important topics- the rule of law and equality of women- will be key-words to analyze throughout the texts. Good capacity and profound motivation in these fields will be examined. If good capacity and

profound motivation to concentrate on these two fields is found, one can claim that Estonia has the possibility to manifest emulation.

From the strategy, it is obvious that Estonia incorporates some core values of the European Union through its policy of development cooperation. As stated in the strategy, Estonia addresses human rights, gender equality and environmental friendliness. Also, the rule of law is considered to be one of the most important “values” on which to concentrate while implementing the strategy in the partner countries.(Strategy of Development Cooperation and Humanitarian Aid 2011-2015, p. 13)At the same time, it is difficult to see from the strategy whether there is any profound motivation or good capacity to provide for these topics through the development cooperation policy. It does not indicate any particular plan how to work in these fields in order to improve the situation in the priority countries. Even when the possible solutions are described, there is not a clear indication as to how it will work or worked in the past. No justification is given as to why these solutions are perfect or at least good, for solving problems in the priority countries.

Also it should be mentioned that,differently to the EU and most Western donor countries, Estonia concentrates on topics which do not reflect the traditional way of understanding the aims of the development cooperation. So it does not heavily involve the poverty reduction issue, which is one of the most important focuses for many Western donor countries and the EU in particular. In order to justify its different focus for the policy, Estonia must have a profound motivation and good capacity in the fields and topics on which it is focusing within the strategy.

According to the strategy, it is very difficult to see both the profound motivation and good capacity for the topics on which Estonia concentrates; there is not a clear manifestation of either. Even though it can be claimed that Estonia tries to manifest emulation through its development cooperation policy, which means that Estonia tries to adopt the core main values of the EU through the development cooperation policy, this is still not a guarantee to success in relation with the EU.At the same time, it can also be dangerous for Estonia to concentrate on more values prioritized by the EU in its development cooperation policy, since Estonia, with its limited capacities, will not be

able to successfully and efficiently implement them through the strategy in its priority countries.

Nation branding through the policy of development cooperation is the fourth category analyzed in the strategy document. The aim was to find out if there was any possibility for nation-branding through the policy of development cooperation. While analyzing texts, particular concentration was paid to see if there is a good and active cooperation between the governmental and non-governmental sector, intensive information exchange between them and active involvement of the third sector in the policy planning and implementation. Next, the promotion of IT and transition experience were the key-words to find out how the “products” or “initiatives” are promoted through the policy of development cooperation. Finally, having an advantage in partner countries and the importance of sharing the past with them was examined in the texts.

The strategy does not give in-depth information as to what kind of cooperation exists between the governmental and non-governmental sectors working on the policy of development cooperation, but it does stress the need for improving and deepening the cooperation with the civil associations who are considered to be important players in shaping and implementing projects under the development cooperation policy. (Strategy of Development Cooperation and Humanitarian Aid 2011-2015, p. 23) It also indicates that civil association is quite involved in the implementation of the projects financed by the Ministry of Foreign Affairs of Estonia, which is the main governmental actor in the policy of development cooperation. From one point, you can see the cooperation between the governmental and non-governmental sector, but it is difficult to speak about their level of cooperation and the problems they may have with it. Nor is there any clear evidence given if the third sector is involved in the planning of the policy and, if so, how they are involved.

Concerning the promotion of a new product or service, one can easily notice in the strategy how the strategy stresses the promotion of extensive application of information and communication technologies, where possible, within the framework of development cooperation. Primary and vocational education also attracts much attention when talking about education in general. When working with the priority countries, the following

issues are stressed: supporting the introduction of democratic election principles; the capacity of the public sector; development of the third sector and the media; ICT opportunities, including e-governance and e- elections. Overall, according to the strategy, all these “products” and “services” can be promoted through the development cooperation policy. It is clearly stated in the strategy that “covering all areas, Estonia promotes more extensive application of information and communication technologies in the framework of development cooperation, where possible.” (Strategy of development cooperation and humanitarian aid, p.4)

To this can be added the transition experience, which Estonia also stresses also in its strategy document and which can be discussed as an “initiative” that Estonia tries to promote through its development cooperation policy.

By promoting all these “products” and “initiatives”, Estonia can claim to be distinct and different from other donor countries and has the possibility to make a good nation branding campaign through the development cooperation. It should also be mentioned here that, on some level, Estonia makes the nation branding by always stressing the uniqueness of being a donor country in the strategy; by having possibility to offer the added value of “successful” experience which other donors cannot give to the priority countries on which Estonia concentrates. Priority countries were also strategically chosen, as mentioned in the strategy, based on whether Estonia could offer them its added value. Too much emphasis on ICT makes this sector very much promoted through the development cooperation policy which also promotes Estonia as a donor country with very good IT knowledge and experience.

Promoting its image and reputation world-wide is the last category examined based on the strategy document, under which the general image and reputation of being an influential donor country was measured.

According to the strategy the general image and reputation of Estonia as a donor country is estimated to be quite good. It is clearly stated in the strategy that “Estonia has earned the reputation of a reliable partner in the partner countries whose assistance is welcome and necessary.” (Strategy of Development Cooperation and Humanitarian Aid 2011-2015, p. 17)

From the estimation of the previous strategy of 2006-2010, Estonia is considered to be successful in becoming a valued donor in partner countries.(Strategy of Development Cooperation and Humanitarian Aid 2011-2015, p. 9) As these statements are not based on any real data,they cannot be considered a reliable source for claiming that Estonia has earned a good reputation and has a good image as a donor country, but at the same time,they provide a starting opinion about Estonia as a donor from the perspective of the government involved in the policy planning and implementation.

It is also possible to indicate the main challenges Estonia faces as a donor country, according to the strategy. It include making development aid more planned, effective and sustainable, which is one of the biggest challenges when it comes to current activities. Also, the need for a better capacity of the people involved in the policy is emphasized; the need for raising awareness in society is stressed and it also states that cooperation should be deepened with other donor countries. (Strategy of Development Cooperation and Humanitarian Aid 2011-2015, p. 10)

Table 3

Key-findings: the strategy of development cooperation and humanitarian aid 2011-2015

Categories	Key-Findings
Obtaining intermediation rewards	Estonia, as a small new donor country, has the possibility to be a significant player in the Eastern Partnership countries through the policy of development cooperation; as for Estonia transition experience is the most important issue it can offer to the Eastern Partnership countries, and the main areas of development cooperation are concentrated on the improvement of the level of democracy in the Eastern Partnership countries.
Competing for rewards	Estonia competes for rewards -Estonia offers its own added value based on its own experience of creating a society based on democratic values and

	good governance practice -Within its strategy, Estonia also tries to legitimize itself as a unique donor country
Manifesting emulation	Estonia tries to manifest emulation through its development cooperation policy but is not successful : -It is difficult to see from the strategy that there is any profound motivation or good capacity
Nation branding through the policy of development cooperation	Estonia has the possibility to make a good nation branding campaign through the development cooperation: -Estonia as a donor country with very good IT knowledge and experience -Estonia as a donor country with successful transition experience to share -There is need for improving and deepening the cooperation with the civil associations
Promoting its image and reputation world-wide	General image and the reputation of Estonia as a donor country is estimated to be quite good: -Need formore planned, effective and sustainable policy; need for evaluation

4.2 Analysis of the interviews

Analysis of the interviews was done in the same way as the analysis of the strategy document. Each category developed under the theories of positive marginality and nation branding is discussed, and finally the concluding table is presented.

Obtaining intermediation rewards gives the possibility for the marginal actor to obtain some benefits from the center by trying to become a significant player on the boundary between the center and the remote area of center's influence. In the case of Estonian development cooperation, the main concern was to find out if Estonia plays the role of mediator between the European Union and the Eastern Partnership countries through the policy of development cooperation. In particular, the indicator measured was the level of concentration on the euro-integration issue while dealing with the priority countries. The key-phrases were the development of the Eastern Partnership

countries; sharing the transition experience and integration knowledge with them; and also democracy in the Eastern Partnership countries.

According to the interview from the governmental sector, when asked how Estonia can make the partner countries more democratic the answer was quite sharp, claiming that Estonia cannot force other countries to become democratic but at the same time however, it did not exclude the idea that Estonia could help them move to more democratic societies if there is the desire from the partner countries themselves. It was claimed, "...if they consider democratic values important than we can support democratic reforms, if they themselves ask for advice..." (Interview with Arvo Anton, 14.03.2013) This statement indicates the readiness and wish of Estonia to support democratic reforms in the partner countries, and also that Estonia has the capacity to give appropriate advice. The emphasis was very much on the development of the civil society in the partner countries, which has been claimed to be a problem for Estonia when dealing with the recipient countries.

The concentration on civil society development in the partner countries is also visible from the non-governmental sector. They emphasize the importance of civic education and empowerment of civil society, but at the same time, it was mentioned that not much has been done in this direction. This is an instance where one can claim that Estonia can work further in this direction by simultaneously working to discover how to empower the civil societies in the partner countries, which can be considered one of the important foundations for creating democratic societies in the Eastern Partnership countries.

The factor of promoting the European Union in partner countries is also visible. The following statement demonstrates this: "We positively speak about European Union, because we see the value in European integration, especially in the field of rule of law and democracy development." (Interview with Kristina Mänd, 09.04.2013)

This statement clearly shows the incorporation of the integration issue in policy when dealing with the partner countries:

"I think the organization who have projects in the developing countries do their business also incorporating the aspect of the European Union integration. It is like propaganda..." (Interview with Kristina Mänd, 09.04.2013)

The importance of new technology usage is also emphasized, by claiming that the changes in the societies are very much linked to the new technological possibilities, like e-governance and e-participation, which can lead to e-democracy. As stated, "...foreign development cooperation is good possibility to help and make society more transparent and democratic..." (Interview with Arvo Ott, 21.03.2013) From this point, one can see the capability of Estonia to efficiently use its new technological possibilities in the partner countries, in order to better develop and support the democratic reforms and the emergence of a civil society through its development cooperation policy. "People are starting to use technology to communicate, to influence the government and actually this is very directly the e-democracy" (Interview with Arvo Ott, 21.03.2013) The usage of the knowledge of integration is also emphasized.

The difficulties often met in the partner countries concerning the implementation are mentioned by both sectors. One such problem is the need for the existence of the public support in the priority countries, which, of course, cannot be guaranteed by Estonia; however, Estonia can contribute to the emergence of public support there through providing civic education and empowering civil society in those partner countries. Besides the many difficulties that can be encountered in the partner countries, it is obvious that Estonia can become a significant player in the Eastern Partnership countries. Through this policy, Estonia has the possibility to become a valued donor country in the EU by indirectly supporting the euro-integration process in the Eastern Partnership countries.

Competing for rewards gives the marginal actor possibility to compete in a clever way with another marginal actor, who claims to have the same role and characteristics. In the case of development cooperation, the main emphasis was on the possession of real added value to share and of any distinctive characteristics visible through the policy.

In order to find out if Estonia could have the possibility of competing for rewards, the texts were searched to see if Estonia's policy concentrates on the added value relying on a country's experience, like transition experience, and how important this is according to the texts. The data was also examined for extensive use of innovative technological solutions. In order to find out how distinctive Estonia is as a donor country, the

experiences of E-governance, including e-elections, was analyzed based on the texts, as well as transition experience and Estonia's position as a unique donor.

When talking about the possession of any real added value to share through the development cooperation policy from the governmental sector, two main points were emphasized. The First point involved E-governance and using ICT in different sectors, while the second one involved the transition experience. The transition experience is said to be relevant in cooperation projects between the public institutions of the donor and recipient countries. Health care, tax systems and internal security were named as examples of sectors where the transition experience of Estonia was shared or is in the process of being shared with the priority countries. From the non-governmental sector, ICT was also emphasized. Even though on one hand it could be claimed that this is what everybody emphasizes now, one interviewee made a more ambitious statement:

“Estonia can really offer some best experience and know-how from the last twenty years.”(Interview with Arvo Ott, 21.03.2013) It is emphasized that what Estonia can specifically offer is based on the knowledge of what will be important for others. The E-governance field is considered to be an opportunity for Estonia, as it can more easily understand the problems in its priority countries than, for example, the EU big member countries and old donors could. Mostly, interviewees support concentration on specific fields. When talking about the experience of Estonia it was stated:”Indeed I think that we do have the knowledge and experience about how we have been transforming our system into another. I do not think that it can be copied but relevant and connecting points can be made.”(Interview with Kristina Mänd, 09.04. 2013)

From the non-governmental sector the confusion was visible when talking about what distinct characteristics Estonia could add to the cooperation. They are optimistic that Estonia has something important to add, but at the same time, they are not sure what this is or how it could be used. They emphasize that the focus should be specific and in line with the European Union.

It was also mentioned that Estonia's development cooperation is different from the traditional Western type of understanding the development cooperation, which does not

see such a need to prioritize the countries on which Estonia concentrates now, but which instead stresses the need for reorienting towards Africa and Asia:

“Estonian development cooperation policy has sort of new ideology of development cooperation policy... In our organization we are more Western type of development cooperation organization, we look more on the really developing countries in Africa and in Asia.” (Interview with Johanna Helin, 09.04.2013)

Also, the concern was expressed about the concentration on solutions rather than on first learning the needs of the recipient countries, which is considered crucial in order to achieve a real result. “About IT I see a problem in that, I think E-Governance Academy has been too readily focusing on solutions that suit Estonia and suit us, I think that instead of E-solutions more work needs to be done on open-governance and transparency in general, because IT solutions can only work and produce results if the system and environment is welcoming them. So you need to work more on making that environment positive than rather offering solutions.”(Interview with Kristina Mand, 09.04.2013)

It can be claimed that, for Estonia, the transition experience and ICT make the country distinctive from all the other donors. However, there are many problems with this. First, sharing transition experience is a quite vague topic and there is neither a clear plan for how accomplish this, nor any justifications as to why Estonia is the successful donor country to share this experience. The ICT seems to be more widely appreciated, but one concern towards it was that it focuses primarily on the opportunity for solutions, while the environment in the partner countries first needs to be developed more, in order to welcome these solutions and to have a successful result in the recipient countries. Overall it can be concluded that, despite the fact that there is clear concentration and emphasis on the transition experience and extensive use of ICT solutions, there is no clear plan or clear understanding as to how to share this transition experience or, how to make the environment in the recipient countries more ready to implement the solutions given by Estonia via its ICT opportunity. Estonia, as a small new donor country, has the possibility to compete for rewards, but will need a better planned policy in order to orient the ICT solutions and transition experience towards real and successful results.

Manifesting emulation, in the case of development cooperation policy, means that if a small and new donor country tries to adopt the main core values of the EU through the development cooperation policy, it can guarantee its success in relation to the EU. In order to find out how and why Estonia adopts the core values of the EU, the two most important topics, the rule of law and equality of women, will be the key-words used to analyze the texts. Good capacity and profound motivation in these fields will be examined.

According to the interview from the governmental sector, the rule of law and equality of women is emphasized as quite crucial. As stated, these topics are not only emphasized through the policy of development cooperation of Estonia, but also in organizations like the EU and the UN. They are indeed internationally emphasized topics. When asked how successful the Estonian development cooperation is in these sectors, a description was given of relevant cases from the recent events; for example, a feminist demonstration in Georgia, which was co-financed by Estonia. It should be mentioned here that there is no clear evaluation of the results of different projects done in these sectors. What can be clearly claimed is that Estonia incorporates the most important values of the EU, not because it has specific possibilities to offer in these sectors, but because it is an internationally accepted practice to concentrate on these topics in the development policies. The answer given was that these topics are considered important, but there is not a clear answer as to why they are important for Estonia in particular, except the argument that they have a duty to incorporate them.

From the non-governmental sector there are also no clear answers or justifications as to why Estonia concentrates on these sectors particularly. On one hand, it is emphasized that it is important to concentrate for example, on the equality of women, as it is an international principle, but at the same time it is mentioned that there is no clear plan for how to do it successfully, as they started to work on it quite recently.

Coordination and cooperation with other donor countries was considered important for both sectors. For example, the equality of women, which is considered by the strategy to be one of the most important areas to concentrate, is too large issue for Estonia to tackle alone. It is possible to see that Estonia alone cannot be a successful promoter of equality of women in the priority countries, as Estonia itself has problems with equality.

The solution is the coordination on the same sector with other donor countries, but at the same time, this kind of solution can also be inefficient and challenging from the recipient country's position. From these statements, we can see that a quite big problem exists concerning how to better contribute to the sectors which Estonia considers priorities in its strategy document of development cooperation. There is currently no clear plan.

According to the E-Governance Academy, the rule of law, is the issue on which Estonia should concentrate, as they claim to have many experts in this field and are working to set up legal frameworks in the priority countries. The equality of women is mentioned to be indirectly influenced by the E-governance.

But still, it is difficult to say just how profound a capacity Estonia has played in these topics, as there is no clear justification and there is no the evaluation of the results. Many indicate this by saying: "That is difficult to say because they have not done any good evaluation of the project as such, so it is like who thinks what is good..."(Interview with Johanna Helin, 09.04.2013)

It is clearly visible then that there is no profound motivation, or real capability from the Estonian side, to concentrate on the chosen topics in the policy of development cooperation. Rule of law is in a better condition than equality of women, in the sense that Estonia seems to have more expertise and experience in the E-governance issue which is related more to the rule of law than the equality of women. What is visible is that Estonia incorporates the most important values of the EU, not because it has a specific plan to offer based on the specific experience and expertise, but because it is an internationally accepted practice to concentrate on these topics in the development policies. In that sense, Estonia tries to manifest emulation but not successfully.

Nation branding through the policy of development cooperation is the fourth category analyzed in the strategy document. The aim was to find out if there was any possibility for nation-branding through the policy of development cooperation. While analyzing the interviews in particular, the concentration was on finding out if there is a good and active cooperation between governmental and non-governmental sector, intensive information exchange between them and active involvement of the third sector

in the policy planning and implementation. The promotion of IT and transition experience were the key-words used to find out how the “products” or “initiatives” are promoted through the policy of development cooperation. Finally, having an advantage in partner countries and the importance of sharing the past with them was examined in the texts.

According to the governmental sector, the cooperation between the governmental and non-governmental sectors in the frameworks of development cooperation policy is active. There are information days organized by the Ministry of Foreign Affairs concerning the proposals for financing development projects to which different organizations in the non-governmental sector are invited. It is claimed that the sharing of information is good between these sectors. Also, recommendations from the non-governmental sector are taken into account by the Ministry of Foreign Affairs, particularly within the division of development cooperation. The importance of NGOs is emphasized in information sharing, although this also requires more development. There is especially a lack of information regarding the local needs and circumstances of the priority countries, where the NGOs have greater access to information than the division of development cooperation under the Ministry of Foreign Affairs. One can conclude, that from the governmental sector, there is a need for a closer and more active exchange of information from the priority countries, more frequent visits and so on. At the same time, there is also a need for more intense cooperation with the NGOs working on different sectors in the priority countries through the policy of development cooperation.

From the non-governmental sector, the cooperation is mainly assessed to be quite active and good.” I think in Estonia, it is a small country and everyone knows each other, it is quite transparent and if you need information it is not very difficult to get it. You can easily approach all the people who are for example in the Ministry...”(Interview with Johanna Helin, 09.04.2013) At the same time, the concern is made visible by statements indicating that there is a need for deeper knowledge and expertise from the both sectors, which often becomes often the groundwork for problems in policy planning and implementation:

“Sometimes you see that people have very different understandings what is development cooperation and they have their own agendas, and sometimes there is difficult to find what we want to do with the policy.”(Interview with Johanna Helin, 09.04.2013)

The non-governmental sector emphasizes the importance of minister of the Foreign Affairs in giving directions to the development cooperation. Therefore, it is obvious that the role of the non-governmental sector in shaping the policy directions of development cooperation is nearly completely limited. The cooperation between the MFA and the NGOs has improved, but as mentioned before, it was more active from the NGO's side. Now they have more opportunities for participation, but there is still need for better cooperation.

There was also an important issue mentioned, concerning whether the third sector has enough skills and knowledge for transferring Estonian experience to the partner countries. It is particularly mentioned that there are many young people working, who do not have enough experience and expertise in this field.

It was also emphasized that there are very few organizations who are directly involved with the policy of development cooperation. However, perspectives on how many actors should be directly involved in the policy are divided. While one side stresses the need for more organizations, other side thinks that the limited number is quite suitable for Estonia. A need for more flexibility and choices for the NGOs, like in Scandinavian countries, has also been expressed: “We want that Estonia do the same like Scandinavian countries do. When the NGOs have choices to work with different countries, and not just with the selected countries like Estonia have”. (Interview with Johanna Helin, 09.04.2013)

From the governmental sector, the promotion of ICT and the transition experience could be considered the “products” for promotion through the policy of development cooperation. It is mentioned that there is a lack of knowledge about what exactly is necessary and efficient for the priority countries, since there is no real data for this decision to be based on.

From the non-governmental sector, IT is considered to be the most promoted “product” through the policy of development cooperation. They consider E-governance to be a key word for the governmental sector. As stated, “most of the countries in the international arena know about Estonia as innovative and new country who is using very widely the possibilities of new technologies.” (Interview with Arvo Ott, 21.03.2013) Besides IT, the knowledge of integration is mentioned. It should also be mentioned that these “products” are considered to be the fields where Estonia can really influence:

“I am believing that really we can have much more wider impact if we are cooperating in the fields which can have wider impacts on the societies, E-government things we think is clearly one of the fields, especially talking about transparency, democracy, anti-corruption, efficiency, citizen centric. I believe that we can influence much more if we are using our brains in this cooperation not money directly.”(Interview with Arvo Ott, 21.04.2013)

Another point emphasized in the interviews, is the possible option for Estonia to choose a policy direction oriented around topics rather than countries, for example, by being a promoter of some particular topic rather than focusing on building Estonia’s capacity in particular countries:

“I have to say that when Estonia start to design its development policy I was slightly disappointed that it was country based, I was promoting to choose topics, I said that we should build our capacity not in the particular countries but form particular five-six topics. What made possible to ensure that we can be the promoters of those topics.” (Interview with Kristina Mänd, 09.04.2013)

When talking about the level of being distinct and different from the governmental sector, it is emphasized that the Eastern European donors in general are unique in the sense that they do not have the colonial past, compared to some western European countries. Another justification is that “Estonia does not have any historical links with developing countries, what links we have they are with former members of the Soviet Union, like Caucasus and Eastern Europe.”(Interview with Arvo Anton, 14.03.2013) So in these countries Estonia has the advantage by sharing the same past with them, compared to other Western European donor countries who do not:

“I think for Estonian experts it is easier to understand the needs and local circumstances in our partner countries...” (Interview with Arvo Anton, 14.03.2013)

The non-governmental sector claims: “Estonia has selected some of the key issues, like transition and information technology, I think they are quite Ok, sort of characteristics, but I think Estonia also needs to develop sort of more traditional knowledge or know-how on how to help countries who are poor in Africa and Asia...” (Interview with Johanna Helin, 09.04.2013)

Skepticism was expressed towards the transition experience, claiming that: “...this transition experience is a little bit tricky because it is not only the Baltic countries but countries like Czech Republic, and other who play the same card claiming that they have transition experience. The things that worked in Estonia might not work in other countries. It is not so valid and the young people in Estonia they did not go through it...” (Interview with Johanna Helin, 09.04.2013) It is stressed that Estonia should replace it with other things like poverty reduction solutions, and the need for more social aspects in the policy is also emphasized.

From the nation branding perspective, we can see that there is good cooperation between the governmental and non-governmental sectors, which is emphasized from the both sides; however, the need for more information exchange was also emphasized, a deeper knowledge and expertise from both sectors is needed, and the suggestion about increasing the number of organizations directly involved in the development cooperation and the need for more flexibility for NGOs were also stressed.

Concerning the “products” and “initiatives” for promotion, the ICT and particularly E-governance can be considered the most promoted “initiatives” through the policy; in fact, ICT as a product is what gives Estonia its image as an innovative new donor country. Also, the knowledge of integration is stressed. Concerning the transition experience, there appear to be a divide of opinions between the governmental and non-governmental sectors. The governmental sector emphasized the advantage for Estonia to share a past with the former Soviet Union countries, which makes it different from the Western European countries. But from the non-governmental sector there was some skepticism towards the transition experience, as it was not seen as a valid topic on

which to concentrate. Instead, it was suggested to develop know-how for incorporation of social aspects into the policy, such as poverty-reduction issues.

We can see that Estonia has the signs of nation branding in its development cooperation policy and, despite some current problems, there is quite a lot of room for improvements in this direction if Estonia concentrates more on this area in future activities.

Promoting its image and reputation world-wide is the last category examined based on the strategy document; under this category, the general image and reputation of being an influential donor country was measured. The texts concentrated on the evaluation of Estonia as a donor. Key-words included the valued donor country; reliable donor country; successful donor country.

From the governmental sector, the transparency of the policy of development cooperation of Estonia is mentioned as its good point; it is claimed that “it is possible to see where money has been spent”. (Interview with Arvo Anton, 14.03.2013) Secondly, the efficiency of communication with the civil society is praised. The need for improvements to the policy is also emphasized. Particularly, it is stressed that “to measure and evaluate the projects and their impacts systematically this is something what should be improved. Coordination with other donors, coordination and sharing information with the recipient country; Internal cooperation between the main building in Tallinn and with our embassies that can be improved...” (Interview with Arvo Anton, 14.04.2013) As we can see, the embassies in different recipient countries are also able to promote the image of Estonia as a donor in the form of better cooperation within the policy.

Concerning the success of Estonian Development Cooperation, there is not any clear answer:

“We are struggling a lot how to measure the success and impact of the development cooperation projects, and this is probably the most complicated dimension of development cooperation...” (Interview with Arvo Anton, 09.04.2013)

Although there is not a general evaluation of the policy, there have been some particular success stories, like:

“...in Estonian view this digital signature using electronic ID cards and also you can give signature with your mobile phone,so similar thing was introduced in Moldova and that was implemented after Estonian experience. Estonian mobile companies, their experts helped to implement it.”(Interview with Arvo Anton, 14.03.2013)

So the introduction of digital signatures using electronic ID in Moldova can be considered a successful case of sharing the Estonian experience. This is also considered as a long term possible solution to the problem of high-level of corruption in Moldova.

In the framework of sharing transition experience, it was emphasized that Estonian advisers and experts are assisting different ministries in different partner countries, in order to help them implement various reforms. A successful and well-known example was the assistance of Mart Laar, the former prime minister of Estonia, to president of Georgia Mikheil Saakashvili.

From the non-governmental sector there is some confusion in assessing the success of the policy. The lack of evaluation of the projects done through the policy of development cooperation is stressed.

Concerning the promotion of the country's image, even though some respondents could not answer what reputation did Estonia had specifically earned they could definitely see the elements of image promotion through the policy:

“I just wanted to say that it is more like a PR (Public Relations) to sometimes you can feel it...” (Interview with Piret Hirv, 14.03.2013)

Other respondents were more optimistic towards evaluating Estonia as having a good impact on the recipient countries and considered the international cooperation very positive in order to both promote a good image of the country and to build good connections and friendship with other countries:

“...One part of our image is that we are innovative, and also in some sense more neutral, especially looking to some of the very big countries, who might have some political influences...We had very good impact, and is continued the demand and wish to continue this cooperation ... This is very good, international cooperation is very

positive also, this is not only longer term from economic side, also political like image and friendship...“(Interview with Arvo Ott, 21.03.2013)

Even when the existence of limited resources is emphasized, it is also mentioned that the people involved in the policy are very devoted and concentrated on making the Estonian image good, by searching for something special on which Estonia can concentrate through the policy of development cooperation. The lack of financial resources can also be seen from the positive angle, as it has been claimed that small budget projects can concentrate on small particular problems in the developing countries, and that the possibility of bringing particular results in specific results areas is higher than in the cases of very big projects, which do not have any clear end or clear aims.

Support given to legal reforms and ICT solutions are evaluated as successful areas of activities through the policy.

Recommendations for improvements include more emphasis on aid effectiveness, which is considered to be a contributing factor for using ICT solutions better.

There is also a need for better evaluation; one possible way of evaluating involves closer information exchange with different government bodies between the recipient countries and the donor country, as well as between local NGOs and NGOs in the recipient countries.

The promotion of the value of development cooperation was suggested, as there is not enough public support within Estonia; more focused activity on the target activity on the target topics was also suggested.

To conclude, the general image and reputation of Estonia can be considered good. From the governmental sector the transparency of the policy was emphasized, as well as the efficiency of the communication with the civil society. Estonia can be seen as a good advisor about transition experience, as well as a good implementer of ICT solutions in the recipient countries, which can improve the level of transparency. At the same time, Estonia can also be seen as the promoter of E-governance.

From the non-governmental sector, Estonia was also assessed as having a good image as a donor country. Its image was emphasized as that of an innovative and neutral donor who does not have any political influences in the recipient countries. ICT and support for legal reforms are considered to be successful areas of activities. Having limited financial resources was also seen as being advantageous since small budget projects have more specific aims and offer more specific solutions and visible results in a short time period when compared to big projects which appear not to have visible end or clear aims.

Improvements include evaluation of the projects and measurement of their impacts; as well as more active sharing the information with recipient countries and; more active internal cooperation between the embassies of Estonia in recipient countries. The embassies can also be more active promoters of the image of Estonia as a donor country by becoming more involved in the policy of development cooperation. More concentration on aid effectiveness is suggested, the possibility of switching target focus from countries to particular topics is mentioned and more work on the raising of public awareness within Estonia is emphasized.

Table 4 Key-findings: the interviews

Categories	Key-Findings
Obtaining intermediation rewards	Estonia can play a significant role in the Eastern Partnership countries by incorporating and promoting the aspect of Euro-integration in its policy; More emphasis and work should be done in the direction of empowering civil society in the partner countries
Competing for rewards	Even though, the distinctiveness of Estonia as a donor country is visible, there is need of new focus to concentrate on in the policy in order to have more to offer; ICT can be considered a potential and successful solution tool, but in order to have a real advantage when compared to other donors; Estonia should have real evaluated results;
Manifesting emulation	No clear motivation or profound capacity was seen in the topics of equality of women and rule of law. Even though it can be claimed that Estonia

	tries to manifest emulation, it is not successfully done and could have negative impact on the donor country's image since no clear justifications or evaluation of the results exists.
Nation branding through the policy of development cooperation	The possibility of nation branding is seen through policy as there is good cooperation between the governmental and non-governmental sector; E-governance is successfully promoted through the policy; Extensive use of ICT solutions create the country's image as an innovative new donor country; Transition experience as an initiative seems to be quite persuading but also quite vague and potentially not valid; There is need for deeper expertise from both sectors; a need for more social aspects in the policy;
Promoting its image and reputation world-wide	General image and reputation of Estonia as a donor country is estimated to be quite good: the transparency of the policy; innovative and neutral donor; ICT and support to legal reforms being successful; promoter of E-governance; specific aims and offers specific solutions;

4.3. Comparison of the results: the strategy of development cooperation and humanitarian aid 2011-2015 and the interviews

According to the analysis of both data sources, Estonia, as a small new donor country, concentrates quite actively on the euro-integration issue while dealing with its priority partner countries through its development cooperation policy. In the strategy paper, much attention is given to the Eastern Partnership countries, where the main activities are directed towards improving the level of democracy in these countries. From the governmental sector, there was a visible readiness and wish to support democratic reforms in the partner countries through sharing the transition experience, that mainly is, the experience of how Estonia developed from being a soviet country to becoming a member of the EU. The non-governmental sector also sees the promotion of the EU in the partner countries through the policy of development cooperation. All the arguments discussed give the grounds to state that Estonia can play and have the possibility to be a significant player in the Eastern Partnership

countries, which gives it the possibility to obtain intermediation rewards from the EU. Some problems concerning this possibility were identified: the difficulties that can be met in the partner countries concerning implementation are mentioned by both sectors. As a possible suggested solution was to put more emphasis on civic education and civil society empowerment in the partner countries and work more in this direction through the policy of development cooperation.

The analysis of the strategy document shows how much importance the concentration on the real added value offers through the policy of development cooperation. Particular emphasis was on Estonia's success story, which is very difficult to determine according to the strategy.

Through the strategy, it is easy to see the extensive use of innovative technological solutions for the many strategic goals set by the strategy document. Estonia, in its strategy, tries to legitimize itself by claiming to be a unique donor country. From the governmental sector, the E-governance and ICT in general, as well as transition experience, are considered to be the distinct characteristics of Estonia. From the non-governmental sector, ICT was also emphasized as Estonia's distinct characteristic, and E-Governance was considered to be an opportunity for Estonia through which it can more easily solve problems in its priority countries than old, big EU big member countries would be able to.

With the E-governance and ICT solutions, Estonia can claim to be distinct and compete for rewards, but from the non-governmental sector, transition experience was generally not seen as a valid topic to offer, so it is necessary to find a new focus for this part of the policy.

The main problem identified was that Estonian development cooperation does not incorporate social aspects like poverty reduction; it was also emphasized that there is more concentration on possible solutions than on learning the needs of the recipient countries, which cannot guarantee good results; additionally, transferring transition experience is seen as a vague topic from the non-governmental sector as there is no clear plan for how to implement it. Possible solutions could include a greater concentration on the countries of Africa or Asia through the policy and developing

additional know-how in this direction; and more work and emphasis could be done on open-governance issues in the recipient countries, in order to make the environment there more welcoming.

From the strategy document, it is obvious that Estonia incorporates some core values of the EU into its development cooperation policy. The rule of law and the equality of women are two of the most concentrated and prioritized topics based on the strategy. It is difficult to see from the strategy whether there is any profound motivation or good capacity to implement these topics through the policy. According to the interviews, the governmental sector emphasizes the rule of law and the equality of women as crucial topics, but there is no clear evaluation given of the results for these topics. Therefore, it can be clearly claimed that Estonia incorporates the most important values of the EU, not because it has specific possibilities to offer in these sectors, but because it is an internationally accepted practice to concentrate on these topics. From the non-governmental sector, no clear justifications were given as to why and how Estonia successfully concentrates on these issues, as there is not any clear evaluation of the results. Estonia seems to have more expertise and experience in the E-governance issue, than on developing the equality of women in the partner countries.

All in all, even though Estonia manifests emulation through its policy of development cooperation by incorporating the core values of the EU, this can be improved as there are problems concerning the evaluation of results. More profound justifications should also be given in order to show that Estonia is really capable of providing good results in promoting these values in the priority countries.

The solution from both the governmental and non-governmental sectors was better coordination and cooperation with other donor countries on the equality of women and rule of law. From the perspective of increasing the possibility to manifest emulation successfully, one suggestion could be that Estonia incorporates the core values of the EU more carefully. Estonia could limit its concentration on, for example, equality of women and devote much more attention and resources towards the rule of law regarding which Estonia has much more to offer.

Concerning the nation branding possibility, the strategy document does not give any in-depth information as to what kind of cooperation exists between the governmental and non-governmental sectors involved in the policy. However, it does stress the need for improving cooperation with the civil associations. Generally, interviews from the both sectors show that there is good cooperation between these two, but some problems were still identified. The need for deeper knowledge and greater expertise from the both sectors working on the policy was emphasized; it was also noted that the role of the non-governmental sector in shaping the policy directions is quite limited; very few organizations are directly involved in the development cooperation policy; and that young people do not have enough experience and expertise to transfer the Estonian experience to partner countries. Suggestions were also found regarding intensifying the information exchange with both NGOs in Estonia and NGOs in recipient countries working on the policy; from the governmental sector, more frequent visits to the priority countries could be a better source for information exchange; also, the NGOs in Estonia could have more flexibility of choice to concentrate on the different countries in the development cooperation policy.

Concerning the promotion of “product” and “service”, it is easily noticeable in the strategy paper how the promotion of the extensive application of information and communication technologies is stressed. Transition experience is also stressed, but not as much as ICT. It is claimed that ICT is responsible for forming the Estonian image as an innovative new donor country. The interviews stressed the same “services”, but should be mentioned that the non-governmental sector showed more skepticism towards transition experience, and some respondents even claimed that it should be replaced by something new. It was also suggested that Estonia should develop more focus and know-how on the social issues, such as poverty reduction, in its development cooperation policy; transition experience should be changed by something else or somehow made more valid.

The general image and reputation of Estonia, according to the strategy document, is estimated to be quite good. From the estimation of the previous strategy of 2006-2010, Estonia is considered to be successful in becoming a valued donor in partner countries. From the interviews, the governmental sector stresses the transparency of the policy and

the efficiency of the communication with civil society. However, it was found difficult to assess the success of the policy from the both sectors, as no systematic evaluation of the results exists. This indicates that there is a need for improving the evaluation process. From the non-governmental sector, support for legal reforms and ICT are evaluated to be successful. Estonia as a promoter of E-governance seems to be a quite good initiative from Estonia in order to make this country's image positive. Estonia has also claimed the image of being innovative and neutral. The recommendations given from both sectors emphasize aid effectiveness; (by the NGOs) closer interaction with recipient countries (by both sectors); to measure and evaluate the projects(both sectors); more active roles for the embassies in the recipient countries; more focused activity on target topics not just on target countries (by the NGOs); and from both sectors it was suggested that more work is needed in order to enhance the value of development cooperation in the Estonian society.

CONCLUSION

The main research question asked in this thesis, which aimed to find out how Estonia, as a small new donor country, can enhance its scope of maneuver in order to gain and influence from its marginal position through the policy of development cooperation, was answered in the framework of the two theories of positive marginality and nation branding which were connected to each other by the author. The tactics introduced by the theory of positive marginality were viewed as possibilities for the small new donor countries to use through their development cooperation policy; some additional possibilities were added from the nation branding perspective. This gave the possibility to analyze the policy of development cooperation from a quite new angle and, at the same time, presented the understanding of marginality from new perspective.

The scope of maneuver for the small new donor country was examined in the case of Estonian development cooperation policy. As the aim of the research was to make an in-depth analysis of the policy of development cooperation, the case of Estonia was analyzed based on two data sources. The official strategy of Development Cooperation Policy and Humanitarian Aid 2011-2015 was analyzed and, as the strategy did not give the possibility for obtaining enough information, in-depth interviews were also conducted. Six in-depth interviews were held with representatives from the governmental and non-governmental sectors, who were and are involved in the policy of development cooperation in Estonia.

The analysis was done mainly by fitting the data into the categories based on the keywords and key-phrases indicated by each category; these were the main concentration issues when analyzing the texts.

After the analysis, some conclusions were made about the possibilities Estonia has, as a new small donor country, through its development cooperation policy; how they are used; what are the main problems in each of them and what are the possible solutions.

Overall, we can conclude that Estonia, as a small new donor country, is utilizing all the five possibilities, but that some of them are used more successfully and with more planning than the others; the problems were found with each category, but it could be claimed that Estonia most successfully uses nation branding through its policy of development cooperation. This can also be improved more in the future activities, as it really promotes its image as an innovative country and uses its post-soviet country image as an asset in order to claim to be a unique donor in the Eastern Partnership countries by sharing the transition experience with them. Concentration on the Eastern Partnership countries, through the policy of development cooperation, makes Estonia, as a small donor state, visible in the EU. ICT is also very extensively and successfully used as a solution option for many problems existing in the priority countries. E-governance is promoted very well as a good potential for improving the level of democracy in the priority countries. How successfully Estonia shares its experience with priority countries should be studied more, as there is not yet any profound evaluation of the results.

The possibility of obtaining intermediation rewards seems to be used well by Estonia, since Estonia has a good potential to be an even more significant donor country in Eastern Partnership countries than it is today; as it has possibility to contribute to their euro-integration process. More emphasis should be made in the civil empowerment direction in the recipient countries, in order to make cooperation with them easier and more efficient.

The possibility of manifesting emulation is not used successfully, as no profound motivation or good capacity was found for concentrating on the equality of women or the rule of law. The rule of law seems to be more successful area than the equality of women, and it would be better if Estonia would further emphasize the rule of law and use its limited resources in that direction.

Estonia also has the possibility to compete for rewards, since it can claim to be distinct with E-governance and ICT solutions, but its transition experience was seen from the non-governmental sector, as a less valid topic on which to concentrate in the development cooperation policy. If more concentration is focused on learning the actual needs of the recipient countries, there will be a clearer and more visible plan of what can be best utilized from the transition experience of Estonia.

The general image and reputation of the country as a donor was evaluated to be quite good. At the same time, it should be mentioned that there is a need for the systematic evaluation of the projects done through the policy of development cooperation, in order to assess the success and efficiency of the policy in general.

In terms of further research, there is a need from the nation branding perspective to conduct the same study in the recipient countries in order to see the image more comprehensively. This will also make it easier to find the solutions, as it will make visible the actual problems, which Estonia, as a donor country, could face from the recipient country's viewpoint. The same could be done on the EU level, in order to see Estonia's potential possibilities from a wider perspective, which could bring useful and interesting conclusions.

ABBREVIATIONS

DAC: Development Assistance Committee of the OECD

EU: European Union

GNP: Gross National Product

ICT: Information and Communication Technology

MDGs: Millennium Development Goals

MFA: Ministry of Foreign Affairs

NGO: Non-Governmental organization

OECD: Organization for Economic Cooperation and Development

ODA: Official Development Assistance

UN: United Nations

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Appendix 1

Questions for Interview

- *Warming-up questions*

-What is development cooperation policy?

-How important is it for Estonia?

-How do you see the role of a small and a new donor country in the international development cooperation?

- **The level of Nation Branding:**

The involvement of different actors in the policy

-What role does the government play in the policy of development cooperation?

-What role does the non-governmental sector play in the policy of development cooperation? (Civil society, business sector)

-Is there an active and efficient collaboration between these two?

The products and service for promotion

Does Estonia promote any innovative product or service through the policy of development cooperation?

The possession and promotion of any distinctive characteristic of the country

Does Estonia promote any distinctive characteristic through the policy of development cooperation? (Does it promote any distinctive area of activity of development cooperation?)

- **Manifesting emulation:**

Incorporation the main values of the EU into the national strategy of development cooperation

-What are the main achievements of Estonian development cooperation policy?

-Which is the most successful area of activity of development cooperation?

-Why is the rule of law and equality of women promoted as one of the most important democratic values on what Estonia should concentrate on in the new strategy of Estonian Development cooperation and Humanitarian Aid 2011-2015?

-How can Estonia promote these values in priority countries through the policy of development cooperation?

-What has been done in the promotion of women's rights in priority countries through the policy of Estonian Development Cooperation?

- **The tactic of competitive emulation which also incorporates the tactic for competing for rewards:**

The level of being distinct and different;

Does Estonia have to compete with other small donor countries which have the similar areas of activities or priority countries to concentrate on?

-what does Estonia promote in difference to them or can promote in the future?

- **Obtaining intermediation rewards:**

Level of concentration on euro-integration issue while dealing with the priority countries

-How can Estonia promote democracy and guarantee the order in Eastern Partnership countries through the policy of development cooperation?

-What role does Estonia play in integrating Eastern partnership countries to the European Union through the policy of Development Cooperation?

- **Promoting the image and reputation world-wide**

The image and reputation of being an influential donor country

Overall how can you assess Estonia, as a donor country through the policy of development cooperation?

-What kind of image and reputation has Estonia earned through the policy of development cooperation?

-What do you think should be done more or better in order to make Estonian image and reputation as a donor country more profitable and attractive?

Is there anything you would like to tell me additionally?

Appendix 2

Contact information of the interviewee

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Appendix 3

The interview with Mr. Arvo Anton took place in Tallinn on 14th of March 2013, in the Estonian Ministry of Foreign Affairs, and lasted for one hour. The aim of the interview was to get in-depth information from the person working on the development cooperation of Estonia from the governmental sector. The interview lasted for one hour. As the division is very small, consisting around the seven people, the issue of representation was not a big problem.

Interview with Evelin Andrespok and Piret Hirv: The interview took place on 14th of March 2013 in Tallinn, in the office of the Organization. They were interviewed simultaneously as both of them works in the same organization and deals approximately with the same issues. Both of them answered all the questions and made the interview process more interesting and interactive.

Interview with Mr.Arvo Ott took place via skype, there was not any problems with the quality of the internet so the process of the interview was quite successful.

Interview with Johanna Hellin took place on fourth of April 2013 and lasted for half an hour. The interview was done via Skype

Interview with Kristina Mänd took place on fourth of April 2013 and lasted for forty five minutes. The interview was done via Skype