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## An example of development aid

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mic and social problems of Latin America. This is also the slant of the resolutions dealing with restricting military expenditure; these are aimed at concentrating all resources upon integration.

### **Decade of Urgency**

It now remains to be seen whether concrete results can be achieved supra-nationally. The immediate tasks are the linear, step-by-step reduction of internal tariffs, a common external tariff and the evolvement of a programme for co-ordinated industrial development. The ALALC developments will be decisive, for the whole project, in fusing the whole of Latin America into one common market. Central America is of little importance in the overall framework, but can offer an abundance of experience in supra-national solutions. The greatest obstacle is still the lack of enthusiasm internally for supra-national viewpoints. The Foreign Ministers are now obliged to set up, in their own countries, the administrative arrangements necessary to achieve these integration targets. At the next conference every party to the Agreement has to submit his liberalisation programme.

The main question is still whether, and how far, the parties are asked too much at their current phases of

development. However, it must gradually come to be realised that any type of economic integration is, in the final analysis, a political act. Somehow or other, national sovereignties have to be abandoned. This admission will have to be made before the state of tension from which ALALC is suffering can be relaxed and is the only way in which its mentality can be adjusted to the requirements of the industrial age. Decisive success can come only from an awakening of Latin America's own potentialities.

Like all other industrial countries, the United States has a very great interest that Latin America should develop into politically viable and socially stable countries. The "Alliance for Progress" has already succeeded in making a considerable contribution towards healthy reforms in Latin America. The Alliance now requires a more impressive success which might stem from combining the aims of the Alliance with those of the Punta del Este Declaration. The tempo of fusion in all Latin American countries must now be raised. It is to be hoped that the "Decade of Urgency" which has been proclaimed will not remain merely a slogan, but that considerable progress will be made towards attaining the targets set within the deadline of 1985.

## **CIVIL AVIATION**

# **An Example of Development Aid**

By H.-Jochen Reuter, Frankfurt/M.

**D**evelopment aid is supported by humanitarian, political and economic motifs. In the following, only the economic aspects of development aid will be considered.

From economic points of view development aid means giving and receiving. The conception of development aid being mere giving is—if ever it was of significance—no longer valid. In the framework of development aid donations have mostly proved a failure. In the interest of both, the donor as well as the recipient country, today's development policy aims at the establishment of economic partnership.

This means for the donor country to employ the means—capital or technical aid—in a way to allow exchange of goods and services between the partners.

In the development phase of the countries the sales prospects of the donor country are especially favourable with capital goods and consulting services, provided the means are directed accordingly. These aspects have been the subject of numerous theories to which some concrete considerations may be added in the following. An especially actual and promising

start for a reasonable promotion of the developing country with simultaneous effects on the economy of the donor country offers the economic sector of civil air transport.

### **Significance of Air Traffic**

For most of the developing countries civil air traffic is of utmost importance in view of their economic development.

At present, traffic in nearly all developing countries is developed unsatisfactorily only. Sufficient, reliable and cost favourable transport connections are, however, among the most important prerequisites for economic development. The lack of trafficways keeps down the exchange of goods and passenger transport between the regions of a country; it reduces the value of local raw materials; it limits the potential sales markets for local industries; it excludes the country from international trade and impedes a superregional integration, to mention only a few of the repercussions. There is no doubt of the necessity of creating the prerequisites for a more intense exchange of goods and passengers.

Unfavourable topographic conditions (rivers, mountains, swamps, deserts) often hinder the development of landborne traffic while they present no difficulties for air traffic. Moreover, the development of a ground network unavoidably stretches over a major period of time whereas an air traffic network can be set up in relatively short time.

Where goods and passenger transport between different places of a country is important, but limited in its range—a situation relatively often met in developing countries—the creation of an air line often represents an even more economical solution than the construction of a road or railway.

By promoting civil air traffic development aid can contribute essentially to the economic development of the respective countries. In some cases, however, active engagement of the developing country in the establishment of a national air network does not arise from the knowledge of the necessity outlined above but from reasons of prestige. Here, the aid offered by industrialised countries can help prevent investment failures by employing experts and directing the means.

Civil air traffic in developing countries whose promotion as shortly outlined above can be of decisive importance for the economic progress of these countries is, at the same time, a sector that offers an especially feasible start for the establishment of partnership between donor and recipient country in the sense outlined at the beginning.

Civil air traffic is divided into commercial air traffic and aerial work, a distinction which shall not be further discussed in this context. One essential factor should, however, not be overlooked: The establishment of commercial air traffic entails considerable "land-borne" investments (buildings, runways, flight control system, etc.). Contrary to that, aerial work is operated with relatively few ground facilities. This basic difference, which we do not pursue in more detail, recommends separate treatment.

Some examples may suffice to show how promotion measures in the sector of civil air traffic can also be for the benefit of the donor country.

### **Advantages of Cooperation**

In view of the prevailing situation in developing countries planning work holds the most important place. This includes planning of air traffic systems on the basis of long-term forecasts on transport requirements and the appraisal of local conditions as well as planning of individual facilities, such as airports and flight control systems, and selection of the most suitable flight equipment. The necessity of such planning work in numerous developing countries is beyond doubt. The industrial countries have plenty of experts who are able to carry out this work. By rendering this service their government can assist the developing countries and, at the same time, promote their own national consulting system.

Experience has shown that the fact from which country the planners came from is of great influence on the selection of the enterprises to be engaged in the realisation of the project—in this specific case in the establishment of civil air traffic.

By giving technical aid in the planning phase the government is in a position to favour its building trade (construction of airports) as well as the instrument and aircraft industry (airport facilities, flight equipment, etc.). Capital aid, of course, makes this service even more effective.

Together with the establishment or development of civil air traffic there arises also the necessity of organising the flight system. Experts of the international airlines and consulting firms are able to solve all pertinent problems. They are not only given the opportunity to employ their consulting capacity but also to coordinate their own commercial policy with the interests of the developing countries.

So much of the possibilities of furnishing know-how and using supplies of industrial countries in the establishment and organisation of civil air traffic. In addition to that there arise many advantages for different branches following the establishment of an efficient commercial air traffic in developing countries: first of all, the large travel organisations which in view of the rapidly growing air tourism are much interested in reliable air traffic facilities in the tourist countries.

Especially interested in a promotion of airlines in developing countries are also the international airline companies. Technical aid can open up new landing grounds for these companies, thus allowing them to extend their network. Most important are, however, the possibilities of rationalisation and cost saving through cooperation in the fields of selling, operating and maintaining the flight equipment. By close cooperation with national airline companies an international airline company can also gain an essential part of the foreign bound passenger and freight volume of the respective country.

For the developing countries cooperation with international airlines, on the other hand, offers the advantage that their national, still rather inexperienced airlines get access to international ground. There are different international airline companies already co-operating with one or more companies in developing countries in the way outlined above. The example of the Ethiopian Airlines illustrates that even in a country of small area and little economic importance an efficient national airline company can be set up with the aid of industrial countries.

### **Various Possibilities for Aerial Work**

Developing countries offer various possibilities for aerial work activities. Aerial work is even indispensable for the solution of many problems connected with their economic development, e.g.:

- ☐ agricultural aviation in the fields of pest control, fertiliser spreading and fire control;
- ☐ land-surveying, cartography and prospecting: elaboration of aerial photos and topographic maps; discovery of mineral resources and underground water reserves as well as forest inventories;
- ☐ observation: inspection of transmission lines and pipelines, observation of cattle and game, locating fish swarms, etc.

These few examples may show how vast and actual is the range of possibilities for industrial air traffic in developing countries where insufficient infrastructure is a typical feature.

With a few exceptions developing countries are generally not in a position to maintain their own aerial work equipment. Enterprises in the donor countries can offer all services needed. Know-how as well as equipment are available. Contrary to commercial air traffic aerial work is rather independent of ground facilities as mentioned above. It can be set up without major work, if need be.

In the interest of the developing country and for the benefit of the economy of the donor country those projects realisable by the industrial air traffic should be given preference in the selection of development projects.

#### **Conclusions for Development Aid**

In the Federal Republic of Germany the opinion increases that of all the state expenditure the money spent on development aid is the most unnecessary. That this view has always been existing in the minds of many is caused by the fact that the public has relatively few concrete ideas on employment and effect of these means.

The reason for an increase in this opinion (which is affirmed by latest opinion polls) may be found in the fact that, following years of intense and determined development policy by the industrial countries, little information on the success of this assistance reaches

the average audience of press, radio and television in these countries. Daily news rather focus on set-backs, military conflicts and mismanagement. In this context it need not be discussed what bilateral and multilateral development aid has achieved in the recipient countries. An overall appraisal for justification of the development aid would have to include also the political and humanitarian aspects we have omitted in the beginning. It was rather the intention to show that the means spent on development aid can serve a double purpose if employed properly.

They promote the economic development of the developing countries and, at the same time, contribute essentially to an improvement of the employment situation in the donor country without diminishing the value of the assistance to the recipient country.

That this fact has lately been recognised can be seen from the formulation of the development policy by the Federal Republic. The interrelations, however, are often many-sided and difficult to discern. This may be illustrated by the example of air traffic where the interests of suppliers, consultants and airline companies interweave.

In order to take into account this circumstance the most important prerequisite for the Federal Republic and any aid giving country is to ensure a better flow of information and a more intense exchange of thoughts between authorities, suppliers and consultants active in developing countries.

The consultants or consulting groups employed permanently in the frame of technical aid abroad can be regarded as an especially effective tool since they know the hopes and plans of the governments they advise, they are in constant contact with the local industry and the industry of their home-country (via their parent establishment), they report regularly to the government (in their capacity as deputies of the Federal Government) and thus are in a position to submit in the quickest possible way those projects that are worth promoting from the quoted points of view.

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