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Abstracting from political factors, a continued cohesiveness of the Equatorial market seems probable. This is partly because three of its members—Congo, Gabon and Cameroon—can hold their own in competition for new industry by virtue of their diversified resource bases and strategic positions with respect to communications. On the other hand, in the foreseeable future the two inland countries are unlikely to be better off outside the common market if the alternatives are viewed in purely economic terms. Certainly a great deal of trade diversion would have to occur before the inland countries would be better off outside and even then, the bearing of their landlocked position on their effective field of choice would be a strong limiting factor. Moreover, new transport links on which CAR and Chad depend to reduce transport costs and to open up new areas also presuppose the continued cohesion of UDEAC.

The Experience of Common Markets

The experience of both common markets in Africa demonstrates that there has been a strong disposition on the part of the less favoured members to emphasise influencing the locational pattern of industrial development as a means of sharing the benefits and

a corresponding reluctance to rely on fiscal compensation. Even if this is generous, and often it has not been, it is not regarded as adequate compensation for the loss of dynamic influences to growth which accompany industrial development. To the extent that this is a generally held attitude, the progress of integration will depend in part on a deal which assures each participant of some industrial growth that it would not otherwise have attracted. The impossibility of doing this in the case of the West African Iron and Steel Community was perhaps the most important reason for the failure of this venture—in principle capable of producing considerable benefit. There are clearly dangers in attempting to interfere with industrial location, since the industries have first to be attracted—and even if such policies are successful they will tend to hinder the development of an optimal locational pattern and so result in a loss of some of the economic benefits which a common market makes possible. Nevertheless, this is almost certainly a price which will have to be paid not only to maintain existing integrated markets, but also to make possible the formation of others. The objective must then be to ensure that such policies are carried out in such a way as to minimise the additional costs involved.

COORDINATED ASSISTANCE

The Role of the Colombo Plan

by John White, London

In the late 1950s, the world began to live in the hope of a great international effort which would help the less developed countries rapidly to overcome their ancient problems of poverty and stagnation. Later, the disillusionment set in. In the late 1960s, the world has learned to live with the expectation that it will be a very long time indeed before the less developed countries begin to see light at the end of the tunnel, and that the part played by the richer countries in this efforts will be, to say the least of it, severely limited. The disillusionment may well turn out to have been as exaggerated as the earlier optimism. Certainly, there is a crisis in the efforts of the rich countries to help the poorer. The features of this crisis are all too familiar to anyone professionally concerned with development. Bilateral aid, in real terms, declines, and is increasingly confined to a few favoured countries which stand in some special relationship with their patrons.

Starved of Funds

Institutions such as the International Development Association (the soft-loan arm of the world bank) have been starved of funds, so that they could not play the key role which they seemed to be evolving a few years ago. In the wider context of aid, trade

and investment, the United Nations Conference on Trade and Development is for the present a scene of confrontation between rich and poor, in which the danger is one of deepening mutual misunderstanding. Across the whole field the picture is a gloomy one. The developing countries are finding the problems harder than they had supposed. The rich countries are finding that real and effective help can cost them more than they originally thought they would have to pay.

But a case can be made out—and I, for one, take this more optimistic view—for suggesting that the crisis in development is only a passing phase. The achievements of the developing countries over the past decade are more solid than is commonly recognised, and are a possible basis for future growth. Compare the performance of India over the past ten years—often cited as a gloomy history—with its performance in the 1920s and 1930s under British rule; and the future looks less bleak. On the aid side of the picture, an apparatus has grown up. Aid to developing countries is now an accepted, indeed, entrenched feature of international relations. It may suffer temporary setbacks. But the tide of history is against its elimination. The danger in the present crisis, as I see it, is this. There is bitterness in the air. The

poor countries blame the rich for turning away. The rich blame the poor for not having tried hard enough. Neither accusation is wholly justified, but together they could create a new mythology—a new sort of class war between nations.

Prosperity a Certainty

Sooner or later, the developing countries will achieve prosperity. The will for development is too entrenched in the language of modern politics for any other result to be possible. These countries would achieve prosperity faster, more efficiently, with less cruel disruption of their social systems, if the rich countries would help by providing a large chunk of the necessary resources. Even without that help, they will do it; but, when they have done it, it will be their turn to turn away, despising and ignoring the countries that refused them help when it would do most good.

But an increasing number of people in the rich countries—whatever the public opinion polls may say—have a growing understanding of the developing countries' needs. And there are more and more people in the developing countries—however acrimonious the debates in the UN may become—who have a growing understanding of the domestic political and economic problems which face the advocates of aid within the rich countries. In this situation, the most vital need is to keep the channels of communication open, to prevent bitterness from so choking them that fulfilment of the promise of the early 1960s remains impossible, even when the climate has shifted in a way that makes it politically possible for the rich and poor countries once again to work effectively together.

The relationship of which aid is a part is such a new feature in international relations that ordinary diplomatic channels of communication will not serve. What is needed is an international framework within which the acerbity of the relationship between rich and poor countries can be softened, the lines of demarcations blurred, and the guidelines laid down for a common enterprise. One such framework—in its own curious way one of the most successful—is the Colombo Plan.

Commonwealth Origins

It may seem odd, in an article about the Colombo Plan, to devote so much space at the beginning to a delineation of the general international context within which the plan has to operate. But it is necessary. When the Colombo Plan was inaugurated eighteen years ago no one was thinking in terms of a crisis in the relations between the rich and the poor nations. There were, after all, very few poor nations. The poor were mostly in colonies or other dependencies. In its time, the plan has served many useful functions and done good work. In 1968, it has a new job to do, perhaps the most important of its whole career.

In 1950, the representatives of seven Commonwealth countries met in Colombo. Three were what would now be called developing countries: India, Pakistan and Ceylon—and four were rich countries: Britain, Canada, Australia and New Zealand. The purpose of the meeting was to exchange views on the needs of South and South-East Asia; for it had already been recognised, in the dawn of the post-imperial era, that political independence was not the end of the affair. From the beginning, the heart of the idea was that the nations within the region covered by the plan should meet periodically with richer countries from outside, to establish a common view of where they were going and what their needs were.

Early on, it lost its exclusive Commonwealth character. Today, the members are Afghanistan, Australia, Bhutan, Britain, Burma, Cambodia, Canada, Ceylon, India, Indonesia, Iran, Japan, Korea, Laos, Malaysia, the Maldives Islands, Nepal, New Zealand, Pakistan, the Philippines, Singapore, South Vietnam, Thailand, and the United States. In other words, it covers most of the important less developed countries within the region, with the obvious exception of China, and most of the important Western aid-giving countries that have a strong interest in the region, with the striking exceptions of the Netherlands and the Federal Republic of Germany.

It may be asked whether such a comprehensive grouping is really necessary, when more or less the same area is covered by the UN Economic Commission for Asia and the Far East (ECAFE), which, as a UN organisation, does not have the mildly embarrassing political associations which occasionally are held against the Colombo Plan as evidence that it is little more than a minor agency of Western policy in the region. After all, there are other, much grander frameworks within which an annual exchange of views is possible: and there are other, much more extensive multilateral programmes of technical assistance than the plan's paltry \$ 140,000,000 a year.

The answer is partly historical accident. Growing out of its Commonwealth origins, long before the notion of a worldwide development effort had taken hold and years before the UN had given recognition to this notion by instigating a development decade, the Colombo Plan has survived, in spite of the fact that many of the jobs it was set up to do are now done equally efficiently, and on a larger scale, elsewhere.

But there is a subtler answer than that. The Colombo Plan has survived because the members want it to survive. Not all of them, perhaps: India, with problems on a scale unknown in any other developing country except China, has little interest in anything apparently so peripheral as the Colombo Plan: and Ceylon, oddly enough, has never given it much credence. But there are in South and South-East Asia several countries which have real difficulty in participating in the world about them—Cambodia, overshadowed by China, and Bhutan, overshadowed in a different way by India: countries such as these are among the ones that extract most value from the

plan. The UN does not serve the purpose, if only because, since it admits virtually everybody, admission has no meaning.

In the Colombo Plan, they find a relationship with the outside world which has meaning, and yet is relatively free of the pitfalls of a continent bedevilled by such conundrums as the involvement of the United States of America in Vietnam. Historically, this feature of the Colombo Plan, as a framework within which channels of communication are kept open, perhaps because the framework itself is so loosely defined, may prove to be its greatest contribution. But the looseness of the framework also carries a disadvantage. The community of nations which meets under the name of the Colombo Plan does not actually do very much. The annual reports carry grandiloquent tables, which give the impression, to cite the 1966 report, that some \$ 3,000 million a year of aid goes into the region as Colombo Plan aid.

But this is only a gloss, and a most cursory reading of the documents—even if one did not know it already—soon reveals that most of this is straightforward bilateral aid which is not provided explicitly under the plan's auspices, and which is probably little affected by the deliberations which take place within the plan's framework. A more careful reading, however, may dispel the scepticism to which such an easy discovery might give rise.

Colombo Plan's Record

First, it is worth examining the plan's historical record. Australia, Canada, and marginally New Zealand are now all important aid-givers within the region. They became so by virtue of their Commonwealth connections, and the Colombo Plan provided the necessary framework. Although Canada, for instance, probably now regards it as peripheral, the plan was a major factor in bringing Canada into the aid business. Outside the Commonwealth, another case is Japan. Whatever the objectives of Japan's aid programme today, it started with a desire to be accepted once again, after the humiliation of martial defeat, among the comity of nations. Participation in the plan was one of Japan's first ventures in the aid field.

Secondly, there is the technical assistance programme, which is supervised by the Council for Technical Co-operation in South and South-East Asia, with its headquarters in Colombo. The programme is not large, with member countries contributing technical

assistance bilaterally among themselves to the value of about \$ 140 million a year. But it is worth noting here that there is not the usual vicious distinction between donor and recipient. India helps Cambodia; Pakistan helps Indonesia; and so on. It is minor, but useful moral reinforcement to the case for aid.

Thirdly, there is the exchange of views that takes place at the annual meeting of the consultative committee. The meeting goes in three stages. It starts with an assembly of experts who draft the documents that will be considered by the policy-making personalities. Then the delegations of officials consider, admittedly only in very general terms, the strategy of the year ahead. Fourthly, the ministers, the political chiefs, set their seal on the entire exercise. Most international conferences begin with the political speeches, and then the experts are left to work out a few, much smaller, practical propositions. Here, the beginning is a communion of specialists, who talk the same language and who are not primarily interested in enabling their own countries to make a specially large splash.

Yearly "Special Topic"

Finally, there is what is known as the "special topic", which is made the main feature of each annual meeting. At Rangoon, Burma, at the end of last year, the topic was agriculture. It may be doubted whether, in such a short meeting, with such a mass of delegates, any great new truths were discovered. But in strategic terms this kind of focus is useful. To prove the point, population growth was the special topic in 1966, and it was in that year that Asian countries as a whole really began to put steam into their population policies.

In the development business, willpower may be the engine, but the fuel is money. And the amount of money that is channelled through the plan, or directly under its auspices, is so small as to be virtually irrelevant to the need of the region. So the Colombo Plan is not, as some of those who have been most deeply involved in it maintain, a scheme to develop Asia. Nor does it dispose of the means for doing so. But it is at least a useful holding operation. And what it can hold on to most of all is the ability of both the rich and poor countries to talk to each other in a common language and with a recognition that in the long term indeed they face the same problems together.



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