

Hamburg Institute of International Economics (HWWA) (Ed.)

Article — Digitized Version

European development aid: Emphasis has strongly shifted

Intereconomics

Suggested Citation: Hamburg Institute of International Economics (HWWA) (Ed.) (1969) : European development aid: Emphasis has strongly shifted, Intereconomics, ISSN 0020-5346, Verlag Weltarchiv, Hamburg, Vol. 04, Iss. 4, pp. 104-, <https://doi.org/10.1007/BF02934801>

This Version is available at:

<https://hdl.handle.net/10419/138160>

Standard-Nutzungsbedingungen:

Die Dokumente auf EconStor dürfen zu eigenen wissenschaftlichen Zwecken und zum Privatgebrauch gespeichert und kopiert werden.

Sie dürfen die Dokumente nicht für öffentliche oder kommerzielle Zwecke vervielfältigen, öffentlich ausstellen, öffentlich zugänglich machen, vertreiben oder anderweitig nutzen.

Sofern die Verfasser die Dokumente unter Open-Content-Lizenzen (insbesondere CC-Lizenzen) zur Verfügung gestellt haben sollten, gelten abweichend von diesen Nutzungsbedingungen die in der dort genannten Lizenz gewährten Nutzungsrechte.

Terms of use:

Documents in EconStor may be saved and copied for your personal and scholarly purposes.

You are not to copy documents for public or commercial purposes, to exhibit the documents publicly, to make them publicly available on the internet, or to distribute or otherwise use the documents in public.

If the documents have been made available under an Open Content Licence (especially Creative Commons Licences), you may exercise further usage rights as specified in the indicated licence.

COMMENTS

ECA

By Their Own Efforts

A deep impression was made at the Ninth Meeting of the United Nations Economic Commission for Africa, not only by the unanimity and applause when numerous decisions were taken by its members, as a demonstration of African unity, but even more so by the African states themselves carrying out the reconstruction of their own economic UN committee towards greater flexibility. For this purpose, its secretariat and entire organisational structure have been changed.

Up to now, ECA's work mostly consisted of economic and social research work, case studies, etc., of technical and educational aid. Such work, especially education and training programmes, is to be continued, but the main emphasis of ECA's work will in future be placed upon practical economics. Among the structural changes already introduced has been the decision to delegate always members of African governments to represent their nations at the bi-annual ECA conferences. These ministers will be those in charge of planning, economics, finance, and development. A technical sub-committee of experts is to study economic, planning and development problems and will sit once every year. The most significant of the new agencies of ECA will be its Executive Committee, restricted to 16 members.

Naturally, it remains to be seen, whether and to what degree the reorganised ECA will come up to expectations. But this does not detract from the fact that ECA has proved to be the strongest factor for uniting Africa, having promoted considerably its economic progress. ECA's tenth anniversary has been the occasion for reminding Africans of their own strength and abilities, which they must use. Their recent new initiatives give rise to the hope that Africa will be able to prove its ability to stand upon its own legs, and can produce more than verbose proclamations. re.

European Development Aid

Emphasis Has Strongly Shifted

Over the last four-and-a-half years, the EEC Commission has decided to grant development finance from the Second European Development Fund in 288 individual cases. For the five years that will end on May 31, 1969, this fund has been supplied with 730 mn US dollar equivalents (the official unit in use is called the „accounting unit“, and this

is defined as being worth 1 US \$). Up to the end of January last, 581 mn units have been made available for financing development projects.

It is clear that the emphasis upon various types of development aid has strongly shifted within the last decade, and this can be seen clearly by confronting the selection used for distributing the First and the Second Development Funds with each other. From the monies contained in the First Fund, about 25 p.c. were channelled into farming, but from the Second Fund, 45 p.c. of all aid up to now went to agriculture. Conversely, finance covering projects of improving the infrastructure of developing countries dropped from 44 to 38 p.c. of overall aid. Education and schools were financed to the extent of 20 p.c. from the First, but only 10 p.c. from the Second Fund, and public health absorbed 9 p.c. and 5 p.c., respectively. Funds aiding industrialisation, on the other hand, now show a growing trend: the First Fund only used 0.7 p.c. of its monies for this purpose, but this has now risen to 1.3 p.c. of the total. After the opening up of developing areas to modern transport, and after the setting-up of a public health administration and schools and training centres, farming is now attracting the overwhelming bulk of available finance.

In view of the multitudinous problems developing countries are confronted with, the number of 288 aided projects appears small for a period of four-and-a-half years, at first sight. But the fact is that each payment granted is for the improvement of the economic structure of an entire district or province, so that its effects will be deeper and more lasting than appearances seem to indicate. ke.

ECOSOC

A Joint Effort

The Economic and Social Council of the United Nations (ECOSOC) had invited to a round-table discussion important industrialists and bankers, to meet politicians from developing countries in Amsterdam in mid-February. The joint cooperative effort of the experts was directed to the establishment of favourable conditions for massive increases of the capital sums invested in overseas countries privately, for it is these private investments in particular which are believed to play a growing role in laying a broad foundation for opening up backward areas to industrial activities.

Developing countries are constantly clamouring for the injection of private investment capital into