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Exchange of Ideas with Developing Countries

Talk with Dr Gerhard Fritz, Director of Deutsche Stiftung für Entwicklungsländer (German Foundation for Developing Countries), Berlin

Dr Fritz, the German Foundation for Developing Countries aroused great public interest in the spring of this year when UN-Secretary General U Thant advised his experts not to attend any longer meetings held by the Foundation in Berlin. Did this have any negative repercussions on your activities?

It has had negative repercussions on our activities. We have experienced difficulties with UN-organisations under direct control from headquarters in New York. The situation however has changed since the four-power agreement on West Berlin. We have now a much better contact again with the UN than we had last spring. By next year I hope we shall once more cooperate with the UN without any disruption whatsoever.

Does that mean that there will then again be conferences in Berlin with participants from UN agencies?

Let me correct one point: UN-organisations have never arranged meetings in Berlin together with the German Foundation for Developing Countries. They were merely asked for co-operation in our meetings in

Berlin. We want to do likewise in future. On the other hand, we have in the past together with UN-agencies arranged conferences and seminars in developing countries in Africa, Asia and Latin America. This will continue, we hope.

The Most Important Fields of Work

Which are the most important fields in which the German Foundation for Developing Countries is working?

We hold seminars, symposia and conferences on problems of economic and social development, administration and education with German and international participation. Three quarters of the seminars are held in Germany and one quarter overseas. Besides, we train students from developing countries in one- to two-year courses of instruction in the fields of public administration, vocational training (teachers) and agriculture, forestry and fisheries. These training courses are being conducted in Germany. And at Bad Honnef Germans who will go overseas as experts on behalf of the Federal Government are

prepared for their tasks. We hold three months' seminars, not only for the experts themselves, but also for their wives. The instruction given to these German specialists in preparation for their new tasks includes linguistics, social psychology, information on foreign countries and development policy.

One of the problems which arise when foreign students are being taught at German universities is that after completion of their studies many of them are no longer willing to return to their home countries. Have you also had this experience with foreign students at your training courses?

Many students would perhaps wish to stay in the Federal Republic. But we are happy to be able to state that almost all have gone back. I shall give you an example: Together with the Federal Länder we have by now trained 1,000 vocational teachers from Asia, Africa and Latin America in the Federal Republic. Of these 1,000 about 10 have stayed in Germany. Some 750 are working today in their own countries as teachers at German technical schools. About 230 are

instructors in industrial enterprises at home, and 10 former students are now dealing with technical vocational instruction as officials in the Government departments of their countries. I think these figures can stand on their own.

Vocational Teacher Training

You were speaking of German technical schools in overseas countries. Who maintains these schools?

The schools are maintained by the Federal Government. The Federal Government has set up nearly 60 schools in partnership with developing countries. The developing countries supplied the school buildings and the Federal Government the teachers and teaching materials. Instruction is given in these schools in three- and four-year courses according to the German pattern. The German Foundation extends invitations to the best students to come to our Central Office for Vocational Advancement at Mannheim. First they have to pass an aptitude test, and then they receive instruction in languages, educational methods and their subject matter. After two years they return to the 60 technical schools overseas to work there as teachers.

You also lay stress on documentation in your work.

We have a Documentation Centre in Bonn with the task of coordinating German and international material on the subject of development policy and cultivating and improving international contacts, especially with the OECD.

Do you also do research work?

The German Foundation for Developing Countries does not carry out any research work. But in the Documentation Centre we are maintaining a research register to avoid multiplication of effort in the Federal Republic. All scientific institutions receive this register.

Aims of the Ibero-American Conference

Let us now turn to the practical aspect of one of your main tasks — holding conferences and seminars. On October 13–15, a conference was arranged by you in conjunction with the "Ibero-Amerika Verein" (Ibero-American Association) and the "Institut für Iberoamerika-Kunde" (Ibero-American Institute) in Hamburg on the problem of German investments in Latin America. What were the main aims of this conference?

A distinction must probably be made between the aims of the Ibero-American Association and those of the German Foundation. The Ibero-American Association has traditionally concentrated more on indicating to German businessmen the opportunities which the Latin American market offers. Our objective, on the other hand, has been to draw attention to the Latin American interest in German investments. In practice we wanted to give the Latin Americans the possibility of presenting their ideas of future direct investment so as to give German industry a chance of getting first-hand information.

Do you believe that this objective has been achieved? Some observers at the conference had the impression that there was only a very small attendance from German industry.

I should think that the aims of the organisers have been achieved. The representatives of the Latin American Governments were certainly able to correct and remove many misconceptions and prejudices about the economic and political development in the continent. But it is difficult indeed to interest German industry in such a meeting. I think that is because German industry is basically averse to committing itself in developing countries in the form of direct investment. Admittedly, German investment in the Third World has increased, and the "Deutsche Entwicklungs-Gesellschaft" — DEG (German Development Society) has also scored some very positive successes in the past. But I believe that German industry as a whole is still banking too one-sidedly on exports.

More Rigorous Investment Laws

Maybe one of the causes of the low level of German investment in Latin America is to be found in the efforts of these

The Work of the German Foundation for Developing Countries in 1970

| Events | Number of Events | Number of Participants |
|--|------------------|------------------------|
| International seminars, follow-up seminars and conferences | 34 | 2,505 |
| Group programmes of further education for students from developing countries | 51 | 953 |
| Further education for individual students from developing countries | 26 | 26 |
| Conferences, expert talks and meetings with the press in Germany | 19 | 650 |
| Introductory seminars and courses for German specialists before leaving | 22 | 775 |
| Individual instruction for German specialists | 75 | 100 |
| Foreign visitors to Berlin | . | 879 |
| Domestic visitors to Berlin | . | 1,351 |
| Brief talks to the press | 26 | 764 |

countries to incorporate the business interests of foreign firms in the planning concepts of the overseas countries. How do you assess such aspirations?

In principle, positively. Bearing their historic experience in mind, above all with US-investments, one cannot blame the Latin American countries for attempting to exercise more effective control over the negative consequences of direct investments. Investigations which show that the capital transfer from South America to North America has exceeded the reinvestments of US-firms in South America clearly reveal an unsatisfactory state of affairs. We in the Federal Republic would also think twice if this were the situation. Perhaps the planning concepts of some countries in Latin America are too rigid. But I am sure that such "growing pains" will soon disappear.

Could the negative effects of the new investment laws be balanced by assistance by the Federal Government?

I do not think that measures by the state would promote the investment activities of German industry in Latin America in an incisive way. The decision to invest or not to invest is really a matter of confidence. When German industrialists now make investments in Poland, Yugoslavia, the Soviet Union and other socialist countries, they do not bewail the planned economy. They adapt themselves to the conditions which they find in the socialist countries. Industry must similarly alter its basic attitude to the developing countries. If this is done, there will be fewer reservations about investing in Latin America, Asia and Africa. One must not forget however that political conditions in some Third World countries are highly volatile. That is a fact which is of course bound to affect the investment climate.

It seems to us that German circles have so far failed to point out to the developing countries in Latin America that German direct investment is not the same thing as US direct investment. In investigations and studies on direct investment in Latin America we find hardly any evidence of German investments having negative effects.

My view of this problem is that German industry does not put up any defence at all against attacks on foreign investment. It does not even manage to explain the benefits of direct investment to the recipient country. Millions are being spent on publicity for some cheese or washing powder which industry sells. But when issues affecting the national economy are at stake, no money can be found for effective information campaigns. It is the fault of industry therefore if the public forms a negative picture of direct investments. With all the mass media at disposal, meaningful economic propaganda should surely be a practical proposition.

Not only in the Federal Republic but also abroad.

Yes, abroad as well: One can certainly comment adversely on this direct investment or that. But not every direct investment can be equalised with Cabora Bassa.

Target Groups of the German Foundation

The German Foundation for Developing Countries is organising a number of conferences and seminars. What groups are your target?

The targets of our work are the men in whose hands the executive decisions in the developing countries lie. Our reasoning is this: In every country the fundamental objectives are determined by a political leadership. But the executive decisions

are in all countries taken by those whose task it is to translate the political will of the men in power into long-term executive and administrative action. And it is the men in this group—state secretaries and senior ministerial officials or else the central managers of associations and corporations—to whom we extend invitations, hoping that we can assist them in arriving at decisions.

We are dealing with a variety of problems at our conferences: In the economic sphere industrial settlement and employment policy are foremost. We are now about to give population statistics and use of computers more intensive treatment. Agricultural and urban planning are other fields to which we have devoted more attention of late. Besides, we are holding administrative seminars. To give an example, the mayors of Zaire were recently in Berlin to discuss local government matters. At the end of October we had a conference with senior tax and fiscal officials from Latin America on questions of tax law and tax reforms.

In these events in the Federal Republic, do other German authorities and organisations take part, beside the German Foundation for Developing Countries?

That is correct. At the taxation seminar which I mentioned, for instance, experts from the Federal Ministry of Economics and Finance talked to our foreign guests. Altogether we have 3,000 guests a year taking part in conferences and seminars of ours. We sign 3,000 contracts a year with speakers and teachers for these events. We want thereby to make sure of a real exchange of views between the experts from the developing countries and the Federal Republic over a very wide range of social policy.