

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

Article — Digitized Version

Development policy: A development pool of donor countries

Intereconomics

Suggested Citation: Hamburg Institute of International Economics (HWWA) (Ed.) (1973) : Development policy: A development pool of donor countries, Intereconomics, ISSN 0020-5346, Verlag Weltarchiv, Hamburg, Vol. 08, Iss. 12, pp. 361-, <https://doi.org/10.1007/BF02929676>

This Version is available at:

<https://hdl.handle.net/10419/138934>

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on October 24 is to discuss procedural questions and appoint various committees to deal with specific subjects.

That the negotiators parted after three days without anything to show for their labours is due to a tussle about the treatment of agricultural issues between Europe and America: the Europeans want the problems of the trade in agricultural products to be consigned to a special committee so as to take account of the specific features of the farm sector, whereas the Americans suspect that agriculture, which is of importance to them, would thereby be kept out of the general liberalisation negotiations; accordingly they are against industrial and agricultural products being dealt with separately. A proposal to shelve the decision on this point so that work can begin on undisputed questions was blocked by France whose views have prevailed against the other EC countries. The episode is an early confirmation of the expectations of those who have for a long time been sceptical about the new GATT round. ch.

Development Policy

A Development Pool of Donor Countries

Development aid will be given a fresh impetus in the next few years. That is the impression to be gained from the activities of the Federal Minister for Economic Cooperation Dr Eppler and the French Finance Minister Giscard d'Estaing at the meeting of the OECD Development Aid Committee (DAC) in Paris. Minister Eppler pointed out that the Federal Republic is the only major industrial country to have ceased tying its development aid to its own deliveries. Even countries in receipt of development aid loans for the specific purpose of buying goods have of late been allowed to use them for financing deliveries from third countries. India, for example, recently drew on a German loan of DM 20 mn to pay for copper from Zambia.

Special interest attaches to a proposal by the German delegation which could loosen further the ties on development aid by industrial countries. When granting capital aid, it is proposed, the donor countries should at least allow the beneficiary country to use its own supplies for the aid project. At a second stage, Dr Eppler suggested, all donor countries which do not tie aid to their own goods should set up a development aid pool and concede to each other the right to tender for supply contracts financed out of development aid from other pool members. This German proposal for untied development aid is however opposed by the USA and France.

The opposition to the proposal could be interpreted by many developing countries as an indi-

cation that development aid is after all basically a form of neocolonialism, that developing countries are only considered by the industrial countries as outlets for their own production. Such an impression would do no good to cooperation between developing and industrial nations. As regards the German proposal, it may be asked whether it would not be more sensible to abolish the ties altogether in future because that would be of great service to the desirable cooperation between developing countries of which the deal between India and Zambia is an example. iwe.

Israel—Africa

The World's Coin Is Ingratitude

Among Israel's casualties in the Yom Kippur war must be counted its relations with most African states. For 25 of the states in black Africa have broken off relations with Israel this year, more than half of them since the war began. Especially painful for Israel is the loss of old friends like Emperor Haile Selassie, self-styled "Lion of Judah", who traces his descent to the Queen of Sheba. The relations between Israel and Ethiopia were indeed a model of the special kind of development aid which Israel has been offering on the African continent.

Israel, itself a "young" state and unencumbered by the legacy of colonialism, was well acquainted with the difficulties of building a viable state and for this reason gave practical-technical assistance rather than capital aid in Africa: Israeli experts have been assisting African states since 1958, i.e., in setting up health services, in evolving administrations, in agriculture and irrigation. The Israeli development aid, besides, included military and civilian training: Israel provided 500 study places a year for African students.

In return for this aid Israel has received in Africa no gratitude or assistance. Libya, the Sudan, Egypt, Somalia and Uganda were pressing hard for the rupture of relations at the OAU meeting in Addis Ababa in May already. The decision of the African states to break off relations at this very moment shows, on the one hand, how the political self-assurance of the "young" African states has grown, and on the other, that Islam is exercising increasing influence in Africa. The economic benefits of practical foreign aid are held to be unimportant in comparison, at least as long as the African states can hope that the stream of Arab money will now overflow into their coffers. Oil millions, awareness of political influence and demonstrations of solidarity are nowadays weighing more heavily than constructive practical-technical work. bw.