Bellinghausen, Rudolf

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Intereconomics

Suggested Citation: Bellinghausen, Rudolf (1974) : New principles for technical assistance, Intereconomics, ISSN 0020-5346, Verlag Weltarchiv, Hamburg, Vol. 09, Iss. 2, pp. 60-62, http://dx.doi.org/10.1007/BF02927459

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New Principles for Technical Assistance

by Dr Rudolf Bellinghausen, Bonn *

In January 1974 the Federal Ministry for Economic Cooperation put new principles for technical assistance in force. These principles indicate the scope of the aims, tasks and methods of this not entirely undisputed Instrument of German development aid. ¹ They are based on the concept of development policy evolved in the Federal Republic of Germany and apply it in concrete terms to the sphere of technical assistance. ²

The principles of technical assistance, like the concept of development policy evolved in the Federal Republic of Germany, have the basic aim of contributing to an improvement of the living conditions of wide sections of the population in the less developed countries (LDCs). In the long term this aim can only be achieved if the developing countries succeed in mobilising their own resources — and this means in particular, in making better use of their many unemployed, underemployed and unproductively employed workers. The technical assistance has the task of helping to create the prerequisites for more perfect integration of manpower in the process of economic and social progress.

Vantage Points for Technical Assistance

The obstacles in the way of the mobilisation of the manpower potential determine according to the new principles at what points technical assistance is to be rendered. It is not a matter solely of conveying knowledge and skills, but in addition there is a need for eliminating particular bottlenecks in the supply of goods and services, resolving specific problems, spreading new ideas and modes of conduct, encouraging more even distribution of earning and social opportunities, and establishing and promoting institutions to advance processes of innovation.

A number of difficulties are inherent in all the various approaches to technical assistance. The experience gathered to date shows that knowledge relevant to a given labour and environmental situation has frequently to be gained on the spot before it can be passed on. In rare instances only can the models and experiences of industrial states be transplanted without adaptation. That it is often impossible to integrate models of industrial states with the economic and social processes of LDCs has emerged especially clearly in connection with the creation of new institutions in developing countries. To render effective aid, an effort must be made to evolve modified organisational patterns in collaboration with local agencies. The motivation for the acquisition and application of knowledge and skills is the most difficult — though also the most important — lever for technical assistance. As for the promotion of more even distribution of earning and social opportunities, this can in the context of technical assistance only be achieved through appropriate selection of target groups.

Least problematic among the technical aid measures are the elimination of bottlenecks in the supply of goods and services and the solution of specific problems. These however are types of technical assistance which do not as a rule hold a promise of success except in the more advanced LDCs which possess an adequate structure of organisation and manpower.

The tasks of technical assistance, properly understood, extend to all problems of economic and social development insofar as they cannot be resolved by the transfer of capital. No panacea has yet been found for these tasks. Technical assistance to developing countries can for this

* Oberregierungsrat in the Federal Ministry for Economic Cooperation.
¹ Information on organisation and extent of the technical assistance is provided in "Bericht zur Entwicklungspolitik der Bundesregierung" (Report on the Development Policy of the Federal Government), Bundestag-Paper No. 7/1236, Nov. 9, 1973.
reason often be no more than a promise to help in the search for solution to certain problems. These problems are often to be found in the human and organisational-administrative spheres; hence they require a high measure of flexibility. For the same reason technical assistance can in rare cases only be expected to provide solution for problems in the short term. Especially so because in most cases technical assistance must not be confined to a search for a solution for a specific technical or economic problem, but has to create preconditions which enable the partners to resolve these issues themselves.

Priorities in Technical Assistance

The new principles lay down that key sectors for technical assistance are to be chosen in the light of the knowledge that the economic and social dualism in the developing countries is one of their major problems, if not indeed the major problem. In the past growth has in many LDCs tended to centre round a number of poles with a strong economic and social dynamism. Not only are the national resources concentrated at these poles but a large part of the private capital and capital aid from abroad is invested at these points because they offer relatively favourable investment and working conditions while in contrast large areas in the same country retain a rural subsistence economy. In many developing countries this dualism has stimulated the "flight from the land" which in turn aggravates the social problems in the areas of convergence.

For these reasons the principles for technical assistance give top priority to the advancement of the previously neglected rural regions. Its objective, great flexibility and favourable terms make technical assistance especially suitable as an aid to further self-sufficiency and integration of the backward rural areas. Priority is however to be given not only to the direct advancement of the rural areas, but to cooperation with public institutions and services devoted to health and education, and to the reinforcement of the planning and organisational capabilities of the public institutions. The advancement of the modern sector is to receive priority only where it helps to integrate the subsistence zones or eliminate the effect of development differentials on the centres of convergence.

Services of Technical Assistance

The new principles enumerate a number of services which may be offered within the scope of technical assistance. These individual aid measures are to be integrated with the projects and programmes of the developing countries, singly or in combination as circumstances require. Grant of technical assistance thus presupposes the existence or else creation by the developing country of domestic agencies responsible for the projects. These bodies are to be evolved and developed by cooperative partnership in such a way that they can perform their functions as soon as possible without foreign aid. These local agencies are to keep the initiative and responsibility largely in their own hands. The projects will thus not be handed over to the LDC complete and "ready to switch on". In this way the principles of technical assistance allow for the fact, which has been borne out by experience, that model installations of this kind have often little effect as exemplars. The reason is that it is usually impossible to adapt them sufficiently to the administration, personnel and finance available in the developing countries to allow the latter to apply these models to any significant extent to the solution of similar problems. But if they do not function as exemplars, even costly projects, which are intended to serve as models, cannot bring about any but limited and localised improvements, and such improvements are of no significance for speeding the pace of general economic development because they lack dynamic force.

The services rendered within the scope of technical assistance include, in particular, the provision and remuneration of experts, the delivery of equipment, materials and means of production and the arranging and financing of vocational and advanced training for local technical and managerial personnel. The cost of technical aid measures is as a rule borne entirely by the Federal Republic of Germany.

Assistance with Personnel

Personnel for technical assistance may be supplied by sending out specialists to carry out tasks according to an operations plan agreed with the developing country. Specialists with qualifications stipulated by the LDC may also be sent out for work to be specified mainly by the developing country, provided that the local partner has the organisational and administrative experience to guarantee efficient employment of these experts. Finally there is the possibility of paying grants and salaries for specialists who are engaged by the developing country, in which case the Federal Republic of Germany confines itself to examining the technical, financial and development aspects of their working programme and assessing the success of the project at certain intervals. In the framework of such programmes finance may be provided also for the employment of specialists from LDCs. A special kind of technical assistance with personnel is the preparation and financing
of studies and expert opinions. These may be commissioned from institutions in developing countries.

Supply of Goods

The supply of equipment, materials and means of production may serve the purpose of providing the specialists sent to a developing country with equipment for their work. The delivery of goods also has the purpose of enabling the assisted institution to put the jointly prepared working programme into effect. Experts will not be sent out if the desired object can be attained by supplying goods. Provided that the responsible local agency can be relied upon to procure supplies for the projects efficiently and economically, this kind of aid also makes it possible for the Federal Republic to confine itself to checking and financing the programme.

All goods are to the widest possible extent to be obtained in the LDCs if this is economically practicable. Not only are many of the goods likely to be cheaper if procured in developing countries, but materials and equipment which can be repaired on the spot and are already known to skilled workers there have special advantages. There is, besides, often an additional employment effect.

Wherever possible technical and managerial personnel are to be given vocational and advanced training in the developing country so as to avoid the difficulties of integration in the Federal Republic and reintegration in their native land. If trainees cannot receive training in their own country, training in a neighbouring developing country is preferred. Training in other industrial states is also not ruled out.

Planning and Execution of Measures

All technical aid measures are oriented by the plans and needs of the developing countries. They are planned in a dialogue with these countries as partners. As guidelines for the planning and execution of technical aid measures the new principles are based on the maxim of minimum interference. This means that where there is a choice between several alternative aid measures preference is given to the one, which hampers the initiative of the partner country least. This maxim governs not only the content and extent of the aid measures but their duration as well. Technical aid measures must not be so comprehensive as to leave the LDC itself without scope or need for initiative. On the contrary, they are intended merely as a complement to the projects and programmes of the developing country and only insofar as they are absolutely necessary. As a consequence the planning of the partner plays of course a crucial part in determining the extent, duration and detailed arrangement of the assistance. Its effectiveness besides depends largely on the initiative and efficiency of the local agency concerned with the project in the LDC. The risk of loss of efficiency, if such efficiency is measured in technical and commercial terms, must be accepted in order to achieve the real purpose of the assistance — to provide problem solutions which the partner can reproduce.

To keep this risk within bounds, it is necessary not only to subject the plans of the local agency to thorough examination before committing oneself to aid measures but to watch the progress of the projects and programmes continuously. Resources for major aid measures should be released stage by stage if possible. The planning work for aid measures should be located largely in the developing country so as to ensure coordination with the planning of the local agency for the project and compatibility with the conditions prevailing in the LDC.

As far as possible the technical assistance is to be concentrated in certain regions and sectors so as to heighten its effectiveness and reduce the administrative expenses of planning and execution. Minor aid measures do not warrant thorough consideration unless their execution can be left largely to the developing country.

Services by the Recipient Country

The grant of technical assistance presupposes a readiness on the part of the LDC to render appropriate services of its own. In principle the developing country should undertake the services, which will still have to be provided on a continuing basis, when the assistance scheme has been completed. These services include in particular the costs of operation and maintenance and the payments to be made to indigenous skilled and auxiliary personnel. That appropriate services by the LDC itself are insisted upon as a matter of principle follows logically from the concept of technical assistance: aid is to be given only for projects with a firm organisational, personal and financial foundation in the developing country. Irrespective of this principle the Federal Republic is willing to undertake during an interim period services of a kind which the developing country should in principle provide itself.

Some services, which the developing countries were in the past often expected to render, will no longer be specified in future agreements, because they are to be regarded as part of the measures of assistance and cease when the aid programme has been carried out. They include the provision of accommodation and the cost of domestic duty travel by delegated specialists.