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More Quality in Development Policy

The new head of the German Federal Ministry for Economic Cooperation, Egon Bahr, is facing no easy task. For there is no prospect of a lasting increase in development aid contributions over the next few years. This fact may be regrettable, but no realistic politician can close his eyes to the reality.

This being so, it must be the main task of the "new development policy" to increase the quality, i.e. the efficiency of the aid which is being given. The small resources must be deployed to produce the greatest possible benefit. This demands first of all a tightening of the development agencies operating in the public sector so as to minimize the cost of administration. Initial steps have already been taken in this direction. The Federal Office for Development Aid which deals with technical assistance and the German Aid Company for Developing Countries Ltd (GAWi), which chiefly controlled the provision of personnel and goods in this context, have been merged in the Company for Technical Cooperation (GTZ). After this tightening of technical assistance thought should be given to the question whether a closer organisational link-up could not also be achieved between technical assistance and capital aid. In its favour speaks the fact that the Reconstruction Loan Corporation, which plays an especially important part in providing capital aid, is domiciled in Frankfurt, as is the GTZ. Besides, it has many years of experience to draw upon and a highly qualified staff. As duplication and diversion of effort can be avoided only through a close linkage of capital aid and technical assistance, there is really little to be said against such organisational concentration.

Moreover, it would probably be impossible to increase the efficiency without a stricter and more intensive selection of the so-called development experts and clear priorities for projects and programmes. This cannot be done globally. It really requires individual attention to each developing country. It may therefore be advisable for experts to participate in the planning of the developing countries as early as possible in an advisory capacity. The project search and selection missions could be strengthened. They should determine priorities according to similar criteria and might be well advised to interest representatives of the private economy in their work at an early stage so as to ensure closer integration of public and private initiatives. Whether aid is made available bilaterally or multilaterally can only be decided later according to the criterion of maximum efficiency with due regard to existing commitments. For it cannot be the task of development policy to provide finance for a cancerous growth of international organisations irrespective of their capabilities.

In the selection of countries in which certain tasks are to be undertaken a difficult balance will still have to be struck between the wish to pay attention to as many states as possible and the need to concentrate on a few countries. It would certainly do no harm to veer slightly to concentration – without however yielding to the pressure of recent developments by giving consideration only to raw material countries.

Generally speaking, the kind of development aid given should be adapted more closely to the economic and social conditions of the various groups of countries. That means that the poorest countries would in future receive public donations only – possibly in the form of subsidies to their budgets – while private funds and normal credits should flow mainly into countries at the take-off stage. For this group it would be important, besides, if they received greater concessions in the framework of a genuine "aid by trade" policy.

Two basic premises have to be kept in mind in all these deliberations: one is that development policy has not the purpose of translating the economic and social order of our country to the Third World; to the developing countries must be conceded the right to decide their own route. And secondly, development policy is an autonomous sphere not to be subordinated to sometimes short-lived changes in the direction of foreign policy including the security policy and the foreign economic policy.

The development policy has its own system of objectives which is largely independent from diplomatic and economic considerations. Only if it adheres to these aims can the aid which is so often and readily reviled be of benefit to donor and recipient countries. There is certainly a need for comprehensive measures to achieve this end. Herr Bahr has taken on an arduous task. We should wish him well.

Dietrich Kebschull