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## New Raiments for Development Policy

A new strategy is wanted for German development policies. Erhard Eppler turned in his resignation as minister lest he become — as he believed — untrustworthy for the outside world. Cyclical setbacks and the threat of budget deficits adversely affected development aid because the Federal Minister of Finance intended to impose financial cuts on it.

Egon Bahr, known as the designer of *Ostpolitik*, has assumed the difficult task of running an efficient development policy in spite of the financial squeeze. It was he who, for the first time, succeeded in persuading the Federal Cabinet to devote a special meeting on the basic guidelines of development policies. The result were 25 theses adopted on June 9, 1975. (See p. 225 of this issue.)

It is a moot question whether Eppler's former policy, through these theses, has simply received new accents or has been replaced by a fundamentally different trend. Nevertheless, it may be stated already now — even though only guesses as to the practical execution of the new guidelines are permissible — that the missionary, altruistic, and humanitarian basis of international cooperation is gradually receding more and more into the background.

Egon Bahr has set his cap now on a novel *Südpolitik*. For him, development policies are an instrument for dismantling international tensions, thus forming an important part of German foreign relations. That he is, indeed, mainly thinking of foreign policy may be surmised, in the first instance from his personal background, and, moreover, this is

confirmed by new initiatives foreshadowed on the basis of the new theses. Bahr intends to revive the International Energy Conference, acting in this context as the honest broker who meets the developing countries half-way through his constructive proposals.

A dialogue with the developing countries is aimed at, during which both sides will have equal rights in pursuing their material interests. In other words, the developing countries will continue their policies for commodities, while industrialized countries will plug their interest in safeguarding uninterrupted commodity supplies last but not least through their development aid, which will henceforth be mainly a bilateral one.

Both the clear insistence on self-interest and the recognition that development policies are an instrument of its foreign policy place the Federal Republic in a novel position. Up to now, it had been anticipated that satisfying its self-interest could, if at all, only be a late by-product of development partnership in the future, while the interests of developing countries had received priority treatment. Though the foreign-policy element in development policies had never been denied, Minister Eppler never failed to emphasize that his long-term policies were a policy for peace in the world of tomorrow which could not be made to serve short-term foreign policy considerations. It will not be easy for his successor to render harmless the inevitable conflicts arising from the change.

In order to evade hardships, the new theses have already been qualified by a number of added safety devices: e.g., it is not

intended to make cuts in purely humanitarian aid programmes, and relations with the poorest countries are to be made closer. The 33 poorest countries are to receive 40 p.c. of all capital and technical aid. The number of recipients of long-term and low-interest capital aid loans is to be enlarged greatly. Conversely, more advanced countries are to be charged higher rates of interest.

To carry out this programme, bigger funds are needed, but these can hardly be found in the Federal Republic. For this reason, Minister Bahr placed his bets on oil-producing countries to finance a system of trilateral cooperation. With oil-countries becoming investors, the Federal Republic would supply technological know-how for projects and programmes designed to aid particularly deprived developing countries. It is also intended to give technical aid to Third World countries rich in capital resources only against normal payment. However, on the basis of past experience, it is difficult to be optimistic regarding the willingness of oil-producing states to assume this role.

It can be foreseen clearly that the Development Budget is in for further cuts. Egon Bahr has himself admitted that there is no government department which could evade the present difficulties of the Federal Republic's budget. Unless he intends to deprive his 25 theses of all credibility, he will have to go into a clinch with the Minister of Finance, firstly on behalf of the poorest countries and, secondly only, in the interest of our economic and foreign policies. The testing crunch has still to come.

Dietrich Kebschull