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For A Realistic Development Policy

The recent conferences at Colombo and Manila have brought no ray of hope into the anything but pleasant scenery of international development policy. The frustration of the underdogs of the world economy is growing as constantly as their demands on the industrial nations increase. Where cooperation is being preached confrontation is becoming more intense.

Decisive for this is the fact that everybody expects much more of development aid than it can possibly deliver. The experts of the international conference jet-set are still busily spreading the illusion that aid from outside is well able to bridge the economic chasm between rich and poor within a few years. After more than twenty years' experience with such a policy it is high time that all the countries concerned said good-bye to wishdreams of this kind.

Only a realistic policy free from all illusions is able to bring about a relaxation in North-South relations. Such a policy must not blink the fact that even a very substantial increase in international aid would not be able to solve the worldwide problems of underdevelopment. Some very simple calculations with conceivable growth rates demonstrate clearly that at least half the LDCs will not be able to make the big leap forward by the end of this century. They will remain poor. The disparity between them and the rich industrial countries, but also the advanced developing countries, will continue to widen.

What applies to the limited chances of success development aid has in general is valid

to an even greater extent for the granting of concessional public credits in the form of so-called capital aid. The funding of a few projects cannot solve the economic problems of the Third World. By carefully selecting such projects it is merely possible to give a few beneficial impulses. Besides, capital aid granted in accordance with ordinary banking practice is given only for schemes which through their direct or indirect effects are economically self-supporting after an initial phase. The funding of other projects is excluded because the repayment of such credits is obligatory, even if they are of the highest importance to the national economy of the debtor country. This leads again and again to the curious situation where the relatively limited means available for capital aid cannot be taken up for want of sufficient eligible projects.

Technical aid, that is free advice which is being offered to an increasing extent is as a rule also only partially successful. It presupposes a very close cooperation between industrial countries and LDCs in order to secure continuation after the advisers have gone. But it is frequently after their withdrawal that the real problems arise. Even if qualified indigenous personnel is available and also used — which is not always the case — the public funds needed to continue the work are in many cases not forthcoming.

Up to the present, international development policy has been hiding this fact under a cloak of silence. It has also concealed the increasing dislike felt in many LDCs for technical aid

which they regard as patronizing. Those concerned with development policy continue to live under the pious illusion that they will be able to change the economic and social situation of the Third World fundamentally by means of credits, advice, trade political measures and food aid (the latter being sent more often than not to alleviate distress after a catastrophe) as well as by a few private investments.

Such utopian objectives tend to impair rather than improve relations between industrial and developing countries. It is not development policy to mislead the poor with fair words, to raise new hopes and thus to increase their sense of frustration if these hopes prove deceptive. Development policy too must confine itself to what is feasible. What development policy is able to do is to help in times of national disasters, to cover basic needs more efficiently and give impulses to further advances if the countries of the Third World themselves afterwards keep up the momentum by conducting a purposive and pertinent policy.

If this comes to be regarded as the proper rôle of development policy, there is necessarily more scope for greater efforts by the LDCs themselves. It is they who have the pivotal rôle in all endeavours to bring growth and progress to the Third World. It would certainly be sensible if the LDCs were to give more attention to the problem of mobilizing their internal resources and to the intensification of trade between themselves. For the traditional development policy cannot change the world.

Dietrich Kebschull