

The Report of the Estimates Committee on Overseas Aid (House of Commons Paper No. 442, Session 1967-68)

A comment by the staff of the ODI

The main conclusion which emerges from the Estimates Committee's report on overseas aid, both from its general tone and from its specific recommendations, is an unreserved affirmation of confidence in the way in which the aid programme is administered by the Ministry of Overseas Development (ODM). This confidence is summed up in the statement (para 95): "There can be little doubt from the evidence that the British aid programme has become much more effective in the last few years, and that credit for this must go [to] the Ministry of Overseas Development".

The general endorsement of the ODM's management is reflected in two of the Committee's eleven proposals for action (para 104) - that Treasury control should be reduced (para 86), and that the ODM should be given greater representation and responsibility overseas (para 101). Fulfilment of both of these proposals, each of which is carefully substantiated by the Committee, appears crucial to implementation of some of the Committee's other sensible suggestions for improvement of the aid programme.

The Committee's assessment of the ODM also leads them to come out very strongly against any proposal to merge the ODM into a comprehensive overseas department (para 95). It declares that such a step would be "retrograde", and makes some scathing comments on the way in which the function of aid specialists overseas was presented by representatives of the Diplomatic Service in London (para 100). (But see reference below to hearings in Rawalpindi and New Delhi.)

The Committee was precluded by its terms of reference (para 6) from questioning the volume of aid or basic aid policy. Although this in itself goes some of the way towards explaining the Committee's sympathetic attitude towards the ODM, it is clear that the attitude was greatly strengthened by the evidence which the ODM provided. The Committee also appears to have been much influenced by the mastery shown by the High Commissions in India and Pakistan (pp. 176 - 229). A careful reading of the hearings gives the impression that the Committee was impressed and convinced by the "professionals" - while a note of irritation creeps into the hearings of unofficial commentators on the aid programmes, which is understandable, of the Treasury, which is natural, and of the representatives of the private sector, which, in view of the Committee's composition, is rather more unexpected.

The report's attitude to the private sector is ambivalent. It recognises the value of business experience, but it is quite firm in rejecting the notion that the British aid programme should be subservient to the interests of British business (pp. 239 - 253). It therefore suggests trying to get the best of both worlds by a large expansion in the activities of the Commonwealth Development Corporation (para 74). Implementation of this proposal would fundamentally change the orientation of the British aid programme. It is therefore regrettable that the Committee's terms of reference precluded an examination of the implications of the proposal, in terms of the view of the development process which it would entail.

The terms of reference were inhibiting in other ways. The Committee appears to have been profoundly impressed by the challenge of development in India and Pakistan. Although its terms of reference do not allow it explicitly to recommend a greater effort on behalf of these two countries, it comes close to doing so. A rather ambiguous recommendation that aid should be concentrated on "the greatest potential markets" (para 104 (8)) is not meant to suggest that aid should be used for export promotion in new markets, but rather that aid should go to large countries with which Britain has extensive relations - notably India and Pakistan (para 32).

Unofficial commentators will also welcome the Committee's suggestions that the true cost of aid should be more widely publicised, that the ODM should try to promote wider understanding of the issues, especially in schools and universities, and that Britain should take strong initiatives in supporting the International Development Association (IDA) and in promoting closer and more positive cooperation among the donors. (para 104 (1), (2), (3) and (11)).

Some concern may be felt, however, over the Committee's suggestion that no further aid should be given to major industrial enterprises. This conclusion is based on a scrutiny of Durgapur and Bhopal, in India. While both of these projects have had many difficulties, it must be said that the faults were on both sides. Also these were two of the earliest aid-financed projects in independent countries, and many lessons have been learnt since then. It is a pity that a report which otherwise does so much to dispel some popular myths should in this one respect bow to the current conventional wisdom.

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JW/CLT