

HUMANE INTERNATIONALISM IN ACTION:
A COMPARATIVE ANALYSIS OF DUTCH AND SWEDISH BILATERAL
OFFICIAL DEVELOPMENT ASSISTANCE IN RELATIONSHIP TO
RURAL DRINKING WATER PROGRAMMES IN INDIA

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Abbreviations

APVHA	Andra Pradesh Voluntary Health Association
AP RWS I (II)	Andra Pradesh Rural Water Supply Programme I (II)
B.I.T.S.	Swedish Agency for International Technical and Economic Co-operation
CHAAP	Catholic Health Association in Andra Pradesh
CPWS	Comprehensive Protected Water Scheme
D.A.C.	Development Assistance Committee
DAL/ZZ	Bureau South Asia
DANIDA	Danish International Development Agency
D.C.O.	Development Co-operation Office
D.G.I.S.	Ministry for Development Co-operation
DST/TA	Co-ordination for the Sector Programmes and Technical Advice/Technical Advice Unit
E.K.N.	Swedish Export Credits Guarantee Board
F.M.O.	Financing Society for the Developing Countries
G.N.P.	Gross National Product
KE RWS	Kerala Rural Water Supply Programme
I.O.V.	Policy Operations Review Unit
I.R.C.	International Reference Centre for Community Water Supply and Sanitation
ITDG	Intermediate Technology Development Group
KAP	Knowledge, Attitudes and Practices
K.W.A.	Kerala Water Authority
lakhs	Rs. 100.000
LLDC	Least Less Developed Countries
NAPSU	Netherlands Assisted Project Support Unit
N.I.B.	Agency for International Assistance
NCW	Dutch Christian Employers Organisation
NGO	Non-Governmental Organisation
O.E.C.D.	Organisation for Economic Co-operation and Development
O.P.E.C.	Organisation of Petroleum Exporting Countries
PEDO	People's Education for Development and Organisation
P.H.E.D.	Public Health Engineering Department
P.R.E.D.	Panchayati Raj Engineering Department
S.I.D.A.	Swedish International Development Authority
SWACH	Sanitation and Water Activation of Community for Health
SWEDFUND	Swedish Fund for International Co-operation with the Developing Countries
VLOM	Village Level Operations and Maintenance
VNO	Society of Dutch Employers
W.E.S.S.	Water and Environmental Sanitation Section



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Foreword

This thesis is the culmination of an idea that was born at the beginning of my studies in politics at York University in Toronto about eight years ago. At that time, I wrote a proposal for a comparison of Swedish and American Development Assistance in the Context of Imperialism. As a result of my upbringing in Canada and my Dutch background, I had developed an interest in my studies for, in the eyes of the international aid community, the progressive donor countries (Canada, the Netherlands, Sweden, Norway and Denmark). Questions such as: 1) Which government may be considered the best aid donor?; 2) How have their policies changed?; 3) How can differences be explained?; and 4) What is the influence of the domestic business community in the help?, held/hold my interest. An interest in the progressive donor countries also implied a necessary comparison with the least progressive donor countries, thus the comparison between Swedish and American aid.

After a year of studies in York, England in 1983/1984, I returned to the Netherlands to complete my studies at the University of Amsterdam. As I was now in the Netherlands, a detailed comparison between two of the most progressive European donors was possible. A research training programme at the Dutch Ministry for Development Co-operation was gratefully accepted and I could effectively research the case study during the months of April and June of 1990 in the Hague. In the month of May, a visit to Stockholm was carried out where I could research the general Swedish aid programmes as well as the more specific rural drinking water programmes in India.

This research could not have been possible without the financial assistance of the Bureau of Foreign Affairs at the University of Amsterdam and the Amsterdamse Universiteits Vereniging. I would also like to thank Mr. H. Buikema, the director of Bureau India at the Dutch Ministry for Development Co-operation as well as Ms. A. Braken and Ms. J. van Krimpen, the drinking water specialists at Bureau India. I would also like to extend my thanks to the librarians, Ms. H.W. van Berckel and Ms. A. W. Hoeksma, at the Dutch Ministry for Development Co-operation as well as the archivists who dealt with all my requests in an enthusiastic and extremely helpful manner. Thanks are also due to Mr. van Velzen at D.G.I.S. who assisted me in the editing of this final version for public distribution. At the I.R.C., I would like to extend my thanks to Mr. J.T. Visscher. Within the Department of International Relations at the University of Amsterdam, I wish to extend my thanks to Prof. dr. G. Junne for the initial correspondence with the appropriate Swedish experts. In Stockholm thanks are due to Mr. Magnus Blomstrom at the Stockholm School of Economics, the librarians at the S.I.D.A. library, and staff from the personnel department. Special thanks are due to Mr. John-Olof Johansson (senior project officer for rural water supply projects) who was so kind to receive me at the S.I.D.A. and who provided me with the numerous reports on the Swedish drinking water programmes in India. Finally, I would like to thank Ms. Sigrid Rausing in London and Ms. Mariyet de Baar in Amsterdam for their translation of a few Swedish articles.

Needless to say the findings in this report fall under my own personal responsibility.







I. INTRODUCTION

The period after the second world war has seen the rapid increase of governmental financial and technical assistance from the industrialised countries to countries in the Third World. This assistance is formally referred to as official development assistance (O.D.A.) and is specifically defined, "...as those flows to developing countries and multilateral institutions provided by official agencies, including state and local governments, or by their executive agencies, each transaction of which meets the following tests: a) it is administered with the promotion of the economic development and welfare of developing countries as its main objective, and b) it is concessional in character and contains a grant element of at least 25 per cent."¹ One can argue, however, that much of the assistance classified as O.D.A. does not deserve this predication serving more often than not primarily strategic political and/or economic interests of the donors themselves. It is, however, acknowledged that the interests which the aid serves differ amongst the donors. Thus, within the international academic community, the Scandinavian countries, the Netherlands and to a lesser extent, Canada, have repeatedly been held up to the rest of the international donors as progressive models whose assistance policies should be copied. Numerous studies abound in which the 'forerunner' status of these countries is stated. For example, a study based on 1976 figures using a composite index, judged that Sweden, Norway, the Netherlands and Denmark, in that order, were the most progressive aid donors of the seventeen Development Assistance Committee (D.A.C.) members studied.² Another observer wrote,

A survey of the policies of the various donor countries shows that as a rule either aid-giving is largely dependent on considerations which have little, if anything, to do with the promotion of development, or its priority as a commitment is low. Only a few smaller donor countries such as the Netherlands and, in recent years, Sweden appear to combine a comparatively high degree of generosity with a similar degree of sincerity.³

The government of the Netherlands was praised for its, "...almost exaggerated reluctance to make allowance for the interests of national exporters in aid policy."⁴ A recent highly critical



study of donor aid policies and the World Bank also spared Sweden and the Netherlands (at least during the 1970's). The authors noted that 'the Scandinavians' were not much loved in World Bank circles. Sweden and the Netherlands were also praised for providing assistance to several post-revolutionary governments (Angola, Mozambique, Cuba and Nicaragua) which had received virtually nothing from the larger donors.⁶

This image of Scandinavia and the Netherlands as the progressive like-minded countries has, however, received some blows during the 1980's. More and more Dutch observers have begun to question the progressiveness of the Dutch development assistance programmes.⁶ For example, Hoebink's study on the Dutch assistance to Tanzania and Sri Lanka is highly critical of the programmes as they are presently administered, claiming that Dutch business interests have been able to influence the execution of government policy in a negative manner.⁷ According to various critics, the internal organisation of the Dutch Ministry for Development Co-operation is regarded as a contributing factor in the claimed low quality of the Dutch assistance. References are often made to the Swedish organisational model as an alternative.⁸ Yet, as Hoebink correctly notes discussions over the Swedish model often occur on a very superficial level (proponents of a new ministerial structure assume Sweden has a better development assistance programme).⁹ Therefore, it appears necessary to study the specific Dutch and Swedish policies and their implementation to determine whether or not the Swedish assistance is in fact more progressive than the Dutch aid and if a different ministerial structure may be a cause of this difference. On the other hand, attention should also be given to other reasons for possible perceived differences. Hoebink has stated that the discussion about the quality of the Dutch help should not restrict itself to organisational choices. A 'mono'-discussion should be avoided and attention should also be given to ways in which: the public objectives of the assistance can be better formulated; the demands of the domestic business community can be more effectively resisted; and a collective memory is built up about past mistakes and blunders.¹⁰ In addition to this, one must examine the national political and economic situation to



determine whether a realistic opportunity exists to conduct an independent progressive foreign aid policy.

Although the Dutch aid programme (and the programmes of the other like-minded countries as well) have received increasing criticism recently, it is still largely believed that these countries occupy a special position within the international donor community. A very recent study was still stating that,

From the perspective of Third World development and the alleviation of poverty, the record of the aid programmes of these countries [the like-minded countries] is far superior to those of other countries. This is true in regard to the tying of aid, to country selection, to the allocation of funds to multilateral aid institutions, to the sectors assisted, to the use of programme support, and to responsiveness to immediate crises.¹¹

In describing their own study of the North-South policies of the like-minded countries the editor used arguments which are of equal relevance to this study. He wrote, "...we thought that a study which brought out the differences among the policies of these states [the like-minded countries] could be particularly revealing because of the very fact that their policies have had much in common. By contrast, a comparison of their policies with those of, say, the United States, Germany and Great Britain, would produce a much sharper range of differences but both these differences and their explanation might be more obvious."¹²

This study shall also include an attempt at policy analysis instead of solely evaluating the policy of the two countries. In policy evaluation, one examines three components: 1) efficiency - Is there an economical use of resources to achieve the objectives?; 2) effectiveness - Does one actually achieve the objectives?; and 3) the significance - What is the outcome of the assistance on various aspects of welfare?¹³ In this thesis I will restrict myself to the effectiveness and significance aspects of policy evaluation. Policy evaluation thus limits itself to researching the effectiveness, efficiency and significance of the assistance whereby the choice of objectives and the means are taken as given. Policy analysis, on the other hand, implies that the choice of objectives is itself a subject of research. One needs to look at the way policy is formed and executed. This encompasses not only the way official policy objectives are



formed and changed (via the government and pressure groups), but also includes a study of the hidden often unspoken objectives (i.e. national economic interests). These hidden objectives entail a required close examination of the way in which policy is executed. Therefore, in policy analysis the functioning of the state is also a part of the survey.¹⁴ Hoebink has noted that studies on the effects of the help, the success and failure of development projects, and the manner in which policy is formed and executed for specific recipients and for specific projects, may be counted on two hands. Comparative studies about the effects of official development assistance given by different countries to one recipient country are even scarcer.¹⁵ The paucity of material in this subject area, the previous comment that a comparison of like-minded donors may prove more fruitful than a comparison between two more different types of donors, and the fact that the critics of the Dutch aid programmes repeatedly point to the Swedish model as an alternative (without appearing to conduct research as to whether the Swedish help is in fact more progressive), has led to the choice to undertake a comparative policy evaluation and analysis study of the aid programmes of two of the most progressive donors, the Netherlands and Sweden. This will be accomplished by undertaking a case study of their assistance to rural drinking water programmes in India.

The set up of this thesis will be as follows. In chapter II I will specify the research problem and present the criteria by which the case study was selected. In chapter III a short theoretical framework will be presented by defining the concepts of humane internationalism and the relative autonomy of the state. Three hypotheses to be tested will be presented in chapter IV. In chapter V an historical description of the Dutch and Swedish aid policies and their implementation shall be undertaken. This chapter forms the general context against which the case study in chapter VI can be set. Chapter VII shall comprise an analysis of the Dutch and Swedish aid programmes in an attempt to explain noted differences and/or similarities. This will be conducted by examining both macro-factors (the general political and economic situation) and micro-factors (the functioning of the different aid administrations). In the final chapter, the conclusions shall be presented.



II. THE RESEARCH PROBLEM

As stated in the introduction few publicly available evaluative and analytical studies comparing the aid programmes of two (or more) donors to one recipient country exist. To augment knowledge in this area, a case study comparing Dutch and Swedish government-supported rural drinking water programmes in India has been selected. Arguments for choosing this particular case study shall now be presented.

Firstly, an initial choice of choosing government to government bilateral development assistance was made. Assistance which is administered by Dutch and Swedish non-governmental organisations, but which is partly or entirely financed by government funds, will not form part of this study. Consequently, assistance administered by the major Dutch group of four joint-financing organisations (ICCD, NOVIB, HIVOS, CEBEMO) will also be excluded as a subject for this study. This is because although these organisations are heavily subsidised by the government, they can also operate autonomously from that same government to a very great degree.¹⁶ A comparative study of the Dutch and Swedish government's development aid programmes necessitates an examination of the programmes financed out of the official government to government bilateral development assistance budget of the two donors.

Secondly, the choice of a suitable recipient country had to be made. India was chosen because it has occupied a place in the top three recipients of both Dutch and Swedish aid during the last twenty years. At the moment, India is the country receiving the most Dutch bilateral assistance. In the Swedish case, India is now the third most favoured recipient after Tanzania and Mozambique. In both cases, the amount of the help to India as a percentage of their separate total official bilateral assistance budgets is roughly equal; this percentage has fluctuated about the 6 per cent level over the past twenty years.¹⁷

India was also chosen because of the large number of Dutch multinationals which operate within India. These companies include Philips, Unilever, Shell and AKZO. A small subsidiary of Shell, Wavin, has in the past been profitable in the making of



pipe material for irrigation and drinking water distribution systems. This subsidiary was set up in India at an early stage because the economic nationalistic policies of India introduced after independence did not provide Dutch export possibilities. The company has recently faced severe problems with the director explaining that, "[t]echnically speaking, pipe manufacturing is not that difficult and because drinking water pipes are so important for Indian society, the government of India had granted production licenses on a large scale." As a result, the market share of this company has decreased considerably and Wavin is now experiencing a languishing existence.¹⁸ Research into the possible role of this company in the assistance to India and other possible interests held by other Dutch or Swedish subsidiaries (for example, the Swedish multinational, Atlas Copco) was found to be of interest in whether and in what way hidden secondary objectives were being served by the aid.

After restricting the case study to official bilateral development assistance to India, a further sectoral choice was required. Rural drinking water supply was chosen because it is a concentration sector within both the Dutch and Swedish aid programmes to India, thus assisting in a comparative description and analysis. In Sweden, 9 per cent of the total India allocation has been spent on the drinking water sector in the last decade.¹⁹ In the Dutch case 15 per cent of the total India allocation is momentarily spent on the drinking water sector.²⁰ Moreover, the government of India itself also places an increasing emphasis on this sector. For example, whereas in 1974 only 2.5 per cent of the Indian government budget was annually spent in this sector, this figure had risen to 6.22 per cent by the Seventh Five Year Plan for the period 1985-1990.²¹ An increased emphasis on this sector by all parties concerned may also be attributed to the United Nations General Assembly proclamation that the 1980's would be the 'International Drinking Water Supply and Sanitation Decade' which initially had an objective of universal coverage by 1990.²² This proclamation met a clearly felt need to attack the health problems of those world citizens who still did not have a safe and adequate drinking water supply. In India in 1980 at the beginning of the decade, 67 per cent of the rural population was still living without a reliable and sound drinking water source.



As the World Health Organisation had judged that 80 per cent of all illnesses may be connected to a lack of water, the utilisation of polluted water and a lack of knowledge about elementary hygiene, the execution of the General Assembly proclamation was considered urgent.²³

After having restricted the case study to the Dutch and Swedish government-supported rural drinking water programmes in India, the following central questions were formulated to form the research problem. They are: 1) To what extent do the policies and their implementation of the Dutch and Swedish government's rural drinking water programmes in India deserve to be called progressive?; 2) To what extent and in which way do the national business communities of the Netherlands and Sweden benefit from the assistance to the rural drinking water programmes in India?; and 3) How can any similarities and differences between the two donors in general and in this sector be explained?

III. THE THEORETICAL FRAMEWORK

The theoretical framework of this thesis shall comprise humane internationalist theory as described by Stokke and Pratt, and the relative autonomy of the state as elucidated by Hoebink. The project assumption which Stokke and Pratt held in their studies of the Third World policies of the like-minded countries has an equivalent importance for this study. These researchers assumed that the predominant political philosophy and values of the like-minded countries would have a significant influence on their North-South policies including their development assistance policies.²⁴ These political values and philosophy were denoted with the label of humane internationalism. Humane internationalism is in fact comprised of three elements and further subdivided into three strands. The three main elements are the following: 1) "At its core is an acceptance by the citizens of the industrialized states that they have ethical obligations towards those beyond their borders and that these in turn impose obligations upon their governments"; 2) a melding of the ethical and real long term interests of the rich nations - "The poor countries, it is typically assumed, would be more stable, less likely to be threatening, more likely to be



democratic, and altogether more attractive as trading partners and outlets for investment if they could experience high rates of growth over a long period"; and 3) a belief in the welfare state - "The basic values of these societies, the values on which their social welfare systems are based, are not thought of as national or racial or ethnic, but as having a universal validity."²⁵ Humane internationalism consequently differs significantly from realist internationalism in which international relations are viewed as the result of states pursuing only their own narrow national interests.²⁶

Within humane internationalism, three strands may be discerned: liberal, reform and radical internationalism. Liberal internationalism is composed of the core of humane internationalism supplemented with a strong commitment to an open trading system. It is on the whole against state and inter-state intervention although it does favour rules that can create equal opportunities and reduce discriminatory practices (e.g. protectionist trade barriers). It favours open international bidding of goods and services procured with development assistance funds. As liberal internationalism favours market forces, "[it] is sceptical towards those bilateral aid agencies which give priority to a welfare strategy, implying for instance to improve the public social services, at the cost of a strategy directed towards economic growth, by means of mobilising, in particular, the private sector to increase production and trade."²⁷ Reform internationalism is negative towards an open international economic system at least until a fairer distribution of power within the international financial, monetary, trading and development assistance institutions, have been achieved. It asks for major reforms of these institutions. Reform internationalism may be characterised as social democracy applied internationally. Radical internationalism, as the name suggests, is the most far-reaching humane internationalist strand. Its aim is not only to show solidarity with the poor of other lands but to support autonomous and autarkic societies in the developing countries free from western capitalism. It is based on an extreme hostility to western consumerism and capitalism.²⁸

Humane internationalism consequently implies that the state



may be considered as a relatively autonomous force. Other theories relevant for analysing development assistance either negate the role of the state (e.g. the modernising school) or are too reductionistic and deterministic regarding the state as a force which automatically deems to serve the interests of the capitalist class (the dependency and marxist-leninist paradigms): Hoebink adopts a flexible state vision in which the state has a relative autonomy in relation to the economy. He states, "[t]he interests of the economy are internalised within the state but on the other hand other influences from civil society also have an influence on the state. In other words, the state is the organiser of an unstable balance of compromises that reflects the power and the weaknesses of the various classes and groups." Furthermore, to save that balance the state can take measures that do not directly affect the power or the short-term interests of the ruling class. Within certain policy areas, such as development co-operation, it can also be the case that other groups or classes can be more on the foreground because those areas are at that moment not of significant importance for the ruling class or group. Finally, the ruling class can not be considered one unit with a clear unanimous vision about the required policy. The state thus has a relative autonomy based as it is on the social-economic relations of society and as an institution with its own power and authority.²⁹ This latter element (the micro-level - i.e. the structure, the personnel policies and the spending pressures of the different aid administrations) is missing within humane internationalist theory and needs to be included in any explanation for the different aid programmes of the like-minded donor countries. Hoebink consequently notes that official development assistance needs to be analysed as a state activity operating in an international arena and being shaped or restricted by both political and economic macro-factors, as well as micro-factors.³⁰



IV. THE HYPOTHESES

On the grounds of the literature and studies mentioned in the introduction, the research problem and the theoretical framework, three preliminary hypotheses have been formulated to be tested in this thesis. They are the following:

IV.1) The Swedish official development assistance has been, and still continues to be, more progressive than the Dutch O.D.A. in both its policy and implementation;

IV.2) The influence of the business community in both countries in the formulation and execution of aid policy is increasing, yet it remains a smaller influence in Sweden; and

IV.3) In explaining the differences between the progressiveness of the Dutch and Swedish aid programmes (including the presumed greater role of the Dutch business community in the help programmes), one can hypothesise that the political conjuncture is more of an explanatory factor than the economic conjuncture. Whereas it is assumed that the results of a study on the economic situation in both countries will reveal the situation to be roughly similar, it is suggested that Sweden has had/still has a more positive political conjuncture than the Netherlands enabling it to undertake a more progressive development assistance programme. Under political conjuncture one must look at both the macro-factors (the role of a colonial past and the influence of humane internationalism within the society as a whole) as well as the micro-factors (in which ways do the two aid administrations function differently).

V. AN HISTORICAL DESCRIPTION OF THE DUTCH AND SWEDISH AID POLICIES AND THEIR IMPLEMENTATION

V.1 Introduction

In this chapter an historical description of the Dutch and Swedish aid policies and their implementation from 1945 to the present will be discussed. This will serve as a general context against which the specific case study of rural drinking water projects in India will be set. The chapter will be subdivided into several paragraphs marking to some extent arbitrary historical time periods in the development co-operation of the



Netherlands and Sweden. In the periods to be examined, an attempt will be made to determine the progressiveness of policy and its implementation by examining eleven aspects: 1) the volume of the help; 2) the motives behind the help; 3) the multilateral versus bilateral element; 4) the loan versus grant element; 5) the official tying of aid; 6) the unofficial tying of aid; 7) country concentration choice; 8) programme versus project support; 9) the choice of assisted sectors; 10) the manner of financing, multiyear or annual; and 11) the role of the national business communities in the help.

In the academic literature, observers usually utilise the following guidelines to make operational the concept of progressiveness within these aspects. Examining the first aspect, those donors providing a higher relative amount to development assistance programmes (usually calculated as a percentage of G.N.P.) are considered more progressive than those donors who provide less. Those donors having reached the target of 0.7 per cent of G.N.P. by 1975 set by the United Nations General Assembly in 1970, and later, the new target of one per cent of G.N.P. to be reached as soon as possible after 1985, are praised by the international community.³¹ Considering the second aspect, moral motives of charity and solidarity are deemed to be more progressive than motives of national economic or strategic political interests. Regarding the third aspect, it is a commonly held belief that an emphasis on multilateral assistance over bilateral assistance is more progressive because it is administered multilaterally thus lessening the possibility of donors tying the aid formally or informally to purchases in their countries. In the fourth aspect, it is quite obvious that donors with a higher grant percentage in their assistance would receive a more progressive label. The most recent recommendations on the terms and conditions of aid agreed upon by the D.A.C. in 1978 state that a grant element of 86 per cent (and a higher 90 per cent for the least less developed countries) should be reached.³² Concerning the fifth and sixth aspects, donor countries which have a low binding percentage (whether official or unofficial) would be considered more progressive than countries with a higher binding percentage. Numerous studies have shown the harmful consequences of tied aid on recipient countries. Two critics



have explained that,

The worst effect of tying aid is that money is not available to finance goods produced locally and local skills; the aid therefore provides, partly intentionally, an inducement to governments to commit their resources to projects which have a high import content and moreover to increase the proportion of the necessary materials and skills that are imported from abroad. When the aid is in the form of a loan, this must eventually be repaid in foreign currency. Even when it is provided as a grant, its effect may still be that continuing dependence is created on supplies of skills, materials, and spare parts from abroad; this, again is partly the intention. In addition, tying the aid to procurement from particular countries, and sometimes to particular sources within that country, limits or eliminates choice between different technologies and can enable firms to dispose of outdated or otherwise uncompetitive goods. It also tends to result in goods and services being provided at prices well above world market prices; calculations have shown that on average the prices of goods financed by aid exceed world market prices by 25 to 30 per cent.³³

Thus, the criticism against tied aid is quite severe. The seventh aspect in measuring progressiveness, country concentration choice, refers to both the poverty and the internal policies of the country. When a donor country provides relatively more aid to the least less developed countries and/or countries with redistributive policies in favour of the poor, that donor's aid policies may be considered progressive. Regarding programme or project support, programme support is generally considered more progressive, among other reasons because less possibilities for the tying of aid are deemed to exist. Programme aid also has an advantage in that an excessive reliance on foreign experts and inappropriate technology may be more avoided than if project aid was given. This is due to the fact that project aid usually sets a fixed time, which is often too short, within which the project should be finished. When the project is delayed foreign experts and inappropriate technology may be rushed in to finish the project on time.³⁴ Regarding sectoral concentration choice, donors which concentrate a large degree of their help on sectors that improve the quality of life for the poor (drinking water, small scale rural development, primary health care, etc.) are



also deemed to be more progressive than donors which concentrate on large scale industrial projects. Looking at the means of financing, donors which commit themselves over several years with multi-year financing may be considered more progressive than donors which allocate annually. Multi-year financing provides the recipient with more certainty and security in planning its development. The last aspect, the role of the national business community, also relates to several of the aforementioned aspects: One can question the progressiveness of the donor government's aid policies and their implementation, when the national business community is willing and able to exert a strong influence on these policies and their execution. The danger then exists that the help will be more influenced by domestic economic factors than the needs of the recipient countries.

The examination of these different aspects in an historical description of Dutch and Swedish aid policies will be based on a number of sources. First, public official policy statements published by both the Dutch and the Swedish governments. Second, internal government documents concerning development co-operation, and third, secondary sources quoted in various journals, books and magazines.

V.2 Introduction: The Netherlands

In the following paragraphs, the history of Dutch development co-operation will be described by using five time blocks, each block representing to some extent divisions or accentuations from the periods before and thereafter. The first period (1945-1965) symbolises the beginning of the development co-operation up until the creation of a separate minister without portfolio for assistance to the developing countries. The second period (1966-1972), in which three ministers (H. Bot, B.J. Udink and C. Boertien) formulated and executed policy, was characterised by the rapid increase in bilateral assistance and the tying of this aid to purchases in the Netherlands. In the third period (1973-1977), J. Pronk became minister, and if not entirely in deed, at least in word, shifted the emphasis of Dutch development co-operation from export promotion to both improving the lives of the poorest in the Third World and to supporting



efforts at self-reliance. The fourth period covered (1978-1989) with four ministers (J. de Koning, C. van Dijk, E.M. Schoo and P. Bukman) represented a desired return to more Dutch business community involvement in the assistance. The final period (1989-?) with the return of J. Pronk as minister is too recent to judge whether policy and/or its implementation will alter. A hopeful sign is that he has agreed with Hoebink's research results that the binding of the Dutch help has numerous negative consequences. These five periods will now be described in greater detail.

V.2.1 The Preliminary Stage, 1945-1965

In the first decade after the second world war Dutch aid was restricted to technical assistance administrated through the United Nations system. No financial assistance was provided because the war-torn Netherlands had a shortage of capital yet a surplus of labour power.³⁵ Dutch development co-operation began after the second world war in response to a request by the General Assembly of the United Nations and the presentation of United States president Truman's Four Point Plan. In 1948, the General Assembly had asked the secretary-general of the United Nations: to arrange the sending out of international teams of experts to the developing countries; to train experts from the developing countries in other countries; to let international experts train local people in the developing countries; and to encourage financial assistance to the developing countries so that they could purchase technical personnel, equipment and natural resources. Point Four of Truman's plan was to provide technical assistance to the developing countries and to provide guarantees for private American capital investing in these countries. The struggle against communism was given as the motivation by the Americans for the introduction of Point Four. The Dutch government, in her first development assistance statement in 1949, did not so clearly state the struggle against communism as a motivation for beginning with technical assistance, instead using the phrase, "...international tensions shall be diminished, and welfare and peace shall be stimulated." Economic interests were also mentioned in her motivation. The Dutch government wrote,



a) by training 'fellows' (selected civil servants and experts) knowledge about the Dutch scientific and business communities will become more widespread abroad;

b) by sending out Dutch experts...export possibilities to these countries may perhaps be opened;

c) seeing that the technical assistance programmes are bounded by the fact that the number of internationally qualified experts is limited, and the chances that Dutch intellectuals and technicians will not in the near future (based on birth statistics and the number of students in certain subjects) have sufficient national employment possibilities, Dutch personnel can be used for the international programmes. Furthermore, now that Indonesia has diminished in importance as a market for Dutch intellect, other markets will have to be searched for in Africa, Latin America and Asia.³⁶

These motivations for the starting up of the technical assistance programmes are also mentioned by Cloos in his analysis on the transformation of Indonesian studies into non-western sociology during the period 1949-1952.³⁷ The Dutch desire to use her Indonesian expertise in other countries also seems to have had effect. Although the Netherlands occupied the sixth position in her financial contribution to the technical assistance programme (2.36 per cent of the total), in terms of the sending out of national experts, the Netherlands occupied the fourth position (4.6 per cent of the total) in the period up to 1955.³⁸

In the second public policy statement on development assistance to the less developed countries in 1955, the provision of foreign public capital (e.g. financial assistance through the United Nations system) by the Netherlands was added to the existing technical assistance programmes. In this policy statement, the motivations of the 1949 statement were more or less repeated with Dutch agreement on the reasons the United Nations provided for the necessity of the help. These reasons were three: 1) moral grounds - the universality of respect for human dignity; 2) political grounds - in the Charter of the United Nations it is stated that economic development is essential for the maintenance of world peace; and 3) economic grounds - the increase in well-being in the less developed countries is not only necessary for those countries, but also for



the industrial countries, who are increasing their production, and therefore have a growing need for both natural resources and markets. The Dutch government also showed a strong attachment to the modernising paradigm in her analysis of world economic developments. The policy statement explained the different starting positions of the West (in the eighteenth and nineteenth centuries) and the South (after the second world war), by referring to both the existence of a middle class with entrepreneurial instincts and the availability of mobile capital in the West, and their absence in the South.³⁹ This shortage of entrepreneurial talents and mobile capital had to be overcome with foreign technical and financial assistance, corresponding well with the savings gap of the modernising theorists.⁴⁰ The Dutch analysis completely overlooked the question of the origins of western European mobile capital in the eighteenth and nineteenth centuries.

In this policy statement attention was also given to the multilateral versus bilateral assistance debate. In 1955, a strong preference for the former was argued for because bilateral assistance could be more easily tainted by narrow-minded national economic and political interests. It was also less attractive because certain countries feared neo-colonialism. National interests did, however, play a role in choosing for multilateralism and this was due to the specific position which a small country such as the Netherlands found itself in. Bilateral assistance was reserved for the capital heavyweights with which the Netherlands could not compete.⁴¹ Hoebink uses this passage to claim that the Dutch choice for multilateral assistance was based on national economic interest and penny-pinching.⁴² Yet, Hoebink does not mention the passage immediately following where the Dutch government states, "Most importantly, the standpoint of the government [on the choice of bilateral versus multilateral channels] is based on the belief that it is a world economic problem, which requires a world economic approach. Bilateral help, except when provided on a large scale, remains patchwork or is experienced as such by many recipient countries."⁴³ The Dutch decision to concentrate its assistance in the multilateral sector during this period can consequently be said to have been chosen because of a combination of enlightened progressive beliefs and



national economic interests (the sudden surplus of trained tropical experts).

Of interest when discussing the Dutch choice between multilateral and bilateral assistance was the status of the assistance to the colonies which were not yet independent at that time. Their status as colonies instead of independent countries skewed the statistics on the multilateral versus bilateral components of the aid. This was because the quite considerable help to Surinam, the Netherlands Antilles and New Guinea, was not considered as bilateral help from country to country but as colonial assistance. Therefore, although it is a commonly held belief that during the initial period of the Dutch assistance, it was primarily directed via multilateral channels (officially this was also correct), it was in fact for the most part bilaterally directed. Official bilateral assistance began in 1962 with the first assistance to India.⁴⁴

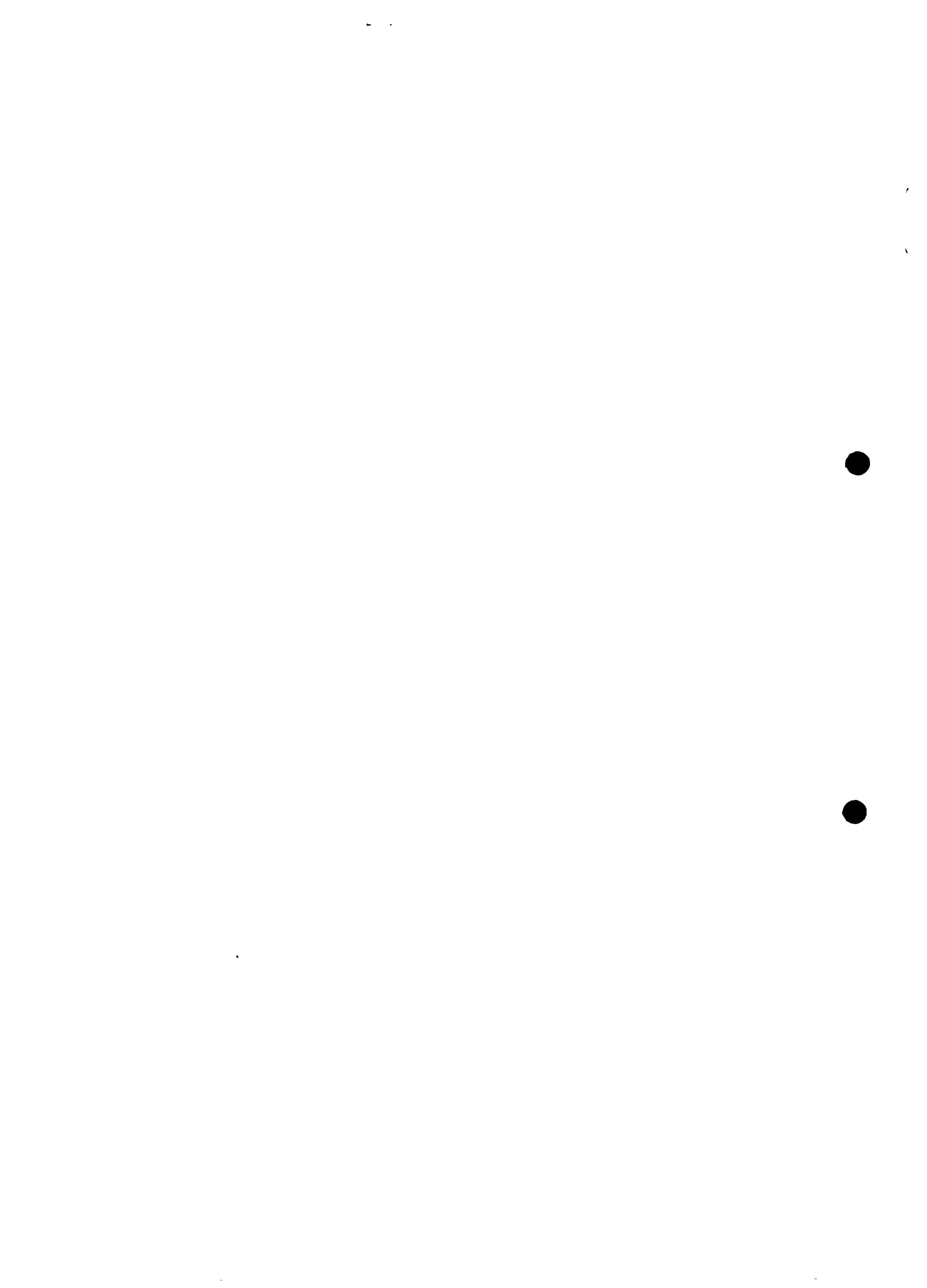
In the last policy statement during the period covered, and published in 1961, the same motivations for the help as in the previous two policy statements were once again mentioned. The containment of communism was explicitly mentioned but a moral principle (solidarity with peoples so that they can receive a humane existence in freedom) was nevertheless given as the most important motivation for the provision of Dutch assistance. Emphasis was still placed on the multilateral channels for assistance, using similar arguments as before, but was now added with the penny-pinching argument mentioned by Hoebink. The government wrote, "[t]he danger exists that when the Netherlands decides to grant bilateral assistance to a few arbitrary countries, the Netherlands may be placed under economic and political pressure to increase the assistance to levels which the country can not afford." Bilateral assistance was also not to be preferred because the power and administrative apparatus of the Dutch state was not sufficient to effectively monitor the rational and efficient disbursement of Dutch funds in the bilateral recipient countries. On the other hand, bilateral assistance was in 1961 not entirely excluded as a possibility. This was because bilateral assistance was thought to lead to contacts in the less developed countries who might have a tendency to place orders in the donor country. The showing of



demonstration material in technical help projects might also lead to supplementary orders of similar material. Mention was also made of the fact that most of the international assistance was conducted via bilateral channels leaving the Netherlands in a relatively poorer position regarding export promotion possibilities.⁴⁵

Regarding the binding of the help, mention was made in the 1961 policy document that the Dutch government had repeatedly defended the argument that untied aid was to be preferred above tied aid. Binding of the help leads to the recipient country receiving goods which it does not need and leads to the recipient country not being able to purchase the goods from the least expensive supplier, thus decreasing the true value of the help. Although the Dutch government was to try to persuade other countries not to bind the help, if they continued to do so, the Dutch would be left with no choice but to also bind their help.⁴⁶ Another choice would be to select for assistance, specific projects within plans set up by consortia (e.g. the India consortium).⁴⁷ These projects would be chosen based on the chances that Dutch companies could compete in open international tenders and also have a good chance of being selected for the execution of activities or the provision of goods.⁴⁸ Thus, it may be suggested that both the final choices to begin with bilateral assistance and to allow some form of binding were to some extent reluctantly decided upon. The Netherlands was to lose out if it did not adopt the less favoured practices of its competitors.

This opinion is shared by another observer who suggested that the fact that the United States in the 1950's had tied her development assistance programmes so extensively to her own business community could not be ignored any longer by the Dutch government. Increased competition from the other recovered European economies and Japan also began to pose problems. For these reasons, "[t]he Netherlands could not stay behind and began to tighten the rendering of aid to purchases from the Dutch business community. At the same time, the percentage of grants within the help fell back and the relative amounts provided to the United Nations programmes also decreased."⁴⁹ Another observer also mentions the increased pressure from the Dutch business community on the government to shift policy. It is claimed



that, "For fifteen years, from 1945 to 1960, the business community could produce at full capacity for the internal [Dutch] market. After this reconstruction period, the companies started having market difficulties, (Indonesia had also disappeared as a market), and from that moment on, the companies saw the potential of the development assistance in increasing their sales."⁵⁰ The direct economic benefits to the Dutch economy of the assistance had shifted from primarily a supply of superfluous Dutch Indonesian experts to a provision of goods from the Dutch business community.

V.2.2 Pinning Down the Policy, 1965-1973

During this period, the aid volume began to grow significantly, and in 1965 a minister without portfolio for assistance to the developing countries was created.⁵¹ A shift from multilateral to bilateral assistance became more pronounced and financial assistance began to overshadow the technical assistance. The aid benefitted the Dutch business community considerably with studies showing that 90 per cent of the Dutch assistance provided under the leadership of Udink, Boertien and Pronk (in the initial period), returned to the Netherlands.⁵²

Some of the above aspects were dealt with in the policy document of Bot presented in 1966. For example, on the multilateral versus bilateral debate, the document stated that, "[t]he previous contrast between multilateral and bilateral help is no longer controversial. It is generally accepted that a country such as the Netherlands should make use of both channels."⁵³ Regarding the motives for the help, it is stated that the use of development aid to keep countries in their spheres of influence had failed for both the Soviet Union and the United States. On the other hand, a Dutch political motive remained the promotion of international peace by decreasing the welfare differences between the industrialised and the less developed countries.⁵⁴ Of great importance was the harmonious integration of the approximately eighty newly independent states into the world economic system. Moral principles were also mentioned by stating that they were deemed just as important as economic self-interest in the provision of the help.⁵⁵ In this



document, the objective of increasing the level of assistance to one per cent of net national income was also presented.⁵⁶ No time limit was, however, set on this goal.⁵⁷

Regarding the binding of the help, it was noted that the use of untied aid was being more seriously considered in the D.A.C. after Dutch interventions. The use of consortia and consultative groups was again recommended to compensate for other countries' continued use of tied aid. This compromise form between multilateral and bilateral aid officially allowed the recipient to decide on the purchases, yet the expectation was verbally expressed that the recipient would find enough opportunities to spend the funds in the Netherlands.⁵⁸ The choice of opportunities was, however, not to be decided by the recipient. The Dutch government had a 'shopping list' from which the recipient could choose its purchases. The use of these 'shopping lists' was condemned by a working group contracted by the Dutch government in 1969 to evaluate the Dutch assistance programmes.⁵⁹ The Dutch business community was further assisted during this period with the introduction of investment guarantees to insure business investments against political risks. Twenty million Dutch guilders were also reserved in 1966 for investment projects (surveys, research and demonstration projects) in the less developed countries.⁶⁰ This latter programme was also criticised by the working group because the government contribution acted not as a stimulus to investment by taking away thresholds but rather as a premium to Dutch companies.⁶¹

Another innovation in this policy document was the introduction of multi-year financing instead of annual allocations. This was deemed to be advantageous for the recipient countries for the following reasons: 1) the demand on recipient countries to develop multi-year plans could only realistically be asked if the recipients were made aware of the exact amount of available foreign funds; 2) effective international co-ordination and the formulation of multi-year international strategies were made difficult as long as the help was only given on an incidental basis; and 3) as long as the form and volume of the assistance was decided on an annual basis, this amount would be influenced by political occurrences, balance of payments problems, the actions of interest groups, etc...With multi-year



financing the assistance could be firmly placed in the government budget instead of representing a category for budgetary left-overs.⁶²

A final interesting note on the Bot policy document is its rejection of the "too long popular theory of Rostow".⁶³ The Dutch government believed that Rostow had too generally formulated the obstacles faced by the less developed countries in their development process. These obstacles, however, differed from land to land and had to be solved accordingly. Therefore, in Latin America attention had to be paid to the social structure, in Africa to training projects, and in South East Asia to the population and food problems.⁶⁴ Although the policy document criticised Rostow for his simplicity, the Dutch government's own theory also appeared quite simple, certainly regarding Africa. The approach remained quite embedded in modernist thought believing that the problems of the less developed countries were caused by a shortage of some sort (whether that be food, training, or birth control).

Examining country concentration choice during this period, it was claimed that the choice of countries was not based on any type of objective starting-point.⁶⁵ The evaluation working commission of 1969 suggested the utilisation of three criteria. They were that the countries had: 1) a low welfare level; 2) few possibilities to attract foreign capital; and 3) the willingness/capacity to effectively spend the funds. If one could imagine that these criteria had been used by the Dutch government in selecting the concentration countries, only three (India, Pakistan, Indonesia) would satisfy these conditions. The evaluation commission was not so satisfied with the other choices (Greece, Turkey, Malaysia, Colombia and Tunisia).⁶⁶

V.2.3 The Social Democratic Period, 1973-1977

In 1973 the Netherlands received her first and only social democratic minister for development co-operation, Pronk. During this period the quantity of the help was steadily raised and a new volume target for the assistance was set at 1.5 per cent of net national income. Yet, attempts were also made to improve the quality of the help. Development assistance had



during the fifties and sixties been based on the modernising theory, yet had not created the desired results. Pronk supported the analysis of R. McNamara of the World Bank that a blind concentration on economic growth had not improved the lives of the majority of the poorest members of the Third World. The presumed trickle-down effect had not taken place. A new strategy was required in which a more equal distribution of knowledge, power and wealth, were to play a central role. Dutch assistance should strive towards the self-reliance of the less developed countries, both at macro-economic (the state) and micro-economic (the social, economic and political assertiveness of the poor) levels. The target group was to become the poorest people in the Third World. This included small-scale agricultural workers, subsistence farmers, day wage labourers and people working in the informal sector.⁶⁷

The Dutch assistance programmes were consequently intended to meet the demands of the basic human needs strategy. The idealistic motives provided by the Dutch government (and other donors) for undertaking the basic human needs strategy have been questioned by some observers suggesting that it was a strategy based at undermining the more radical New International Economic Order plan. The goods required for carrying out the basic human needs strategy were also often imported from abroad (e.g. drinking water pipes, handpumps, technology for constructing wells, etc.).⁶⁸ Yet, the reproach directed at the Netherlands that it was utilising the basic human needs strategy for ulterior motives may be disputed. Although the Netherlands government was a supporter of the basic human needs strategy, it is also acknowledged that the Netherlands (along with the Scandinavian countries) were strong advocates of the New International Economic Order in the 1970's, proclaiming their support in numerous international fora and attempting to convince the other Western countries that the demands made by the developing countries were, on the whole, just.⁶⁹

In this period formal criteria were formulated to select the countries with which the Netherlands concentrated its help. These criteria were: 1) the degree of poverty; 2) the actual necessity of foreign assistance; and 3) the degree to which the country has a social-political structure which is supportive to a policy that



is truly aimed at improving the situation in the country and assuring that the help assists the entire society. Respect for human rights were also to be taken into consideration.⁷⁰ These new criteria did not lead to significant changes in the countries with which the Netherlands was already providing help. Historical ties and the economic interests of the Dutch business community kept most of the older concentration countries on the concentration country list.⁷¹ The criteria were of more use in the determination of new concentration countries, with the addition of eight new concentration countries in this period. The concentration countries were divided into two categories, the normal concentration countries and the special concentration countries. The normal concentration countries received assistance on a larger and more secure (i.e. multi-year financing) scale than the special concentration countries. The normal concentration countries also received programme and project help whereas the special concentration countries received primarily project help. Thus, the normal concentration countries supposedly fulfilled the three aforementioned criteria to a better extent than the special concentration countries, and could be trusted to utilise Dutch funds in a way which would improve the essential living conditions of their poorest citizens.⁷² Several observers have questioned this assumption, and also stated that a great number of the concentration countries could not be said to objectively have fulfilled the demands of the three criteria.⁷³ The continued assistance to Indonesia despite human rights violations was but one example.⁷⁴

Regarding the binding of the aid, Dutch policy remained in principle to advocate for untied aid in international fora. The policy document stated,

Dutch policy is that assistance [financial aid in the form of loans] in principle should be untied. Such a total untying of aid shall, however, only be executed when a sufficient number of countries, collectively and in the framework of a strong regulation, agree to such a decision. Until such a decision is made, partial untying of aid shall be the principle with which Dutch assistance is allocated.⁷⁵

Financial assistance in the form of grants remained tied to purchases in the Netherlands. Partial tying of aid which was



introduced in 1975 with the Guidelines for the Procurement of Goods and Services Under Bilateral Development Loans by the Netherlands, implies that the recipient country can purchase goods or services with Dutch funds in either the Third World or the Netherlands. Other Western countries are consequently excluded as a supplier source.⁷⁶

Dutch policy towards consultancy bureaux, which may be of interest for the case study, was also mentioned in this policy-document. If loans were provided for consultants, the above guidelines would take effect, with the recipient country making the final choice on the basis of a list which the recipient country had constructed and which had received Dutch approval. When grants were involved, normally Dutch consultants would be hired. Consultants could be hired during all phases of a project or programme. In the annual allocation discussions with the recipient country, the Dutch consultancy bureaux (or other representatives of the Dutch business community) are, of course, not represented as these meetings are a purely bilateral governmental matter.⁷⁷ The consultants which are involved in identification missions should also not be the same companies that are responsible for feasibility studies or eventual execution. This stimulates competition in the consultancy market and ensures the independence of each mission. It was also stated in this policy document that an attempt should be made to increasingly utilise local consultants in the recipient countries themselves in order to build up self-sufficiency but also to save costs.⁷⁸ Concern was expressed about the relatively high costs involved with the utilisation of Dutch consultants in the projects and programmes.⁷⁹

This high cost factor was not only a problem with the commercial consultancy bureaux. The authors of the policy document appealed to the Dutch business community in general to not keep the prices of their goods artificially high. Tied aid may be a necessary evil but the 'costs' to the developing countries should be kept to a minimum by charging realistic prices.⁸⁰ Yet, the recommendation to charge realistic prices remained an appeal with no sanctions or control mechanism attached to it. This was despite the fact that it was acceded that the Dutch business community had an important part to play in the



execution of the policy. Execution of the activities by D.G.I.S. staff was to be restricted to projects and programmes of a small character, and to larger activities that involved few multi-disciplinary aspects and required little continual supervision. In all other cases, programmes and projects would be executed by non-D.G.I.S. staff.⁸¹ In a recent study, it was discovered that only the Netherlands amongst the international donors had such an explicit preference for execution of government policy by non-governmental personnel.⁸²

The Dutch business community is also involved in development co-operation through the Financing Society for the Developing Countries (F.M.O.). This organisation was set up in the 1960's to stimulate the economic and social progress of the Third World by developing the business community in the developing countries. The means by which this was to be attained included: financial assistance; the transfer of management and technical knowledge; and the financing of a part of research costs and pre-investment studies. Emphasis rests on the stimulation of joint ventures with Dutch companies and their counterparts in the developing countries. Co-operation is sought with local development banks.⁸³ The F.M.O. programme received a number of important structural changes during the Pronk period. These changes could be said to be to an improvement for the developing countries because the influence of the Dutch business community in the programme was somewhat reduced. The F.M.O. had to perform a function, more than it had performed previously, of supporting the development of the recipient country in a manner which corresponded to governmental policy. Thus, the F.M.O. had to be utilised for the new objective of directly improving the lives of the poorest residents of the recipient countries. The F.M.O. was transformed by increasing the shares of the government in the organisation to a majority holding, by giving the minister for Development Co-operation more power to determine the projects to be assisted, and finally, by stating that the projects to be supported no longer needed to meet the precondition of rentability (a guarantee on continuity replaced this precondition).⁸⁴

Concluding one can say that this period brought about a number of changes in the assistance that could be classified as progressive. Pronk achieved the establishment of a political



criterion for the help (the demand of a progressive social policy in the recipient country). He introduced help to countries that at that time had a progressive policy (Cuba, Jamaica, Zambia) and rendered aid to socialist countries in construction (Vietnam, Angola, Mozambique, Guinea Bissau). Various liberation movements were also supported. The National Commission for Information and Consciousnessraising for Development Co-operation was expanded and a more progressive subsidisation policy was introduced. An attempt was made to gain more governmental control over the F.M.O. and to bend its policy so that it would be more advantageous to the developing countries. During this period, Pronk could also achieve that the Ministry for Development Co-operation somewhat loosened itself from the control of the Ministry of Economic Affairs (see also p. 156). Finally, the Netherlands was a forerunner in supporting cries for international economic reform at different international conferences. On the other hand, the aid remained tied to a great degree and it might be suggested that the pronouncements were more radical than the actual implementation of the policy.⁶⁵ This view is shared by Huizer stating that no great difference in the realm of Dutch development co-operation had taken place between Pronk's term of office and the periods before. Differences in accentuation may, however, have existed, according to Huizer.⁶⁶ Examining closely the progressive changes that Pronk did institute during this period, the extreme reluctance voiced by Huizer to recognise the differences between Pronk and his predecessors can be questioned.

V.2.4 The Period of Realism, 1977-1989

During this period, four ministers from the christian democratic and liberal political parties held the post of the minister for Development Co-operation. Certain observers believe that the change from a social democratic minister has affected the development assistance detrimentally. Others, such as Hoebink, suggest that it is too simple and cliché to claim that Dutch policy, and especially its implementation, was more praiseworthy under the social democrat, Pronk, than for example, under the liberal, Schoo.⁶⁷ For instance, although the return



flow of Dutch assistance funds back to the Netherlands in the 1960's and early 1970's (90 per cent) was lower during the Pronk period (75 per cent), it had dropped even lower after the christian democrats had regained power. Thus, in 1980, only 55 per cent of the total Dutch funds and 75 per cent of the bilateral assistance was flowing back to the Netherlands. This 1980 percentage for returned total Dutch funds was lower than the 60 to 75 per cent figure which has been calculated for other European countries. The reason for this reduction in the return flow can be partly explained by the serious world economic recession during this period. The Third World's precarious financial situation required massive balance of payments support and local cost financing projects.⁸⁸ In the following paragraphs, attention will first be paid to the objectives, motives and country selection criteria of the Dutch development co-operation programme in the period concerned before returning to the role of the Dutch business community in the help.

The public objectives under Pronk of strengthening the macro- and microeconomic levels of the developing countries was continued under the first minister during this period, J. de Koning, but was now formulated in terms of the two track policy. The first track was to, as much as possible, and as quickly as possible, improve the lives of the poor in the developing countries. The second track was to stimulate the economic and political independence of these countries.⁸⁹ Priority in these two tracks in the bilateral assistance programme was given to the first track. Two reasons were publicly stated for this priority: "First, because the situation in the developing countries is so miserable that direct poverty eradication deserves the highest priority. Second, because the structural improvement in the position of the developing countries in the international economic system will primarily be attained by macro-economic decisions at world level."⁹⁰

The two track policy introduced by de Koning is seen by one observer as the answer to a dilemma which plagued the development assistance programmes since Pronk. It is propositioned that as the policy in its tenor became more ambitious and idealistic, the non-transparency of the policy had to increase. An enormous gap had emerged between what one said to desire and what one was



actually doing. By creating two tracks, a chance to further delegate governmental tasks to the non-governmental sector was seized upon. Thus, the first track could be more or less delegated to the joint financing organisations (see p. 5) leaving the official Dutch government almost solely with the second track (which could then be delegated to the Dutch business community). The delegation of the first track was decided upon for three reasons: 1) the joint financing organisations could politically more easily concern themselves with the internal matters of a developing country which a donor state could not do; 2) internal political pressure within the Netherlands; and 3) to neutralise quite an exacting and critical undercurrent; they would now be given the space to practice what they had been preaching.⁹¹ The priority which according to de Koning lay on the first track was also disputed in another way. It was suggested that only 40 per cent of the allocations were aimed at directly improving the lives of the poor, whereas a higher 60 per cent of the funds were aimed at the strengthening of the national economies.⁹²

Under minister Schoo this two track policy merged into one track (a synthesis of the prior two) and was called structural poverty eradication. It was felt that an artificial contrast had developed between poverty eradication and the strengthening of the national economies of the developing countries. A strengthening of the national economy was a precondition for the further improvement of the living conditions of the poor.⁹³ In reality, one could thus suggest that Dutch policy had returned to the pre-McNamara period where the benefits of economic growth were deemed to trickle down to the poorest groups.⁹⁴ Hoebink correctly noted that the presumed artificial contrast between the two tracks was in fact a real contrast.⁹⁵ He referred to a report of the Ministry's own Operations Policy Review Unit in which it was claimed that a gradual shift was occurring from the redistributive track to the economic growth track for a number of reasons. The Review Unit wrote,

Such activities [to strengthen national economies] usually lead to quicker disbursements; they are believed to require less deep knowledge of the specific country; it is easier to make plausible that an activity has a self-reliant effect than that



it will directly diminish poverty; target group projects usually do not lead to a measurable increase in production in the short term; they are not easily delegated to third parties; etc.⁹⁶

Other guidelines in future policy presented by Schoo included the accentuation of two main themes in the programmes, rural and industrial development.⁹⁷ As it was earlier noted that assistance to the industrial sector may be considered less progressive than activities directly benefitting the poor, this reemphasis on the industrial sector may be considered qualitatively dubious.⁹⁸

The last minister for Development Co-operation (Bukman) during this period continued in the footsteps of Schoo by also declaring that the structural eradication of poverty was the main objective of the assistance programmes.⁹⁹ In his last policy document, he also described the motives for the Dutch assistance:

The motives have been from the beginning a complicated mixture of humanitarian, religious, historical, foreign political and economic reasons; also in the Netherlands. Within this complex there is a clear shift from an emphasis on humanitarian reasons to more economic motives, and from one-sided motives of charity and solidarity to mutual interests based on an increased interdependence.¹⁰⁰

Hoebink has correctly noted that Bukman's claims about the motives of the Dutch help have ignored the far from flawed history of the Dutch assistance in the 1950's and 1960's.¹⁰¹

Concern about employment possibilities for unemployed Dutch Indonesian experts and the tied bilateral aid of the sixties have seemed to be entirely forgotten.

Regarding country concentration choice, the selection criteria which Pronk had introduced remained more or less intact under de Koning. A more specific measurement was, however, used to measure the degree of poverty. An International Development Association guideline of \$550 per capita per annum was used, resulting in the planned elimination of Colombia, Jamaica, Peru and Tunisia from the list of concentration countries.¹⁰² Cuba was removed because of Angolan intervention. The reduction in the number of concentration countries to thirteen was also desired because it would increase the effectiveness of the help as more time, finances and labour power, could be spent on the countries remaining.¹⁰³ Critics have mentioned that only the first



criterion received any attention in country selection, and that respect for human rights and the degree to which the recipient executed a redistributive policy were not even used as threshold criteria let alone as criteria in which the highest scoring countries would become concentration countries.¹⁰⁴

Under minister Schoo the selection criteria were altered considerably. In the first criterion, the International Development Association figure of \$795 was now used to measure the degree of poverty. The criterion of a redistributive policy was abandoned and replaced by the vague criterion of selecting those countries; "...whose social and economic policy clearly is based on progress and with which a sustainable development co-operation relationship can be built up or continued."¹⁰⁵ The concept of progress, which accompanied this new criterion, was not further operationalised. Under her leadership, Dutch assistance was concentrated on ten programme countries and two regions (the Sahel and Southern Africa).¹⁰⁶

Returning to the role of the Dutch business community in development co-operation, one can first mention that the world economic recession of the late seventies and eighties not only affected the developing countries. The Dutch economy faced enormous job losses in the late 1970's and early 1980's (see VII.2.1.3). This may have led to the increased role of the Dutch business community in several aspects of development co-operation policy and to increased return flows in the 1980's. The desired increased role of the business community is outlined in the various policy and budgetary documents published during that time. Thus, for instance, in the case of doubt as to who should execute various tasks (i.e. the public or private sector), it was stated during de Koning's period that the choice should fall on the private sector.¹⁰⁷ Under minister Schoo private sector involvement was advocated even more strongly by stating that the delegation of tasks in the phase of execution should be the rule.¹⁰⁸ Departmental attention should be concentrated on policy appraisal, co-ordination and evaluation. This fit in well with the governmental agreement that Dutch development co-operation should play on the possibilities and the capacities of the Dutch business community and society.¹⁰⁹ The effect of the development assistance for employment in the Netherlands was emphasised.



Goods and services financed with Dutch aid provided 9,000 individual years of employment per year. The directly measurable effects of the assistance (volunteers, experts, consultants, civil servants, etc.) added another 4,000 individual years of employment per year.¹¹⁰

Several options were presented whereby the development co-operation policy could take the Dutch (un)employment situation into consideration. First, on the basis of the needs of the developing countries, Dutch governmental choice, as to which sectors and activities to support, could take into consideration the supply side of the Dutch economy. The most important sectors in which Dutch expertise could be utilised would be transport, water and road construction, chemical, telecommunication, health care, environment, energy, planning, and the food industry. Second, the supply side of the Dutch economy could be restructured where necessary to become more relevant for development co-operation. Joint ventures could also be stimulated. Third, as already mentioned, more delegation of development co-operation tasks to the business community and other societal groups should be promoted. The final option was similar to the second, yet was directed towards the non-commercial sector. Education, for example, could be made more relevant for development co-operation.¹¹¹

As part of the policy to increase the influence of the Dutch business community and other societal groups in Dutch development co-operation policy, the 'widening' of the help relationship with India was started in 1981. This country was selected because of its status as a newly industrialised country. A wider degree of co-operation with India was desired which extended beyond the relationships resulting from Dutch financial and technical assistance. In the economic sphere, trade was to become less aid-related, and Dutch investments in India were to be promoted. Other areas in which relationships were to be built up included science and education.¹¹² The widening exercise did not, however, work out as planned and has recently been described as a failed exercise. This is because the development assistance relationship with India continues to be a main issue in the bilateral relationship between the Netherlands and India.¹¹³



Another instrument to increase the role of the business community in development co-operation and to improve the effects on Dutch employment levels, was the introduction of development relevant export transactions (mixed credits). In this programme, a concessional loan from the budget of the Ministry for Development Co-operation and a commercial loan is combined into one credit figure. The applications for this programme are sent in by the Dutch business community and judged by an interdepartmental working group with representatives from the Ministry for Development Co-operation, the Ministry of Economic Affairs, and the Ministry of Finance. The applications are meant to be judged on the basis of their relevance for the development of the recipient countries, but also on their relevance to Dutch employment and the Dutch economy.¹¹⁴ In this programme it was claimed by the Operations Review Unit in 1984 that 80 per cent of the applications were rejected because of the lack of development relevance for the developing countries.¹¹⁵ If this is the case, it may be suggested that a relative autonomy of the state may be deemed to exist. Otherwise, perhaps all of these applications would have been accepted. The relative autonomy of the state may also be revealed by the response of Bukman to the angry reactions of the Dutch business community when he temporarily had to close the budgetary post to new applications (because of its success). He informed the business community that development co-operation was not equivalent to export promotion, and that within the programme, development relevance was the main criterion.¹¹⁶ On the other hand, this programme has recently faced extensive criticism (and also by the same Operations Review Unit) because more relevance seems to be placed on the effects for the Dutch economy than on the development relevance.¹¹⁷

This new criticism does not seem to have been taken into account in the final policy document of Bukman. Although it is admitted that the interests of development co-operation and the national business community do not always run parallel to each other, it is claimed that generally speaking, one can speak of an increased parallelism. In those cases of parallelism, Dutch companies are enlisted to execute the policy, aimed at meeting the real needs of the developing countries.¹¹⁸ Hoebink believes that this final policy document is a weakened (i.e. more



conciliatory towards the business community) version of another version which had circulated in the department beforehand. For example, the prior version, in describing the relative importance that should be attached to the interests of the developing countries and the Dutch business community, stated that the interests of the developing countries were unassailable. In the later version, this unassailability had become 'should be the highest priority'.¹¹⁹

Experience with the F.M.O. during the eighties may be considered more positive than the development relevant export transactions, perhaps as a result of the structural changes instituted by Pronk. Thus, an assessment of the F.M.O. in 1986 was quite positive with the author judging that the organisation had a more financially secure portfolio than the average international donor, yet that the objective of aiding the poor was also taken seriously. A total of 48 per cent of the portfolio was to be found in the poorest developing countries. Both the managerial and organisational aspects were judged as positive. The author did, however, suggest more private sector involvement in development co-operation.¹²⁰

The publicly stated desire to increase the role of the Dutch business community in development co-operation corresponded with Dutch policy on the official binding guidelines. Once again it was explained that a unilateral liberalisation of the binding guidelines could not be permitted. Furthermore, with co-financing with multilateral organisations, an attempt was to be made to ensure that Dutch businesses receive a sufficient proportion of the contracts for goods and services.¹²¹ On the other hand, the official binding percentages in 1983 remained lower in the Netherlands (13 per cent tied, 20 per cent partially tied, 60 per cent untied) than in the surrounding countries such as the United Kingdom (42 per cent tied), France (45 per cent tied), and West Germany (22 per cent tied).¹²² During this period the 1975 agreement on partially tied aid remained in force. Thus, financial assistance in the form of loans was partially tied except in the mixed credits programme (the development relevant export transactions). Financial assistance in the form of grants was in principle tied but this rule was waived for the four poorest programme countries (Bangladesh, North Jemen, Sudan and



Tanzania). In 1982, other programme countries also received for the first time a part of the grant allocations as partially untied. Technical assistance, although in theory untied, was in practice spent in the Netherlands via consultancy bureaux.¹²³

Regarding the technical assistance procedures for the utilisation of these consultancy bureaux, some criticism has been delivered at the fact that relatively too many waivers have been granted. This implies that the selection panel may agree too readily to the proposed consultant presented by the country bureau without the possibility of using other consultancy bureaux seriously being considered.¹²⁴ One reason that serious consideration of other consultancy bureaux does not occur is the absence of open tendering. Competition does not seem to happen because the projects are often continuations of existing projects in which the candidate is often the only organisation with the expertise and the knowledge of the country/sector to carry out the required activity. It was suggested that special measures were necessary to ensure that, even without open tendering, the consultant was asking competitive prices. This could be achieved by price controls or professional price negotiations. It was again suggested that both D.G.I.S. and the Dutch consultancy bureaux should utilise and co-operate with local consultants more often because of their less expensive rates and their knowledge of local conditions. In this way knowledge transfer from the Dutch bureaux to Third World bureaux could also occur.¹²⁵ The Instruction Guidelines for Development Co-operation also state that local consultants should be utilised wherever possible due to the cost advantages involved.¹²⁶ The Operations Review Unit in another study claimed that the monthly tariff of an external consultant was 33 per cent higher than that of an internal D.G.I.S. staff expert.¹²⁷ These concerns about cost effectiveness and the creation of local self-sufficiency do show that the desire for an increased role for the Dutch business community does have its boundaries.

V.2.5 A New Hope?, 1989-

In the autumn of 1989 elections were held in the Netherlands leading to a christian democratic/labour party coalition after



several years of centre-right governments. The post of minister for Development Co-operation fell to the social-democrat Pronk who had also been minister under cabinet Den Uyl between 1973 and 1977. Although it is too early to determine whether Pronk's appointment will lead to any changes in Dutch development co-operation policy and its implementation, some room for optimism may be ascertained. For example, in a review of Hoebink's study about the Dutch assistance to Tanzania and Sri Lanka, the future minister stated that it was clear that all the measures that had been taken to improve the negative effects of the binding rules had not led to the desired results. Pronk wrote, "As long as the aid is not entirely and completely untied, space will remain for all types of possible economic interest groups to influence the executing apparatus, whether directly, or indirectly via other ministries or by placing pressure on the state apparatus in the recipient country itself." The only solution to this negative manipulation was the complete abolition of all the remaining Dutch binding rules.¹²⁵

V.3 Introduction: Sweden

The history of the Swedish development assistance programme will be described in the following paragraphs in time periods of four blocks. The first block, 1953-1965, represents the beginning of the Swedish assistance with its emphasis on multilateral assistance and bilateral assistance via non-governmental organisations (NGO's). The second period, 1965-1976, starts with the creation of the Swedish International Development Authority (S.I.D.A.) and the increase in the bilateral assistance programmes. This period is also marked by a significant radicalisation of Swedish aid policies with the institution of the social redistributive criterion. In the third period, 1976-1982, a gradual commercialisation of the help is to be observed. More emphasis is placed on the return flows to the Swedish economy. This increasing commercialisation was consolidated in the last period from 1982 to the present. A more detailed description of the separate periods will now follow.



V.3.1 The Initial Period and the Sprinkler Years, 1953-1965

Like the Netherlands, direct Swedish governmental assistance to the developing countries was initially multilateral in character. Sweden contributed immediately to the technical assistance programmes which began in 1950 under the auspices of the United Nations system. Unlike the Netherlands, however, no motive of providing employment to superfluous tropical experts was given next to the moral and political (maintenance of world peace) motives which were given by both countries. Sweden, of course, has no colonial history.¹²⁹

Although no direct bilateral assistance from government to government occurred until 1961, Swedish NGO's were already very involved in bilateral development assistance. The assistance of Swedish society to the developing countries actually began as a missionary exercise in the 1860's when Swedish missionaries first visited Ethiopia. Preceding the Italian occupation and after the second world war their efforts were considerable as activities included a large number of social, health and educational projects. Their motives were humanitarian and moral. These motives were shared by other Swedish popular movements (the trade unions, the adult education organisations, the consumer co-operatives and the temperance societies). Several of these popular movements were invited to set up an NGO committee (the Central Committee for Swedish Technical Assistance to Less Developed Areas) in 1952 by the Swedish government to be responsible for the introduction of Swedish bilateral assistance programmes. This committee in its nine year existence allocated US\$ 4 million.¹³⁰

Country selection by this committee was not based on any objective criteria. The first country to be granted assistance was Ethiopia which was not a difficult decision because of the long-standing ties. The choice of an Asian country proved more challenging yet eventually a vocational school was opened in Karachi in Pakistan in 1957. In the late fifties, family planning clinics were financially supported in Sri Lanka, and in Liberia, in the early sixties, another vocational school was built. Human rights violations did not play a role in country selection and the help was not centred on assisting the poorest groups.¹³¹



In 1961 the NGO committee was disbanded and a state body was created (N.I.B. - the Agency for International Assistance). This agency was limited to directing bilateral technical assistance and in its peak year (1964/'65) provided assistance to twenty countries. This agency did, however, face criticism. An observer explains, "Its policy tended to be to approve of all project requests deemed generally feasible, with no preceding project analysis to speak of. Also, no analytical work on the country level was undertaken before getting involved in a new country. Inexperience, outside as well as inside the N.I.B. was to blame." The fact that no country concentration had occurred led critics to call for the end of what some observers call 'the sprinkler years' of Swedish assistance.¹³²

In the first government bill about development assistance in 1962, the moral motives of the Swedish popular movements for supporting development aid were recapitulated. The Swedish government writes,

The type of assistance that is now predominant...may be ascribed to a large degree to feelings of moral duty and international solidarity...The growing feelings of international solidarity and responsibility reflects a deeper insight into the fact that peace, freedom and welfare are not an exclusively national concern, but something increasingly universal and indivisible... No other kind of motive is needed for the extension of assistance by Sweden to the under-developed countries.

It is stated that Swedish assistance is not dictated by strategic aims, and that the economic motive restricts itself to the well-being of the world economy. The Swedish government should try to use the assistance to promote political democracy and social equality.¹³³ Thus, the explicit Dutch mention of export possibilities in her 1950's and 1960's statements of development aid motives does not find its counterpart in this Swedish document.

Regarding the multilateral versus bilateral aid debate, the Swedish government argued in favour of multilateralism, yet also admitted that some bilateral projects were needed. Three arguments were summed up for favouring multilateral assistance: 1) the assistance loses its national identity; 2) it is more effective with better co-ordination possibilities, more



4



personnel, more experience, and less chance of accusations of domestic interference; and 3) it is harmonious with Swedish support for the United Nations system. The arguments in favour of continuing with some degree of bilateral aid were also three: 1) certain assistance, such as family planning programmes, were not given sufficient space in the multilateral programmes; 2) it is more tangible for people in the donor country encouraging greater participation in field work; and 3) as the other donors undertake, on the whole, more bilateral projects, Sweden will occupy a too conspicuous position in the multilateral programmes if it does not also participate in bilateral projects.¹³⁴ The Swedish reasons for providing multilateral assistance thus roughly correspond to the reasons provided by the Dutch government in the initial period of the development assistance programmes. On the other hand, the reasons provided for giving some assistance bilaterally did differ. The Swedish government did not mention the possibilities for export promotion which the Dutch government did mention.

V.3.2 The Radicalisation, 1965-1976

In 1965 the N.I.B. became the S.I.D.A.¹³⁵ The criticisms of the N.I.B. concerning the 'sprinkling' of aid were to be tackled by the this new aid agency. Technical assistance was concentrated to six main recipient countries (Ethiopia, Kenya, Tanzania, Tunisia, India and Pakistan). The criteria by which these countries were selected were, however, not clearly spelt out, and as partly in the Dutch case, seemed to be a mere continuation of past choices. Development credits were also provided to Sudan. These seven countries were noted as the main recipient countries in the second major Swedish development assistance bill of 1968.¹³⁶

Only after 1970 could the criteria for country concentration choice be said to have been objectified. In 1970 the social redistributive criterion was introduced which was quite similar to the third criterion introduced by Pronk in the Netherlands a few years later. The Swedish criterion stated that,

[It was considered] natural that Sweden primarily co-operated with countries whose governments in their economic and social



policies strove to implement such structural changes as create the necessary conditions for a development characterised by economic and social equalisation. In expanding our direct assistance we ought therefore gradually to accomplish a shift so that new projects come into being chiefly in such countries.

Other criteria for providing assistance, however, also existed. The front-line states of Southern Africa and various liberation movements in that region could benefit from Swedish assistance in their struggle against apartheid. Discontinuation of Swedish aid to countries also occurs on the basis of criteria other than the social redistributive criterion. Consequently, in later years, Swaziland was removed from the aid list because of its unwillingness to join the front-line states, Pakistan because of the Bangladesh war in 1971, Cuba because the level of development was too high, and Tunisia because of its high growth in per capita income. In the latter case, Sweden was also unhappy with Tunisia's lack of an egalitarian policy.¹³⁷

The official motives for providing development assistance remained the same as in the previous period (i.e. moral and humanitarian). The Swedish assistance was to serve four goals: 1) to promote economic growth in the developing countries; 2) to work for social justice and a fair distribution of resources; 3) to help establish economic and political independence; and 4) to foster democracy and human rights.¹³⁸

During this period, although the actual percentage of aid allocated multilaterally began to decrease, the arguments mentioned in the 1968 government bill still tended to favour the provision of multilateral assistance. These arguments were similar to those mentioned in the bill six years earlier.¹³⁹ In this bill, the plan to devote one per cent of gross national product for development assistance by 1974/1975 was also adopted by parliament.¹⁴⁰ This planned increase was not before the resignation of U. Lindström as Minister for Development Co-operation a few years earlier after having failed to increase the budget for the S.I.D.A. by US\$ 30 million. The Ministry of Finance had only offered an increase of US\$10 million.¹⁴¹ The funds that were allocated were funded on a progressive multi-year basis providing the recipient countries with a degree of security so that they could better plan their development programmes.¹⁴²



Regarding the role of the Swedish business community in the assistance during the 1960's, one notes a clear difference with the Dutch situation. Swedish business was to be kept away from the development assistance budget. During the 1960's untied aid was the rule with even the Minister of Finance in favour of untied Swedish assistance.¹⁴³ On the other hand, some observers have suggested that from the beginning a fair amount of informal tying occurred by choosing projects where Sweden was internationally competitive (e.g. telecommunications, water supply and hydro-electric power). During the 1960's import credits were also to some extent set aside for the use of subsidiaries of Swedish companies in India.¹⁴⁴ Yet, on the whole, it can be suggested that whereas Dutch development assistance in the sixties was quite closely tied with the national business community, this was not the case in Sweden.

The late sixties and early seventies represented a strong reformist if not radical period within Swedish aid policy. The introduction of the social redistributive criterion is one example of this reformism. Another example would be the guarantee system for Swedish capital investments in the developing countries which was introduced in 1968. The preconditions that needed to be fulfilled before these guarantee credits were to be given were quite severe. A relevance to development and social considerations (labour practices) formed key elements of these preconditions. Swedish industry found these preconditions so severe that they boycotted the programme.¹⁴⁵ At that time, the Swedish aid policies were formulated in an atmosphere with a distinct distrust of capitalism and a scepticism about the activities of other major Western donors. An observer wrote, "[i]t [Swedish aid policy in the 1960's] can not be interpreted as a form of trade promotion or a meek acceptance of a share in either a general Western obligation to aid the Third World or a Western manoeuvre to contain communism. Sweden at the time was proud of its social values and jealous of its independence and separateness from the major Western alliances." During this period, "[t]he ideology of aid developed from a traditional desire to help the poor to an increasingly politicised assistance with an apparent aim of transferring Social Democratic values into the developing world by mainly



supporting those states with whom Sweden shared perceived social, economic and political goals."¹⁴⁶ Swedish aid policies at that time were planned to transfer the Swedish model, comprising economic growth, social justice and negotiated progress, to the Third World.¹⁴⁷

The radicalism of the late sixties and early seventies symbolised in the distrust of capitalism in Swedish aid policies did not, however, last long. A case could be made that 1972 represented somewhat of a breaking point from earlier policy in that more attention was suddenly paid to the possible increased benefit of the assistance programmes to the Swedish economy. Policy had changed and tied aid entered the Swedish development co-operation programme in 1972 despite strong lobbying by S.I.D.A. staff. About fifteen per cent of the total aid budget was consequently reserved for tied aid. The Swedish parliament stipulated a few years later that tied aid could only be given as import support and not within Swedish supported projects.¹⁴⁸ This may be considered somewhat more progressive because it reduces the chances of double tying (i.e. the developing country not only has to spend the assistance in the donor country but also within companies pointed out by the donor), yet it still represented a significant switch from previous government policy. On the other hand, the countries selected for Swedish development assistance remained the same with countries adopting a social redistributive policy at that time, such as Tanzania, Cuba, Vietnam and Zambia, also being joined to the recipient list. The former head of the S.I.D.A., Anders Forsse, also referred to the mid-1970's as the 'flower power' period of Swedish foreign assistance.¹⁴⁹

Characterising the mid-1970's as the 'flower power' period of Swedish development assistance may also be due to the shift in the form in which the aid was given. Whereas during the 1960's project assistance was provided, a shift to country programming occurred during the early seventies. This shift had occurred because the project assistance approach with close Swedish control was found not to be successful without taking into account the policies and integrity of the recipient country. Under country programming the recipient country's own policy objectives were to determine how the foreign assistance was to be utilised. This made the choice of countries with which Sweden



should co-operate crucial resulting in the introduction of the social redistributive criterion.¹⁵⁰ After selecting the countries, the recipient countries were given a great deal of freedom in determining how the funds would be spent. Unfortunately, however, the choice of 'progressive' countries did not ensure that the assistance would always be spent wisely. A number of white elephants convinced the Swedish government that more than money alone was required. The practice of providing assistance on the recipient's terms (ignoring the 15 per cent tied aid) began to be criticised in Sweden and the extremely flexible 'flower power' period of Swedish development assistance began to totter at the end of this period.¹⁵¹

V.3.3 Increasing Commercialisation, 1976-1982

In 1976 the social democratic party lost in the national elections and a centre-right government was instituted after forty-four years of either outright social democratic rule or social democratic participation in government. No major shift in Swedish aid policy, however, immediately occurred. For example, in the third major policy document on Swedish development assistance, which was presented to the Swedish people in 1977, the aforementioned humanitarian and moral motives for providing the assistance were repeated.¹⁵² It was claimed that the solidarity motive was a sufficient motive for an extensive aid programme. The attachment to greater equality within Sweden could not be limited to Sweden, and required an international dimension. Yet, in contrast to earlier policy statements more narrow national economic motives for providing the assistance were now also provided. Thus, the document stated that, "[i]t is also in Sweden's interest to expand co-operation with developing nations, inter alia in order to guarantee a steady supply of essential resources and to increase the ability of Swedish enterprise to compete in such rapidly expanding Third World markets as those represented by the O.P.E.C. countries..."¹⁵³ The oil crisis of the early seventies had thus clearly found its response in this new statement. Yet, despite the introduction of national economic motives in providing the assistance, it was stated that the solidarity motive should continue to override any



other motives.¹⁵⁴ An element of radical internationalism was also found in this document with the belief that in the longer term major changes in the international economy will be required, "...that may necessitate limiting resource consumption in the richer parts of the world for the benefit of the poorer majority."¹⁵⁵

In this document, priority was also established in the list of Swedish objectives for the development assistance programmes that had emerged in the late 1960's (see p. 39). The principal aim was to promote economic and social justice which was to come above promoting economic growth. Regarding multi-year financing or annual allocations, the preference was once again given to the former.¹⁵⁶ Concerning the loan versus grant means of providing the assistance, the always progressive Swedish policies were to continue. In fact, a call was made to provide all aid as grants and to write off all development assistance credits to the Least Less Developed Countries and the Most Seriously Affected countries. This proposal was carried out quite quickly thereafter in 1977/1978.¹⁵⁷

Regarding the multilateral versus bilateral debate, the previous preference for multilateralism lessened for a number of reasons. First, the argument that Sweden did not have the experience or administrative apparatus for executing an extensive bilateral assistance programme was no longer valid. By the mid-1970's Sweden had been active in the foreign aid field for more than a decade and the S.I.D.A. had undergone a considerable expansion. Other reasons given arguing against multilateral assistance were: 1) in general, the greater difficulty in achieving Swedish objectives (i.e. Swedish assistance aims often at more progressive objectives than the multilateral organisations); 2) the multilateral system was now characterised as administratively cumbersome and expensive; 3) the terms of aid are, in general, better under Swedish bilateral assistance than multilaterally; 4) Swedish assistance is easier to co-ordinate with the recipient country's own planning; and 5) large multilateral transfers have a more negative effect on the Swedish balance of payments situation than bilateral transfers.¹⁵⁸ Of all these reasons against multilateral assistance, only the latter could be said to be based on narrow Swedish economic interests.

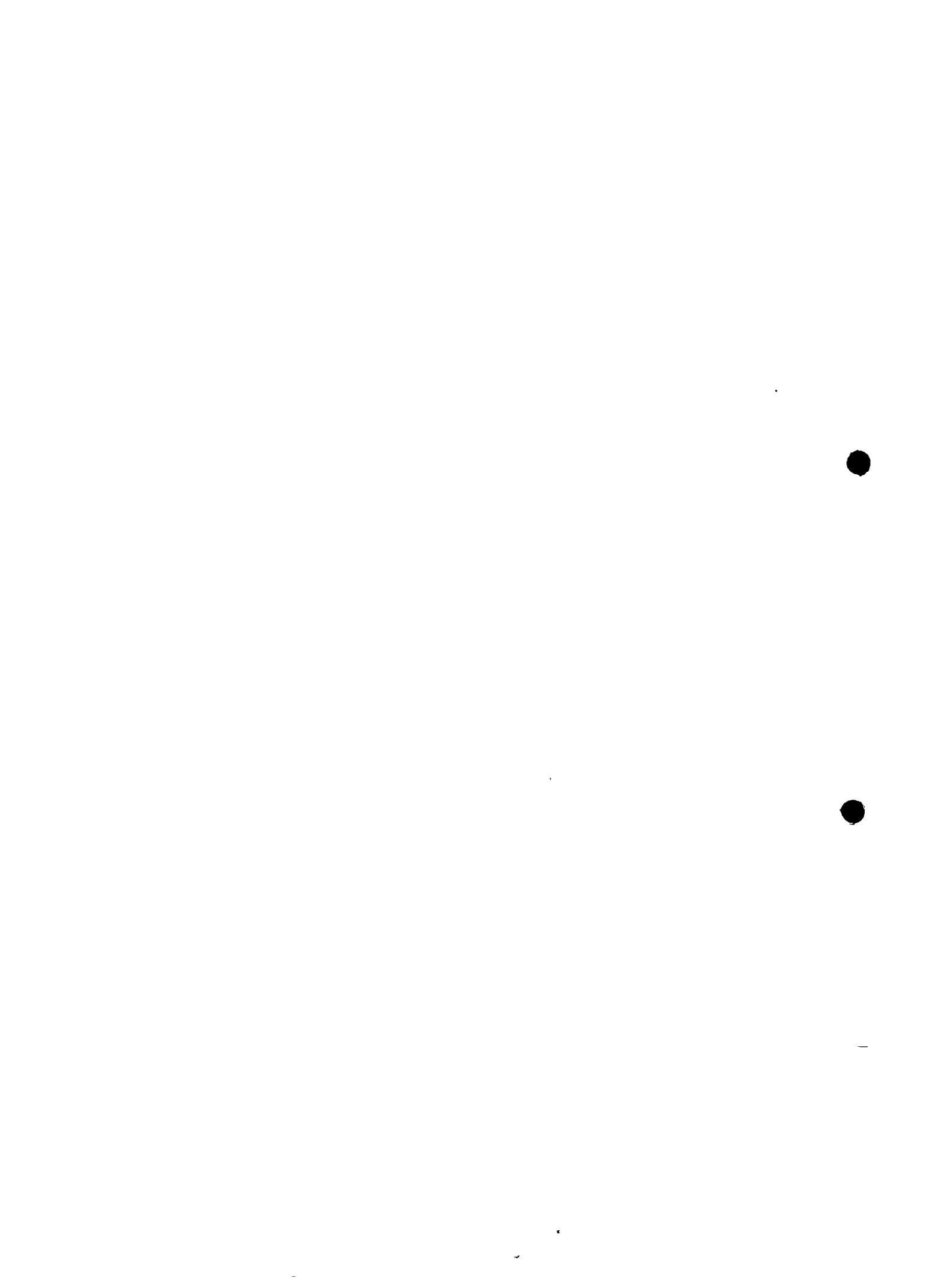


An example of the greater difficulty in achieving Swedish objectives using multilateral channels would be the policy of the International Development Association. Sweden was at the time quite critical of the lack of Third World power within this organisation and also opposed the demands for restructuring which often accompanied the rendering of aid from this daughter of the World Bank.¹⁵⁹ The internal policy changes demanded of the developing countries before assistance was given operated directly against the general aim of the Swedish assistance to raise the standard of living of the poorest peoples.

Although more criticism of multilateral assistance was clearly apparent at that time, reasons for continuing with multilateral aid were also not forgotten. Thus, the Swedish government approved of some degree of multilateral assistance for four reasons: 1) it reaffirmed Sweden's general support for the United Nations system; 2) the developing countries have some say in various United Nations organisations; 3) the assistance can be more efficiently provided to certain areas or to countries other than Sweden's programme countries; and 4) some type of Swedish contribution is necessary to influence the direction and the efficiency of the organisations concerned.¹⁶⁰

If one looks at the programme countries which Sweden supported during this period, it may appear surprising, considering the new centre-right government, that no major changes occurred in country concentration choice from the previous period. The percentage of the assistance allocated to the front-line states (including the liberation movements) and the socialist states did not differ noticeably from the previous period when the social democrats were in office and in fact actually increased slightly.¹⁶¹ The debate on country concentration choice was limited to the Swedish assistance to Vietnam and Cuba. Eventually, the aid to Cuba was stopped in 1980.¹⁶²

Regarding the tying of aid, the 1977 policy document stated that Sweden was the first country to raise the question of the untying of aid in an international context. Moreover, despite the introduction in 1972 of some tied Swedish aid, Sweden was to continue to advocate untying in international fora. It was thus claimed that the use of single tying to purchases in Sweden but



not to specific goods was regarded as a necessary evil until international agreement was reached on untying on a world scale.¹⁶³ Although the formal tying of aid was fixed at 15 per cent after 1972, the return flow of Swedish funds back to Sweden was higher. During the mid-1970's it was calculated to be 40 per cent of total bilateral assistance.¹⁶⁴ This figure was to rise in later years.

Increased return flows to Sweden at the end of this period may be partly attributed to the introduction of a number of new programmes that increased the role of the Swedish business community in development co-operation policy. The first programme was the creation in 1979 of SWEDFUND (The Swedish Fund for Industrial Co-operation with Developing Countries) which has similar objectives to the F.M.O. in the Netherlands.¹⁶⁵ The second programme was similar to the Dutch development relevant export transactions programme. A concessionary credit programme was introduced in 1980 to both provide additional needed resources to the developing countries and to support Swedish enterprises in the context of international competition in this field.¹⁶⁶ In this programme funds out of the aid budget are combined with officially guaranteed export credits and are by definition tied to procurement in Sweden.¹⁶⁷ These concessionary credits are to be utilised only in projects with a clear development orientation. Those projects which improve the payment capacity of the recipient will be given special preference.¹⁶⁸ Both SWEDFUND and the concessionary credits programme were a significant break from earlier Swedish policies because the earlier separation of trade from aid had been to some extent overturned.

As in the case of the Netherlands, increased use was also made of consultancy bureaux. This was to solve bottlenecks which were being formed within the S.I.D.A. as a result of understaffing.¹⁶⁹

V.3.4 The Consolidation, 1982-

The increasing commercialisation of part of the Swedish assistance during the centre-right government continued with their replacement by a social democratic government in 1982. For



example, both SWEDFUND and the concessionary credits programme were retained with the latter also being rapidly expanded by the social democrats. Thus, whereas in 1983 only Skr. 59 million had been allocated to this programme, this figure had risen dramatically to Skr. 400 million in 1989.¹⁷⁰ In May 1983 the social democrats also proposed that the entire sum of credits be calculated as development assistance instead of just the grant element. This 'pollution' of the aid budget was, however, defeated.¹⁷¹

The increased use of concessionary credits in the 1980's contributed to a higher return flow than in the 1970's with an estimated 50 per cent of the bilateral development assistance presently returning to Sweden.¹⁷² Local cost financing, on the other hand, has not had a tendency to increase or decrease remaining at about 20 per cent of the budgets for the programme countries. This would suggest that the new policies do not shift procurement from the developing countries to Sweden but rather from other Western countries to Sweden. In addition to the introduction of the tied concessionary credits, informal forms of tying have also been responsible for this shift. Included herein would be the increased tailoring of project specifications to Swedish supply and the fact that open international competitive bidding has also become less common. Another contributing factor would be the use of part of the S.I.D.A.'s budget (the special projects category) for developing Swedish technology and a national technical resource base for the various country programmes. Previously, this budgetary category had been used to promote special projects through the United Nations system.¹⁷³ Since 1985, the aid budget has also been used to settle debts of the developing countries which had fallen into arrears. These debts were taken over by the E.K.N. and their payment momentarily takes up 8 per cent of the total bilateral aid budget. Of this amount, 35 per cent has never left Sweden, as this budgetary post also pays Third World debts to Swedish companies.¹⁷⁴ The D.A.C. has recently expressed doubt as to whether this may officially be classified as official development assistance. Both formally and informally tied aid have therefore increased during the commercialisation of the aid programme during the 1980's. Regarding the formally tied assistance, it was noted that, "[t]he



share of the aid budget which is formally tied to Swedish procurement has almost doubled in the last five years [1981-1986], from 15 to over 25 per cent, if aid to settlement of debt is included.¹⁷⁵ It was recognised by the Swedish government that the return flows to Sweden have increased since the 1970's. Efforts were to be made to increase this return flow further after discussions with multilateral organisations about procurement with Swedish funds. It was, however, stated that increasing reflows was not an objective in itself, though it was a welcome side-effect of the new policies.¹⁷⁶

The creation of both the SWEDFUND and the B.I.T.S. has also altered the sectoral concentration of the Swedish help. It has recently been claimed that it is a myth that Swedish assistance primarily goes to the social sectors. Statistics do reveal that in 1989/'90 the sectoral concentration of the bilateral assistance was as follows: the industrial sector including import support (39 per cent); the social sector comprising education, health and rural development (24 per cent); emergency social disaster relief (18 per cent); emergency economic relief (8 per cent); and other (11 per cent). Furthermore, during the last 12-15 years, the assistance to the social sectors (education, health, rural development) has decreased by 14 per cent. On the other hand, the economic growth sector (industrial support) has seen its share of the aid budget increase by 30 per cent during the 1980's. Emergency aid to solve acute economic and social disasters has also increased by 40 per cent during this period. Acute aid had to increase because less assistance was being given to the education and health sectors, and also because of the enormity of the debt crisis.¹⁷⁷

Although the commercialisation of the Swedish aid programmes during the 1980's can not be doubted, of interest is the fact that this commercialisation has been largely restricted to the new programmes administered by the newly set-up organisations (SWEDFUND and B.I.T.S.). The S.I.D.A. was to be isolated from the influence of the Swedish business community. An observer noted that after the 1982 elections,

It [the S.I.D.A.] is to continue operating with poor (commercially largely unattractive) recipients, finance large-scale projects only in exceptional cases where development



considerations argue forcibly in favour thereof, scale down the emphasis on the industrial sector, and concentrate its activities on rural development. In addition, it may reduce the level of procurement tying in a measure commensurate with the expansion of (tied) associated financing. However, this political approach does not preclude co-operation between S.I.D.A. and the private sector: because of its capacity bottlenecks, S.I.D.A. is drawing more than ever before on the possibility of awarding planning and implementation contracts to private-sector consultancy companies and industry.¹⁷⁸

Like in the Netherlands, the delegation of various planning and implementation tasks to the private sector has taken on quite large proportions. Thus, whereas fifteen years ago the S.I.D.A. managed with its own personnel 75 per cent of the assistance, the corresponding figure in 1990 was below 50 per cent.¹⁷⁹ Also, as in the Dutch case, these consultancy bureaux, which can either be large scale or one-person companies, can be rather expensive with the cost of one full-time expert in the mid-1980's reaching Skr. 300,000 - 400,000 per annum.¹⁸⁰ The honoraria which the consultants receive are five times as high as the salaries paid for S.I.D.A.'s own personnel. This imbalance has occurred primarily in the last decade; the honoraria paid to the consultants increased 130 per cent in real terms whereas S.I.D.A.'s personnel salaries increased only 30 per cent.¹⁸¹ No formal tying is involved in their selection, yet 90 to 95 per cent of the selected consultants and experts are Swedish. The remainder are usually other Scandinavians. In 1983, the Swedish state auditors criticised the practice of no international tendering and the rarity of tendering at the national level.¹⁸²

Criticism has also been directed at the growing use of Swedish consultancy bureaux by the S.I.D.A. for other reasons than cost effectiveness. A major concern is that these consultancy bureaux have too much power within the S.I.D.A., and are therefore able to avoid a transfer from a product-orientated to a needs-orientated development assistance programme.¹⁸³ Of course, the governments of the recipient countries also do not always give priority to a needs-orientated development approach, but it has been revealed in various case studies conducted by Swedish state auditors that the consultants enjoy a great deal of influence in the composition of the projects. The consultancy



bureaux trust their own Swedish professional knowledge and come therefore with (often inappropriate) Swedish solutions. These solutions usually do not include a significant amount of community participation. The Swedish state auditors fear that an increasing utilisation of consultancy bureaux will strengthen the product-orientated development approach to the detriment of the needs-orientated approach. Instead of the S.I.D.A. managing the consultants, the consultants thus seem to be controlling the S.I.D.A.¹⁸⁴

S.I.D.A.'s flight to the hiring of consultancy bureaux may be partly attributed to the pressure on its own resources after its responsibilities were made heavier at the beginning of the 1980's without a corresponding increase in staff personnel. At that time the S.I.D.A. was delegated the responsibility for implementing the new policy of 'concerned participation' within its bilateral assistance programmes. This new concept implied that the carefree flexibility with which the assistance was provided in the 1970's, once the country had been chosen on the basis of the social redistributive criterion, would be abandoned and replaced by a system in which the government of Sweden exercised more control over how the funds were spent (both in terms of content and the manner of execution). This shift was justified; by pointing out that various recipients had requested it; by responding to political pressure within Sweden; and by noting that the misguided development policies of certain recipients in the past led to an increased need for donor responsibility.¹⁸⁵ The recipient orientation of the 1970's was now definitely over (see p. 41).

One may argue that the S.I.D.A. has theoretically been spared from most of the negative effects of the commercialisation of the help, but that the increasing utilisation of commercial consultancy bureaux has to some extent torpedoed S.I.D.A.'s efforts to improve its programmes. The efforts by the S.I.D.A. to improve the quality of the help include the aforementioned 'concerned participation' and the desired emphasis on rural development, as well as the planned reduction of import support.

This policy shift can be illustrated using the example of Asia in general and India in particular. Thus, referring to Asia, "[c]ommodity assistance [import support] which had been the



major form of assistance, has completely ceased and assistance is generally in the form of contributions aimed at improving conditions for the broad majority of the rural population,..."

In India, the earlier emphasis on import support has been replaced by sectoral support to the forestry, health care, educational, energy, environmental and rural drinking water sectors.¹⁸⁶ These developments may be construed as progressive, yet the question remains to what extent they can be successfully executed, after having noted the negative effects which the increasingly utilised consultancy bureaux may bear on policy implementation in the actual execution and choice of projects.

Another difficulty facing the S.I.D.A. in its attempt to improve the quality of Swedish bilateral assistance is that its importance in the total bilateral assistance programme is slowly decreasing. Thus, whereas in 1965, when the S.I.D.A. was first set up, 100 per cent of the bilateral assistance was administered by the S.I.D.A., this percentage has continuously dropped after the creation of the new Swedish aid organisations at the end of the 1970's. In 1978/'79 96 per cent of the bilateral assistance was spent through the S.I.D.A., in 1983/'84 this had fallen to 81 per cent, and by 1989/'90 a further drop had occurred to 77 per cent.¹⁸⁷ This is in contrast to the concessionary credits programme, which as we have seen, has received a continuously increasing budget during the 1980's.

V.4 A Preliminary General Comparison of Dutch and Swedish Official Development Assistance

In this paragraph the historical descriptions of the Dutch and Swedish official development assistance programmes will be compared with each other. This will be undertaken to conduct a preliminary testing of two of the hypotheses (IV.1 and IV.2) mentioned earlier. The eleven aspects of official development assistance that we have discussed above will consequently assist in our determination of: 1) whether the Dutch aid is, in general, less progressive than the Swedish assistance; and 2) whether the role of the business community in policy formulation and implementation is, in general, greater in the Dutch case than in the Swedish case.

The first measure of progressiveness was the volume of the



help. As mentioned in the introduction of this thesis both Sweden and the Netherlands belong to the 'frontrunners' within the D.A.C. Statistics confirm this claim, revealing that whereas the D.A.C. has seen a gradual decline in the amount of O.D.A. as a percentage of G.N.P., from 0.52 per cent in 1960 to 0.36 per cent in 1969, and a rough stabilisation at that level up until the present, both the Netherlands and Sweden have increased their assistance programmes considerably during the same time period. Thus, Sweden has increased its assistance from a paltry 0.05 per cent of G.N.P. in 1960 to 0.87 per cent of G.N.P. in 1988. The Netherlands may be considered even more progressive as its assistance has risen from 0.31 to 0.98 per cent of G.N.P. in the same time span.¹⁸⁸

Regarding the motives for providing the assistance, it may be suggested that Sweden was initially more progressive than the Netherlands, yet that in the 1970's and 1980's, the motives of the two countries seemed to have moved closer together. In the case of the Netherlands, moral, political (the containment of communism) and economic (export promotion and a new market for superfluous colonial experts) motives were all mentioned as reasons for providing the help in the 1950's and 1960's. In the case of Sweden, humanitarian motives for providing the help were the only motives mentioned and observed. The moral motives did not have to compete with other political or economic interests. During Pronk's first period in the Netherlands, it appeared that an effort was made to end the priority which the Netherlands up until that time had given to economic self-interest. The Dutch policy might be said to have become more Swedish. Yet, at precisely the same time, Swedish policy was changing and the economic importance that the help could imply to the Swedish economy was beginning to be recognised. In both countries in the late 1970's and throughout the 1980's, it was publicly proclaimed that humanitarian and economic motives for providing the assistance could exist side by side, without detrimentally affecting the quality of the aid to the developing countries. The introduction of concessionary credits programmes in both countries in the early 1980's in which the export transactions were to be judged on their development relevance symbolises this shift very well. The recognition of supposed mutual interests



between the donor and the recipient was now a key element of aid policy and its implementation in both countries. At the moment, it thus appears that the Dutch and Swedish O.D.A. programmes are quite equal in terms of the motives behind the assistance.

If one examines the size of the multilateral share in the Dutch and Swedish aid programmes, and agrees that a larger multilateral share may be deemed more progressive, one notes that up until 1982 this element of the Swedish aid programme may be considered more progressive than in the Dutch programme.¹⁸⁹ In both cases, however, there has been a steady fall in the amount of assistance allocated multilaterally, the fall in the Dutch case occurring quite rapidly after the introduction of bilateral assistance in 1963. After 1982, both the Dutch and Swedish multilateral element has stabilised at about 31 per cent of total O.D.A. Except for a brief period in the late 1970's and the early 1980's when the average D.A.C. figure was higher than that of the Netherlands, both Sweden and the Netherlands have consistently provided more of their assistance multilaterally than the D.A.C..

Instead of using the percentage of assistance allocated multilaterally as a measure of progressiveness, it may perhaps be more trustworthy to utilise the reasons given for the choice between multilateral and bilateral assistance. In that case, it may be suggested that Sweden has followed a more progressive (i.e. with less self-interest) policy. For example, in the 1950's the Dutch government preferred multilateral assistance not only because of a basic support for the United Nations system and the danger that national interests would taint the aid, but also because it was a more appropriate channel to find employment for the sudden surplus of colonial experts. Sweden had no economic interests in its initial preference for multilateral assistance. The introduction of bilateral assistance in both countries during the early 1960's was also accompanied by different explanations. In the Dutch case, the arguments presented by the business community were beginning to receive recognition within the government. Export promotion possibilities were the driving force behind the increase in the Dutch bilateral assistance programmes. This was not the case in Sweden where other reasons were given. Furthermore, more than a decade later when the multilateral-

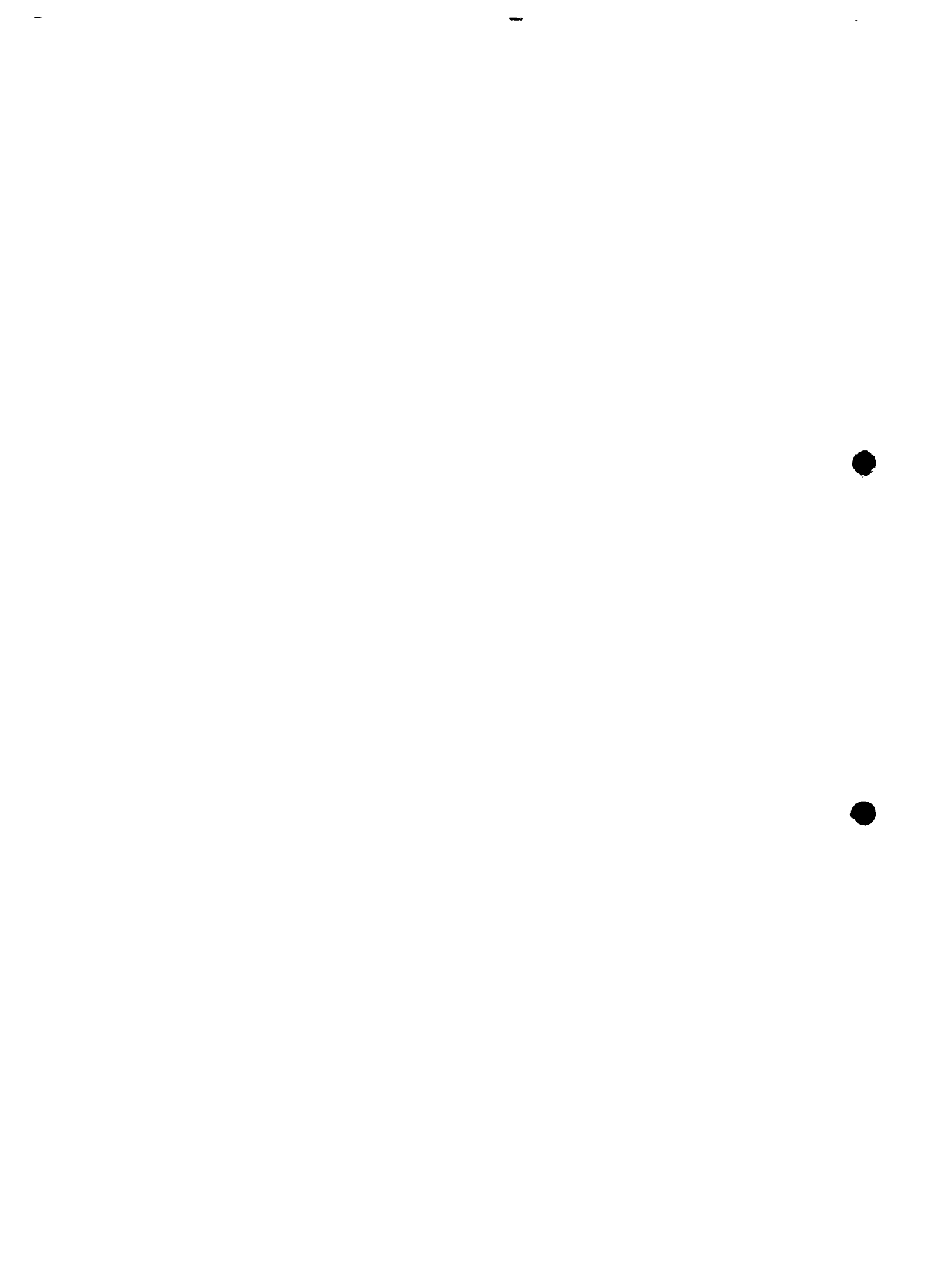


bilateral discussion was again publicly published in Sweden, the reasons for the lessened preference for multilateral assistance did not include export promotion possibilities. The only economic argument used was that the Swedish balance of payments situation would not be as negatively affected if more use was made of bilateral channels. Assistance provided bilaterally was in fact now considered more progressive than multilateral aid because Swedish financial terms and Swedish development objectives were viewed as more advantageous to both the developing countries and their poorest members. For all of these reasons, one may safely conclude that with respect to the element of multilateral versus bilateral assistance, the government of Sweden has continuously had a more progressive policy than its Dutch counterpart.

Examining the grant element of the total official development assistance, one notes that both Sweden and the Netherlands have met the 1978 D.A.C. recommendation that this grant element should be at least 86 per cent.¹⁹⁰ Although both countries have consistently granted their aid on more favourable terms than the average D.A.C. member, Sweden has a slightly more progressive rate than the Netherlands.

The official tying of aid figures, when the tying includes partially tied aid, also shows that Sweden has a better record than the Netherlands.¹⁹¹ On the other hand, once again, both Sweden and the Netherlands have lower official tying percentages than the average D.A.C. member. The official tying of aid began a decade earlier in the Netherlands (1963) than in Sweden (1972). In both countries, however, this official tying of aid was instituted with some degree of reluctance. The argument that it was unfair to the Dutch and Swedish economies to not bind the aid when all their other competitors were doing so seemed to have eventually been victorious. Yet, Sweden and the Netherlands have also persistently hammered upon an international untying of aid in different world fora.

Regarding the unofficial tying of aid both countries seem to be increasingly resorting to this method. This has primarily been accomplished by a sectoral concentration to those sectors in which the Dutch and Swedish business communities have a great deal of knowledge and expertise. For example, the Dutch have chosen to assist in numerous water projects whereas the Swedes



may be more involved in social forestry. Both the formal and informal tying of aid have recently led to increased return flows to the Netherlands and Sweden. In the case of the Netherlands, where 90 per cent of the total assistance returned to the Netherlands from the mid-1960's until the early 1970's, falling to 75 per cent during the Pronk period, and to a further 55 per cent by 1980, the increased importance given to the business community in the help has now led to return flows that are above 55 per cent. In the Swedish case, efforts have also been made to increase return flows during the 1970's and 1980's and with some degree of success. A return flow of 40 per cent of bilateral assistance in the mid-1970's has now reached a figure of 50 per cent. Although the Dutch return flows appear to be larger than the Swedish return flows, in both countries, they are lower than the 60 to 75 per cent figure calculated for other European countries in 1980.

Country concentration choice in both the Dutch and Swedish cases may be considered as more progressive than the average D.A.C. donor, if one looks at the percentage of the assistance that is allocated to the low income and least less developed countries (LLDC's).¹⁹²

Dutch assistance to the LLDC's did, however, only increase significantly in the mid-1970's; between 1970 and 1975 the Dutch figures were lower than the average D.A.C. figure. Sweden had much higher percentages than both the Netherlands and the D.A.C. during this period for assistance to the LLDC's. During the 1980's it would be difficult to judge whether the Netherlands or Sweden is a more progressive donor regarding the level of assistance to the poorest countries; both countries have roughly equal percentages with Sweden in the late 1980's performing better with the LLDC's, yet the Netherlands performing better with the low income countries.

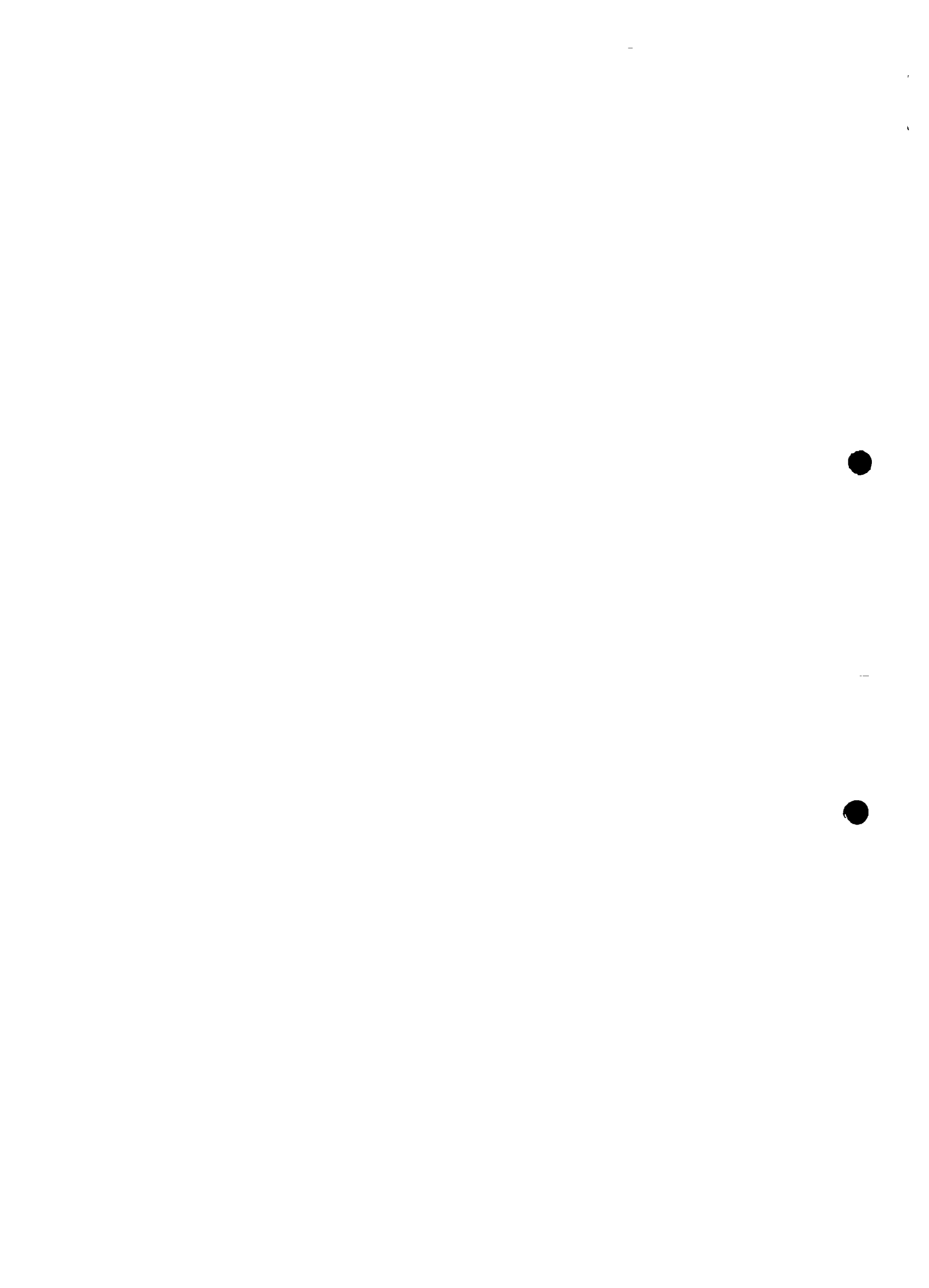
The other element of country concentration choice which may be used to measure the progressiveness of the aid programmes is the amount of assistance which is allocated to countries with redistributive policies in favour of the poor. The classification of countries adopting socialist policies is, however, a difficult one. Despite this difficulty, it may be suggested, that Sweden provides a slightly higher percentage of its assistance



(examining the list of concentration countries) to socialist countries than the Netherlands. During Pronk's first period in office, a greater attempt to select socialist countries for Dutch assistance programmes was undertaken than both before or thereafter. The social redistributive criterion introduced by Pronk in 1973 (a similar criterion was introduced by Sweden three years earlier) did not seem to be utilised by his two next successors and with the arrival of minister Schoo this criterion was publicly removed from the criteria for country concentration choice.

In the division between programme and project aid, both the Netherlands and Sweden provide both types of assistance. No preference for one or the other was discernible. The assisted sectors have seen a shift in concentration over the years. In the Dutch case, after the institution of the basic human needs approach in the 1970's in which rural development received more priority, the 1980's has seen a revaluation of support to the industrial sector in addition to a continuation of support for rural development programmes. A similar non-progressive tendency is apparent in the Swedish assistance particularly with the introduction of SWEDFUND and B.I.T.S. in the late 1970's. Both countries have, however, been quite generous in their balance of payments support to those countries ravaged by the debt crisis of the 1980's. The assistance which is allocated by the Netherlands and Sweden to their respective concentration/programme countries is provided in an equally progressive manner, that is to say that both donors allocate on a multi-year basis instead of annually.

Regarding the last measurement of progressiveness (i.e. the extent of national business interests in the help), one may suggest that although Sweden was more progressive during the 1950's and 1960's in that the Swedish business community was not to any great extent serviced by the assistance (in contrast to the Dutch case), the tide began to alter in 1972 when the Swedish government instituted the initial formal tying of 15 per cent of the assistance to procurement in Sweden. This continued in the 1980's with the continuing existence of SWEDFUND and more importantly, the creation of the concessionary credits programme. The Dutch government during the 1980's, has also increasingly



tried to tailor the assistance to the supply-side of the Dutch economy claiming that this will not negatively affect the quality of the assistance. In both countries, the aid administration has also been quite active in delegating various tasks to the private sector, including commercial consultancy bureaux. Critics have argued that this development leads to increased costs and the danger that a needs-orientated approach will be replaced by a product-orientated approach. The fact that a call has been made by both aid administrations to utilise more local consultants does, however, signify the limitation placed on the resolutions proclaimed by both governments to let their business communities be more involved in the assistance programmes. Therefore, at the moment, it would be difficult to determine in which of the two countries the business community adopts a greater role in the assistance programmes; policy (towards increasing the role of the national business communities) and its implementation during the 1980's appears to be approximately the same in both the Netherlands and Sweden.

Concluding, an initial comparison of the Dutch and Swedish aid programmes in general would suggest that the hypothesis that the Swedish aid is more progressive than its Dutch counterpart is true, yet that the difference between the two countries is becoming increasingly more marginal. In the late 1980's, Swedish assistance differs from the Dutch aid in only four of the eleven progressiveness aspects. These are: 1) the reasons given for the bilateral assistance in Sweden have never mentioned export promotion possibilities, public statements instead name more enlightened arguments; 2) the Swedish grant element is slightly more progressive; 3) the amount of formal tying is less in Sweden; and 4) Sweden in her choice of programme countries applies somewhat more the criterion of a favourable social redistributive policy.

It may be proposed that the second hypothesis that was to be tested (that the role of the Dutch business community in the assistance programmes is, in general, greater than that in Sweden) has been disproven. Although the role of the Swedish business community in the assistance was clearly less during the 1950's, 1960's and most of the 1970's, this role can no longer be considered less than that of its Dutch counterpart during the



1980's.

VI. A CASE STUDY: RURAL DRINKING WATER SUPPLY PROJECTS IN INDIA

VI.1 Introduction

After having described the general Dutch and Swedish aid policies and their implementation in the post-world war II period, I will now examine more closely a specific sector; rural drinking water supply projects in India. Within this sector, I will be examining progressiveness and the influence of the national business interests in the help.

One may assume that Dutch and Swedish policy in the rural drinking water supply sector is not formulated in an intellectual vacuum. Not only can the historical general context of Dutch and Swedish aid policies mentioned above have an effect on their policies in this sector, international developments may also be assumed to influence Dutch and Swedish standpoints. I will consequently first review the international literature on developments in this sector before scanning the particular Dutch and Swedish rural drinking water projects. Afterwards I can then judge whether in fact developments in the Dutch and Swedish projects match those mentioned in the academic literature.

In the academic literature, the following seven aspects are frequently discussed: the use of applied technology, community participation, women's participation, sanitation, hygiene education, cost recovery, and operations and maintenance. All of these aspects deal with the concept of sustainability which has become a key concept in the 1980's and 1990's to rectify the negative experiences of previous decennia. One wishes to avoid the experience of earlier projects in which it was discovered that the schemes were no longer operating properly once the donor had left the project. The D.A.C. uses the following definition of sustainability; "A development programme is sustainable when it is able to deliver an appropriate level of benefits for an extended period of time after major financial, managerial and technical assistance from an external donor is terminated."¹⁹³ Sustainability is closely linked with another term, institutional development. Institutional development is defined, "...as such an



improvement in the organisations and institutions involved in the implementation of a development activity that these are able to continue achieving the desired goals after the ending of donor interventions."¹⁹⁴ "Organisations are structures of recognised and accepted roles," and "...institutions, whether organisations or not, are complexes of norms and behaviour that persist over time by serving collectively valued purposes."¹⁹⁵ Thus, improvements in different institutions are required to maximise the seven aspects affecting sustainability. The progressiveness of the Dutch and Swedish assistance programmes in this sector will be operationalised by determining to what extent the programmes are aiming for, and succeeding in, achieving institutional changes to promote sustainability. The other measurements of progressiveness in this sector comprise the relevant aspects mentioned in V.1. (volume, motives, loan versus grant, the tying of aid, programme versus project support, multi-year or annual financing, the role of the national business communities). First, however, a more detailed description of the different aspects involved in the sustainability of rural drinking water programmes needs to be presented.

VI.1.1 The Use of Appropriate Technology

Drinking water supplies can be provided to a rural population in a variety of ways. The three main sources are rainwater, groundwater (wells) and surfacewater (rivers and canals). Yet the choice as to how to provide drinking water does not stop with the decision on which source to draw the water from. For example, the collection of rainwater in catchment tanks, necessitates a decision as to the design of the catchment tank. An appropriate technology choice in this case would be a locally fabricated cement plaster construction with a basket reinforcement instead of a ready-made tank shipped in from outside the recipient village.¹⁹⁶ This corresponds with the definition of appropriate technology in the rural water supply sector given by the Intermediate Technology Development Group.¹⁹⁷ They write, "A rural water-supply project designed, built and maintained using appropriate technology should be more labour-intensive than high technologies, more efficient than traditional



methods, and should have the following characteristics: simple, robust and reliable; relatively labour-intensive with low capital cost and little import of foreign material and skills; acceptance and support of the local community with minimum change to the social fabric; capable of organisation at local level with relatively simple training."¹⁹⁸ On the same subject the World Bank writes, "The aim is that the technology chosen should give the community the highest service level that it is willing to pay for, will benefit from, and has the institutional capacity to sustain."¹⁹⁹ Appropriate technology is deemed as crucial for the rural poor irregardless as to who made the initial investment. In the case that the rural poor supported the capital costs of a complicated inappropriate scheme, the costs of a breakdown will usually not be able to be borne by the users. In the case that a donor has provided most of the financing, the donor is usually not interested in paying a second time for the same scheme.²⁰⁰

When groundwater is chosen as the source, one has the choice of improving traditional sources (e.g. protecting existing open wells), handdigging a new open well, or drilling a new small-diameter tubewell. The difference between a hand-dug well and a small-diameter tube-well lies in that a tube-well is too narrow for workers to enter into for construction and maintenance.²⁰¹ Drilling of a new well can occur by either hand-drilling with an auger or bore-drilling with drilling rigs. Advantages of a hand-dug well are primarily found in its simplicity. A minimum of skills are required and thus the administration is not as difficult or as expensive as with small-diameter tube-wells.²⁰² Hand-dug wells require relatively basic tools whereas tube-wells, even those without the drilling rigs, need more specialised equipment.²⁰³ With hand-dug wells a lining of reinforced concrete mixed and poured by unskilled labourers requires little supervision. Only local materials are used except for the cement and the steel reinforcing rods. The equipment is light and it adapts and improves on traditional methods (the rope and bucket).²⁰⁴ Disadvantages of hand-dug wells, however, also exist: the much longer time period for construction; the maintenance and operation of the motor pumps to dewater the well during construction if one does not wait for the dry season; the possibility that fine sand will be washed into the well,



collapsing the clay layers and blocking the aquifer, during the dewatering process; and the risk of water contamination of the open top. If a pumping test reveals a possible pumping rate of less than 1,000 litres per hour it would probably be better to construct a hand-dug well as a larger diameter hole would allow more water to percolate into the well from the surrounding aquifers.²⁰⁵

Small-diameter tube-wells, whether they are hand-drilled or with a drilling rig, need to be fitted with a handpump. Such a handpump should also be of appropriate technology. The World Bank has recently conducted research testing 2,700 handpumps of about seventy different models.²⁰⁶ "The main objectives have been to promote the development of designs and implementation strategies which will improve the reliability of schemes based on groundwater and handpumps, and which will enable schemes to be managed by the communities and replicated on a large scale."²⁰⁷ The selection of an appropriate handpump depends on a number of factors: the cost and how much the future users are willing and able to pay; the required lift; the required discharge rate (what are the planned number of users and planned litres per capita per day); and the suitability for the intended maintenance system.²⁰⁸ Standardisation should also be strived for to improve maintenance co-ordination and the availability of spare parts. The availability of spare parts can also be assisted by purchasing locally made handpumps. This not only builds up a self-reliant national industry but also saves scarce foreign exchange.

In India the India Mark II handpump appears to meet many of the above demands. In a UNICEF assisted programme in the 1970's this pump was developed. It is an inexpensive handpump costing significantly less than an imported handpump. The capital costs are about US\$250 whereas, for example, a Swedish imported handpump would cost US\$1,500. Presently, about forty Indian suppliers manufacture this handpump.²⁰⁹ Over one and a half million India Mark II handpumps are now in use in India and significant quantities are exported to other developing countries. It has a high lift capacity reaching 45 metres below ground level and an adequate to good discharge rate. The World Bank writes, "The overall conclusion of the laboratory tests was that the India Mark II is a strong, generously proportioned



design, of which examples ... proved to be robust and reliable."²¹⁰

One severe drawback of the India Mark II handpump, however, is the difficulty in maintenance. In the World Bank report the following is said, "The skills and tools needed to service the India Mark II preclude village-level maintenance...Area mechanics can service the pump at shallower lifts...but beyond 25m lifts, the good rating reduces to adequate, as assistance may be needed from a mobile team."²¹¹ Developments in the planning of maintenance teams will be discussed below in the paragraph on operations and maintenance. Suffice to say that the standard India Mark II handpump had to be technologically improved to be able to be used for Village Level Operation and Maintenance (VLDM).²¹² In the 1980's VLDM handpumps began appearing on the market including a modified version of the India Mark II handpump. The Handpump Project explains,

The modified version of the India Mark II differs from the standard version in that it has pumping elements which can be removed without having to lift out the rising main...The pump has a 'quick change' drive head...Some experimental pumps have also been fitted with nitrile rubber seals in place of the standard leather cupseals. The purpose of the modifications is to make maintenance easier, by reducing the tools needed and the time taken to service downhole components. Improved seal life is expected from the nitrile plunger seals.²¹³

Although the possibilities for VLDM are greatly improved with the new modified India Mark II handpump, some problems do remain. The groundwater in India is highly corrosive to the galvanised pipes within the well-shaft. Therefore, these pipes need to be replaced about every three years. One must call a higher level for this operation as these galvanised pipes have to be removed by crane.²¹⁴

The technological developments relating to groundwater have been discussed. When using surface water as a source of drinking water, other techniques are required. Surfacewater is usually pumped from rivers and canals into a motorised or gravity fed distribution system. The water usually requires treatment before distribution. Slow sand filtration is a more appropriate technology than complicated treatment plants in order to cleanse



the water.²¹⁶ The piped water can either be connected to public standpipes or private household connections. Group connections are also possible where four or five households share one tap. Remembering that one of the criteria for an appropriate technology was to take into account the cost that the users were able and willing to pay, one notes that the capital costs of handpump wells (US\$ 10-30 per capita) are lower than that of a system based on motorised pumping and public standpipes (US\$ 30-60 per capita). Yardtaps are even more expensive (US\$ 60-110 per capita). Resource needs also differ in that a piped distribution system requires skilled pump mechanics and a dependable energy supply for the motorised pumps.²¹⁶ One may conclude that because of the greater complexity and costs of a piped distribution system, schemes involving groundwater are to be generally preferred in a country such as India.

VI.1.2 Community Participation

In the foregoing paragraph it was quite obviously stated that appropriate technology is not merely a technical matter. Technology which fits into the social context and allows the community to participate is of vital importance in achieving sustainability. A great danger exists in engineers only examining the technical aspects in terms of design and construction. The engineer must think more often about the operation of the project years in the future.²¹⁷ Therefore,

The appropriate technologist must relate to the people, whose attitudes are influenced by their history and traditions, their religion and culture, their health, their material condition, their family size and many other external factors...The approach to people must be sympathetic, and the existence of their individual hopes and fears must be acknowledged. This in turn requires a readiness to listen to the people and to accept the unwelcome idea that in many ways the users of sanitation systems themselves are better at making appropriate choices than the 'experts'. Their ideas and their attachment to old ways must be incorporated into projects. Above all, whatever is good in their present water and sanitation practice should be accepted and developed, rather than being replaced by the latest designs from



some international organisation.²¹⁵ The D.A.C. also mentions community participation as indispensable for sustainability in development programmes; "Working through local communities, which will take time, makes it easier to take advantage of traditional organisations and indigenous practitioners and to benefit from their knowledge of what may work or not work in their society."²¹⁶ The International Reference Centre for Community Water Supply and Sanitation (I.A.C.) also mentions several additional advantages in promoting community participation.²²⁰ Cost reduction is the first advantage noted. Voluntary labour in construction, especially where unskilled labour and local materials are a major part of the costs, can contribute to a three to forty-four per cent reduction in the total costs. Related to cost reduction is the advantage of wider coverage. The saving of capital to the implementing agency in one scheme can be used for new schemes. The I.A.C. also writes, "Moreover, payment in the form of free labour can reduce the investment cost individual families may be required to make for private facilities, such as yard-, group- or houseconnections and sanitary latrines. Thus, more families can participate."²²¹ Studies also reveal that projects with community participation as an integral element contribute to a better functioning of the projects. A sense of ownership and responsibility can be created. Furthermore, community participation can act as a catalyst for further development: "Participation in decision-making not only helps communities to become more self-reliant in establishing and maintaining their water supplies and sanitation improvements; it is also a process which strengthens local organisational, technical and managerial skills to solve other problems and foster ongoing development."²²²

Community participation can either be considered as a means (towards sustainability) or as a goal (increasing the participation of a target group in the total development of their environment).²²³ When community participation is considered as a means three dimensions are involved: 1) where does participation occur?; 2) who participates?; and 3) how does the participation arise? In the first dimension participation can take place in the decision-making process and in various resources (capital, knowledge, labour power, goods and land) which can be provided.



The decisions to be made include the location of the facilities, the financing channels and the manner in which the local population will be able to participate. This latter facet also concerns questions such as the way in which a local organisation is formed, the procedures followed at a village meeting and the procedures involved in selecting community leaders. Decisions can be further subdivided into a time-frame: initial; during the execution of the project; and during the operational phase. Commentators increasingly emphasise the need to involve the community in the decision-making process as soon as possible.

In the second dimension mentioned one must look closely at the community representatives to determine whether they are representative for the target group. Local leaders often form a local elite based on class and sex differences. If this is the case one can express doubts about the level of community participation. The third dimension relates to the question whether the participation has arisen from the grassroots level or whether external project leaders have activated the community participation. The answers to the questions on these three dimensions will determine the extent to which a project may be classified as participatory in character.²²⁴

The I.A.C. has along these lines developed its own classification system to classify different levels of community involvement. Five levels are defined: 1) restricted to the voluntary contribution of labour and materials; 2) the delegation of management and maintenance to the local level; 3) joint discussions with the agency having the supreme authority; 4) joint discussions and mutual decisions; and 5) agency participation in community projects. The first option is considered not optimal as it is a top-down approach with no stimulation of local ownership and responsibility. The community is not involved in planning or designing project components and the construction of the facilities can too easily be undertaken without the necessary educational components. The second level has a similar high failure rate when no ongoing support for training, major repairs and system expansion is provided for. In the third case, in discussion with the local authorities, the construction designs, management and financing systems, can be adapted to the needs and capacities of the user groups. Yet, the



external water agency has the final say which may be better when the agency is unsure as to whether the poorest groups will benefit. In the fourth model, two possibilities exist. Firstly, the community can be offered a standardised package of technology, level of service and community participation procedures within which the community can be involved in decisions such as location and user group's formation. Alternatively, "...a range of technologies and service levels is considered together with the community on the basis of technical feasibility and the needs, expectations and payment capacities of the users." In the last possibility mentioned by the I.R.C., the decisions are fully controlled by the local community: "Outsiders are invited for technical considerations and services or to secure the resources needed, but decisions about what is to be done, where, when and how are taken by the community."²²⁰ Of importance to note is that this last possibility does not necessarily imply a better solution than the other four because the community organisation may serve only the local elite, shutting out the rural poor.

VI.1.3 The Participation of Women

The realisation that community participation in fact implies women's participation has become increasingly more widespread in the last fifteen years. Studies show that it is women who are most directly involved in the collection and use of water. They are also most involved in the transmission of beliefs about health related issues to their children. Thus, special emphasis has to be placed on involving women in all stages of the decision-making process: the design, implementation, operations, maintenance and evaluation stages. This may involve special difficulties because of male power structures and beliefs. The I.R.C. writes, "A review of over eight hundred documents on the roles and realities of women's involvement has shown that special steps are almost always needed to encourage women to attend and speak out at meetings, for example by discussing the importance of women's participation with the male leaders and holding meetings at times and places suitable for women."²²⁰ When this does not seem to have the desired results, separate women's



meetings or house visits may be a better option.

VI.1.4 Sanitation and Environmental Sanitation

Initially an adequate and safe supply of drinking water was considered sufficient to improve the health of the rural population. The fact that an improved quality and quantity of drinking water was not improving the health of the people, and in some situations was affecting health in a detrimental manner, led to the necessary revisions in strategy. An integrated strategy was called for in which sanitation and environmental sanitation also played a role. Sanitation includes the construction, proper use and maintenance of latrines in which the newly available water supply can be utilised. Environmental sanitation is also receiving more attention after it was found that waste water from the pumps and distribution systems were forming stagnant puddles where various diseases could thrive. To overcome this problem, run-off systems and soak gardens for the cultivation of vegetables have been suggested. Also included in environmental sanitation is the construction of separate water troughs for cattle so that the area about the handpump or public standpipe is kept clean.

VI.1.5 Hygiene Education

Sanitation and environmental sanitation construction activities were not the only new elements to be introduced into the suggested new integrated strategy. Hygiene education was considered essential to implement a sustainable drinking water and sanitation programme. The I.R.C. defines hygiene education, "...as all activities aimed to change attitudes and behaviour in order to break the chain of disease transmission associated with inadequate hygiene and sanitation."²²⁷ The target groups are women and children as they are the groups most directly involved in the water and sanitation sector. Different approaches are possible.

The most frequent, but probably least effective, appears to be the didactic approach by which target groups are instructed to adopt certain practices in



order to overcome hygiene related problems as identified by the project agency...The promotional approach, of which social marketing is the most common example, is characterised by careful consideration of target group needs and preferences. Nevertheless, the objectives and contents of the hygiene education programme are largely determined by the project agency...The participatory approach aims to create conditions to help people to solve their own problems. The objectives, contents and methods are determined as far as possible by the target group in dialogue with the educator and by means of community self-surveys and evaluation.²²⁰

Thus, community participation appears to be a prerequisite for a successful hygiene education campaign.

VI.1.6 Cost Recovery

Cost recovery is another aspect of the integrated approach in the drinking water and sanitation sector. The problem does not lie so much in the capital costs which are usually paid by the central government or donors in the form of loans or grants as in the costs associated with operation and maintenance which have to be met by the panchayats (village councils) and the different states. These costs of operation and maintenance can be quite considerable. For example, "In India, the supply of 300 million people using handpumps and 200 million people using piped water would involve a national annual expenditure of Rs.9,200 million...This amount is equal to 37% of the total budget for rural water supply improvements in five years (1980-1985, Sixth Five Year Plan)."²²⁹ In solving the problem of recurrent costs the choice of an appropriate technology and community participation is vital. Financial aspects have to be decided with rather than for the community.²³⁰ The financial consequences of different technologies, service levels and maintenance systems should be discussed with the community in the planning stage. For example, groundwater schemes are usually less expensive than surfacewater schemes (see VI.1.1) and motorised pumping systems are more expensive than gravity fed systems.²³¹

Several possibilities exist to share the recurrent costs involved in the drinking water and sanitation sector. The first



possibility is that households do not pay a regular contribution but an amount which is collected when needed. This may be useful when the schemes are piped gravity supplies with public standpipes or wells with handpumps in which case one does not need a paid operator.²³² The funds collected would then only need to cover larger, paid maintenance and repairs as well as the overall depreciation of the system. Instead of individual households these funds could also be filled from the profits of communal enterprises or other community funds (levies on crops, cattle sales, or businesses). A disadvantage of this last procedure is that it remains unclear to the individual consumers how much the facilities actually cost.

When the recurrent costs are too high because of salaries for operators, security guards or energy, the costs will have to be collected through direct regular charges or indirect taxation. Payment will be made to the responsible water agency, the local government or the water user's organisation. In the case of direct regular charges flat rates may be used although this may press more heavily on the budgets of low-income households. To overcome this, lower income groups can be exempted from payment, or graded rates based on income levels can be introduced.²³³ A similar problem arises with gender differences: "Requiring equal contributions from male and female household members also increases existing inequalities in cases where the women have to use their own limited incomes for these payments."²³⁴ In the case of a piped distribution system with yard- and/or private houseconnections watermeters can be introduced. They raise the costs of the system yet if properly enforced avoid water wastage. Water meters can charge a flat rate per block of used water or a progressive rate in which after the first block (a low price for cooking, washing and drinking) the rate becomes progressively more expensive.²³⁵ This corresponds well with the idea that households which are able to use much extra water for income-generating activities should be charged accordingly.²³⁶ By using water meters cross-subsidisation may also be introduced. In this system the wealthier users of private household connections pay for their water use, yet also subsidise the poorer villagers by paying such an amount that the public standpipes are also paid for.



Indirect taxation either bases itself on the property/housing tax or is added to the property tax with a special surcharge. When the special surcharge is used and different service levels exist, such as public standpipes and unmetered houseconnections, different households receive a varying surcharge for water. When the property/housing tax is used a general tax is raised based on the size of the property. The village authorities can then finance the water service to the standpipes, yards and houses, as well as paying for other community services. This system does have its drawbacks though in that it does not inform the users of the real costs of the system. No link exists between actual consumption and the amount people are paying which does not assist in efforts at water conservation. Another problem, when payment is a tax to the panchayat instead of direct payment to a water authority, is that people can not refuse to pay as easily if an adequate quantity of water of a good quality is not delivered. It is judicially much more difficult to refuse a tax than a water bill from a water authority.²³⁷ Moreover,

The advantage for the water authorities that others collect the charges should be set against the need for the transfer of funds from the collecting agency to the water organisation. The ultimate amount received frequently does not keep pace with the demands of the water administration. Their costs are apt to increase with inflation and the ageing of the system. In addition, the government institution deciding on the distribution of revenues sometimes reduces its allocation to the water authorities because more pressing obligations have to be met. The users then naturally get frustrated because they are paying taxes for a deteriorating service. In its turn, the water agency gets frustrated because it can do nothing about it.²³⁸

A severe problem in cost recovery in India is the politicisation of water. Politicians attempt to discredit their opponents and boost their own images by proclaiming that water should be a free commodity. Needless to say this does not assist the cause of cost recovery. On the other hand, studies show that people are willing to pay if they receive a safe, reliable and adequate quantity of water. The limitation of the low payment capacities of many users should, however, not be underestimated.



Some commentators consequently suggest the setting up of income generating activities (e.g. improved affordable agricultural production techniques) as part of the integrated approach.²³⁹ The I.R.C. further explains, "...water and sanitation programmes can also benefit directly from income generated by follow-up projects. In particular, additional income earned by women is spent on basic needs for their families, such as food, soap, household utensils and payment of water fees. Such expenditure can contribute to the continued functioning and general use of improved water supplies and the improvement of hygiene conditions and practices."²⁴⁰

VI.1.7 Operations and Maintenance

The last aspect of sustainability which is often mentioned in the academic literature is operations and maintenance. When rural water supply projects were first set up in India in the 1950's little or no attention was paid to the functioning of the schemes after the construction activities were completed. This contributed to a very high failure rate which, for example, in the mid-1970's, led to 70 per cent of the handpumps being out of service.²⁴¹ To reduce this poor performance more attention began to be paid to the field of operations and maintenance in the 1970's. The I.R.C. describes three maintenance approaches; the technical, organisational and systematic approach. The technical approach refers to the choice of an appropriate technology. In the case of handpumps, this would imply a VLOM model that is sturdy and robust.²⁴² The organisational approach centres on the choice of a maintenance system. For example, a special three-tier maintenance system accompanied the introduction of the India Mark II handpump in many UNICEF financed projects. In this maintenance system the first level consists of a village caretaker (an unpaid literate youth who also has other paid employment) who would receive two days of training and would be selected by the government. The responsibility of this caretaker would be to notify the second and third levels using postcards, whenever the pump was no longer functioning properly. This caretaker would also be given some spanners to tighten the nuts and bolts at the pumphead. At the second level, a block inspector-mechanic would



be provided with tools and a bicycle and the responsibility for sixty to one hundred villages. This area mechanic would be responsible for minor repairs about the pumphead. A third level, at the district level, comprises a four-person mobile unit who would take care of major repairs (down-the-hole repairs) in five to ten blocks. At this district level there would be a small workshop for the overhaul of pumps, cylinders and rods as well as a spare-parts centre. After several years of operation it was admitted that the three-tier maintenance system was not operating optimally. The communication between the three levels was not always adequate resulting in unnecessary lengthy breakdowns. Moreover, the centralised maintenance system in the three-tier system resulted in considerable expenses.²⁴³

This leads into the third maintenance approach, the systematic approach, which the I.R.C. favours. The systematic approach combines the technical and organisational approaches, yet also takes into consideration environmental conditions, affordability and user's involvement.²⁴⁴ The replacement of the three-tier by a single-tier or two-tier maintenance system may be considered the outcome of a systematic approach. In the single-tier system a village caretaker is provided with the skills and tools to maintain the handpump. The marginal and cosmetic involvement of the community in the three-tier maintenance system is replaced by major and real community involvement in the single-tier system.²⁴⁵ The caretaker (the handpump mistry) would be selected by the community and be answerable to the community. The users would have the right to recall the handpump mistry which was not the case under the three-tier system where the area mechanics and the mobile team had a government job. The handpump mistry would be responsible for 36-40 handpumps within a five to ten kilometres radius. The panchayats would pay the mistry Rs.250 per handpump per annum. After their training the handpump mistris would each receive a grant of Rs.250 to purchase a set of special tools costing Rs.2,500. The rest of this amount could be provided by a loan. A subsidy of 50 per cent would be provided if the handpump mistry was a member of a scheduled caste or tribe.²⁴⁶

An alternative to this single-tier system is the two-tier system in which a village caretaker undertakes preventive



maintenance but is assisted by an area mechanic who is responsible for the repairs to the handpumps in several villages. This area mechanic also has access to a moped or a bicycle. Appropriate technology is of course required in both the single and two-tier maintenance system so that the mobile district team is no longer required.²⁴⁷ The choice between a two-tier and a single-tier maintenance system does not appear to be clearcut. The single-tier system also has its flaws in that the village caretakers frequently left their jobs for other occupations.²⁴⁸ A systematic approach would thus also have to deal with manpower development and training. Rewards would have to include either cash or kind, and possibilities for promotion would have to be available. Unfavourable staff turnover at village level could also be deterred by creating side jobs (e.g. a bicycle mechanic or vegetable producer after provision of a small plot of land).²⁴⁹ The training and acceptance of women as handpump caretakers and mechanics is also regarded as positive in a systematic approach because of their closer connection to the drinking water sector.²⁵⁰ User's involvement in operations and maintenance may also be increased by forming water committees. A National Workshop on Village Level Maintenance of Handpumps,

...recommended the setting up of village level 'water committees' to supervise the programme at village level. These committees can be entrusted with the responsibility of supervising the work of the handpump mistry, deciding on the fees to be paid to the handpump mechanic, deciding on the levy to be charged from the users of the handpumps to cover the cost of maintenance, and, in general, to assume the responsibilities for the water supply programme in the village.²⁵¹

Full ownership should be transferred to the village communities which can be symbolised in a ceremony.

Although piped distribution systems are technically more complex than drinking water schemes based on groundwater, a systematic approach to operations and maintenance in these schemes should be strived for as much as is technically feasible. For example, village water committees can also be formed in surfacewater schemes.



Dutch official bilateral development assistance to the rural drinking water supply sector in India started in 1975. Initially, emphasis was placed on the mere construction of facilities yet gradually a more integrated approach has been developed. Therefore, in addition to the traditional technical aspects (the construction of pumping stations, reservoirs, distribution systems, etc.), more attention is presently being paid to various software aspects. These software aspects include community participation, women's participation, sanitation, hygiene education, cost recovery, operations and maintenance, and income generating activities.²⁵² Thus, at first glance, the Dutch government seems to be following or participating in, international trends in this sector.

The assistance to this sector has recently been reduced to the five states with which the Netherlands has decided to concentrate all of its Indian bilateral assistance efforts. This is meant to improve the coordination and effectiveness of the aid. The five concentration states are Andhra Pradesh, Uttar Pradesh, Gujarat, Kerala and Karnataka.²⁵³ Unfortunately, a study of the assistance in the drinking water sector of all five concentration states was, given the time constraints, out of the question. I decided to focus on Andhra Pradesh and Kerala for the following reasons. Andhra Pradesh was chosen because the state is presented by D.G.I.S. as the flagship state. It is here where it is suggested that the schemes are operating the most satisfactorily and where the new Dutch policy has received its greatest implementation. Of the other four states, Karnataka was not chosen because the programme has only recently begun in that state. A study of Uttar Pradesh was rightfully discouraged by D.G.I.S. because a thorough study on various software issues in that particular state had already been conducted last year.²⁵⁴ Of the two remaining states, Kerala was chosen as it possesses a slightly different organisational set-up from the other states. Instead of Dutch consultancy firms, two resident Dutch expatriates are involved in the schemes in Kerala. It seemed useful to discover, whether, and in which way, this different organisational set-up affected the schemes.



As already mentioned (see p. 6), the drinking water supply sector is a concentration sector in the Dutch assistance programme to India. Various figures reflect this priority. By the end of 1988 Dfl. 322 million had been spent by the Dutch government for the Indian programme in this sector resulting in a targeted rural population of about 7.6 million people living in 3,370 villages being reached with access to a better source of drinking water.²⁵⁵ During the last decade the total yearly allocation to India for all Dutch activities has fluctuated about the Dfl. 200 million mark. Of this amount, 16% was allocated to the drinking water supply sector during the period 1985-1988. The similar figure for 1989-1992 shall be 15%.²⁵⁶

The Indian government has from the beginning placed great importance on the greatest possible autonomy in the execution of drinking water projects. The state authorities are responsible for the execution of the projects with local water authorities constructing the facilities and hiring local private contractors when necessary.²⁵⁷ Dutch assistance is thus limited to financial help, policy formulation, help in the identification of new projects, backstopping and monitoring.²⁵⁸ In Andhra Pradesh, the Panchayati Raj Engineering Department (P.R.E.D.) is responsible for all rural works including water supply. This organisation, which was set up in 1960 and has 3183 employees, finds itself under the Ministry of Panchayati Raj.²⁵⁹ In Kerala, the Kerala Water Authority (K.W.A.) is now responsible for the supply of drinking water in the state. This semi-autonomous body replaced the governmental Public Health Engineering Department (P.H.E.D.) in 1984 which had previously been responsible for this sector. The K.W.A. has 6000 employees and has its main office in Trivandrum. It is involved in 589 schemes, as well as eight schemes in co-operation with the Dutch government, three with the Danish International Development Agency (DANIDA) and seven with World Bank co-operation.²⁶⁰

VI.2.1 Dutch Government Institutional Support Structures

The most important characteristic of Dutch institutional support to the Indian water programme must be its increasing decentralisation. Responsibilities are slowly being transferred



to embassy level (New Delhi) and beyond (field offices). Until recently D.G.I.S. in the Hague had the exclusive responsibility for the supervision of projects in execution. In 1989 this was delegated to the drinking water and sanitation sector specialist (the water co-ordinator) at the Royal Netherlands Embassy in New Delhi. The function of this water co-ordinator was instituted in 1981. The specification of this co-ordinator's tasks is presently as follows:

- 1) the co-ordination of the total Dutch drinking water programme in India; 2) the identification (in conjunction with the Indian counterpart) of new projects; 3) the organisation of appraisal missions for new projects and assistance in the judgement of project proposals; 4) the representation of the Dutch government at the sector discussions with the Indian authorities, institutions and other donor countries and organisations; 5) advising in the organisation of, and occasionally participating in, review missions; 6) advising of the counterpart with the preparation and execution of the drinking water projects with the objective of quality improvement; 7) reporting on the progress of the execution of the projects and commenting on the progress reports of the counterpart; and 8) the control and appraisal of requests for financial claims on the part of the counterpart.²⁰¹

Proposals for new projects usually originate with the Indian authorities. They send these proposals to the water co-ordinator who proceeds to post them to D.G.I.S.. The Women's Co-ordinator stationed at the embassy in New Delhi also receives a copy.²⁰² Within D.G.I.S. a project officer is now responsible for the appraisal of the project proposals which occurs with the advice of an external advisor, the I.R.C.. The advice of the I.R.C. is, however, not binding. Other tasks of the project officer include the holding of meetings between the different Dutch interested parties (the consultancy bureaux, the I.R.C., etc.) and the formulation of the drinking water and sanitation sector paragraph in the policy country paper for India.²⁰³ Since 1986, the drinking water and sanitation project officer is also advised on matters of policy formulation by the I.R.C.. D.G.I.S. also has access to an in-house sector specialist within DST/TA (Co-ordination for the Sector Programmes and Technical



Advice/Technical Advice Unit). This unit also deals with the final appraisal of the project proposals. A positive judgement is necessary by DST/TA before assistance can be committed. This is usually not more than a formality and the unit can be said to practise more of a control function to ensure that the general policy guidelines are being respected.²⁶⁴

Commercial consultancy bureaux are also involved in the Indian drinking water and sanitation sector. Between 1976 and 1986 regular twice a year one person missions comprising either members of Dutch consultancy bureaux or D.G.I.S. staff personnel conducted short review missions to various projects in India.

This one person Dutch mission would be accompanied by various Indian experts and occasionally by the water co-ordinator. These missions dealt with,

...subjects (that) were still of a purely technical nature - design criteria, evaluation of capacity and level of counterpart organisation, progress control, etc. Gradually elements as community development, operation and maintenance, use of watermeters, tariffs, financial aspects, water quality and safeguarding of minority interests were included in the missions.²⁶⁵

From 1986 onwards the title of the Review Missions were changed to Review and Support Missions in the light of a different terms of reference. They were also meant to not only review the programmes for the Dutch government but to, in addition, support the local Indian water authorities in promoting sustainable rural drinking water programmes.

Furthermore, the team was strengthened by adding a Dutch sociologist/socio-economist to the group.²⁶⁶ The signing of the contracts and the formulation of the terms of reference for these review and support missions are arranged by D.G.I.S..²⁶⁷

In the case of Kerala, another management system was proposed after the first review missions in the early 1980's. These Dutch review missions were replaced by two Dutch resident advisors. A technical liaison officer was appointed in 1985 and a senior advisor was hired for the newly instituted socio-economic units in 1988.²⁶⁸ Three of these socio-economic units have been set up: one in the Danish northern circle of Kerala and two units in the Dutch southern circle (in Trichur and Quilon).²⁶⁹ The co-ordinating office is situated on the K.W.A. premises in



Trichandur. These units were introduced to facilitate the introduction of software issues into the projects in Kerala. The expatriate senior advisor performs a consultative function whereas the executive co-ordinator, who is an Indian, holds executive power, being charged with the management and execution of the project. In addition to advising the executive co-ordinator the senior advisor: initiates human resource development; activates policy development and monitoring activities; controls financial aspects on behalf of the donors; and operates as the local desk for the governments of the Netherlands and Denmark.²⁷⁰ Regarding the choice of an expatriate as senior advisor, after some discussions, it was eventually agreed upon, by all parties concerned, to employ a Dutch expatriate.²⁷¹

Integration of the socio-economic units with the K.W.A. is considered of utmost importance. To achieve this the head of each of the three socio-economic units has been given the equivalent status of an executive engineer and thus may participate in all meetings of concerned personnel at that level. The executive co-ordinator has been given the status equivalent to that of a superintending engineer and may attend meetings at the level of deputy chief engineer. Furthermore, the K.W.A. is under obligation to follow the advice of the socio-economic units within the constraints of the technical possibilities.²⁷² The K.W.A. supports this project and has informed all of its staff down to junior executive level about the plan of operations as well as the recommendation to support it. The objective is that the units will eventually become part of the K.W.A. organisation. This is a trial project between 1988 and 1991 and will be jointly evaluated by the governments of the Netherlands and India.

Another difference between the organisational set-up in Kerala and the other states is the existence of an expatriate technical liaison officer in the former. The tasks of this officer are divided into general and specific responsibilities. The general tasks are to assist the K.W.A. in the preparation and implementation of all rural water supply projects in Kerala. At the request of the K.W.A. this officer must help in the solving of technical difficulties in the preparation of designs, in preparing tender documents, and in evaluating tender proposals.



The specific tasks of this officer relate to the Dutch projects and comprise the following: 1) to advise the K.W.A. in the preparation of tender documents, the evaluation of tenders and detailed designs valued at over Rs. 10 lakhs; 2) to advise when necessary on the planning and formulation of a programme to increase the number of house connections, to improve the water quality testing programme and to formulate a proposal to introduce the use of aerial photography in the project preparation; and 3) to assist in the timely implementation of the projects and to ensure that the quarterly disbursement claims submitted to the Dutch government correspond to the project progress.²⁷³ As with the socio-economic units, co-operation with the K.W.A. is considered essential which also explains this person's physical presence within the K.W.A. headquarters offices. It is planned that applications for the function of the technical liaison officer (and the socio-economic advisor) will eventually be restricted to qualified Indians.²⁷⁴ Thus, D.G.I.S. supports the self-reliance of the Indian authorities in this field.

The organisational separation of the technical liaison officer and the socio-economic units is perceived as a problem. It is theoretically possible that they could operate independently of each other creating possible incohesion and lopsidedness.²⁷⁵ A recommendation has been made to integrate these two units into one unit.²⁷⁶

The integration of these units and the process of indianisation of these support structures in Kerala have their counterpart developments in the other concentration states. In these states, the review and support missions have been and are still involved in the setting up of Netherlands Assisted Project Support Units (NAPSU's). At the moment these units are in various stages of progress with the NAPSU in Andhra Pradesh being the only fully functional unit. The aim of the NAPSU's is to bring the support function closer to the implementation level. The unit in Andhra Pradesh which started functioning in 1982 and which is said to "exude an air of confidence" is described as,

...a compact unit comprising expertise in the technical as well as in the socio-economic and health education fields. The Team Leader (cum adviser) is a senior Public Health



Engineer who retired as Chief Engineer of the P.R.E.D. He is assisted by a Junior Public Health Engineer who is deputed by the P.R.E.D. to the NAP Office. They can cope quite adequately with the task of checking project designs and estimates. The Socio-Economist and the Health Educationist assist the voluntary agencies with planning their operational strategies and developing teaching aids. The team monitors the 'instream' performance of the participating agencies and offers back-stopping support. The team also evaluates the progress of implementation. With the help of a computer...the NAP office has enhanced its capacity to offer programme support to all the implementing agencies.²⁷⁷

One of the most important functions of the NAP office is, "...to correct the loss of faith of the people from their experience with the first rural drinking water project in Andhra Pradesh (AP RWS I). Maintenance problems, vandalism and the absence of any software in AP RWS I produced poor net results. First steps have been taken by organising village committees." The NAP office in Andhra Pradesh functions under the Andhra Pradesh Productivity Council which is a semi-governmental body.²⁷⁸ Of interest is that the NAPSUs are staffed entirely by Indians. This policy concurs once again with the Indian government's belief in self-reliant development. Some proponents suggest that the NAPSUs are also meant to be temporary structures which should slowly be integrated into the agencies responsible for the water sector.²⁷⁹ Moreover, the NAPSUs should gradually take over the role of the review and support missions which will reduce their activities to annual monitoring missions. The consultancy bureaux, by assisting in the setting up of the NAPSUs, will have in fact made their own role for the most part superfluous.

VI.2.2 General Preconditions for Assistance

The assistance which the Dutch government provides to the rural drinking water supply sector forms part of the policy to structurally eradicate poverty (see p. 28). The Ministry for Development Co-operation writes, "The overall objective in supporting the D/S [drinking water/sanitation] sector is to contribute towards a lasting and effective improvement in the living conditions and health of primarily the poorest population



groups in rural areas, regional centres and the intermediate towns."²⁰⁰ The basic needs approach figures prominently in the justifications given for providing aid to the drinking water sector. Humanitarian and economic factors play a role in which, "...the 'economic' justification stresses the consequences of water-borne diseases for human productivity. If they [the villagers] have insufficient energy, virtually all people's attention is devoted to basic survival. Productive labour for economic development can scarcely get going in precisely those countries where human labour is by far the most important factor of production."²⁰¹ This emphasis on the basic human needs approach and reaching the poorest population groups results in the policy precondition of the Netherlands to only provide assistance to schemes in which there are a majority of problem villages, as identified by the Indian authorities. Problem villages are defined as,

- a. those not having an assured source of drinking water within a reasonable distance (1.6 km) or within a depth of 15 metres;
- b. those which suffer from an excess of salinity, iron, fluoride or other toxic elements hazardous to health;
- c. those where the source of water is liable to risk of cholera, guineaworm infection, etc.²⁰²

The policy emphasis on problem villages and the poorest population groups seems to be translated into practise in the choice of Dutch projects. For example, regarding the former, AP AWS I was intended to provide a safe and adequate drinking water supply to 171 villages where the water was severely fluoride contaminated. In the six involved districts the fluoride level was an excessive 1,5 to 20 ppm (parts per million). Yet the actual selection of the villages was not always optimal since on the one hand villages not suffering from excessive fluoride concentrations were included, whereas on the other hand, several villages or parts of villages with unacceptably high fluoride concentrations were not included. This occurred because new additional data became available but also because a clearer worst-first policy should have been implemented.²⁰³ As a result of these shortcomings the AP AWS I was extended by 30 villages (the Darsi extension).²⁰⁴ Policy guidelines were also followed when a proposed scheme in Nedak district was held off because



only sixty-five of the one hundred and thirty-seven villages in the proposed scheme could be considered problem villages.²⁸⁶ In the Kerala water schemes all the villages in which Dutch assistance is provided belonged to the category of problem villages.²⁸⁶

Regarding the policy emphasis on the poorer population groups in this sector, one can suggest that the policy is in fact also implemented to the best of the Dutch government's capability. For example, in the initial 171 villages of AP RWS I the average income of the villagers was Rs. 100 to 150 which fitted in with the Dutch policy to reach the poorest groups in the poverty eradication track.²⁸⁷ Moreover, when a review mission to AP RWS I discovered that to save time the implementing agency had only provided one public standpost in certain villages, to be supplemented later when all the villages were provided with at least one standpost, it was later discovered that certain villages would only be given a single source which quite often was not located in the 'weaker' neighbourhoods. Problems with this situation were expressed and agreement was reached with the P.R.E.D. to provide at least one more additional source where the 'weaker' sections were living.²⁸⁸ In Kerala, the per capita income (Rs. 1,141) is below the national average (Rs. 1,316). The unemployment rate appears to be among the highest in India.²⁸⁹ In the first rural drinking water supply programmes in Kerala (KE RWS I), 70 per cent of the population in the Vakkom-Anjengo area finds itself below the poverty line of 2,200 to 2,400 calories per capita per day. The population in the Nattika Firka scheme is slightly wealthier yet still 60 per cent of the people live below the poverty line. In KE RWS II, the scheme in Thrikkunapuzha attempts to assist one of the poorest villages in India.²⁹⁰

The Netherlands is willing to finance 85% of the project costs of its assisted rural drinking water programmes. Initially it paid for 100% of the total costs on the assumption that local taxes were an insignificant amount. When these proved to be considerably higher than originally thought, the assistance was reduced to total costs minus local taxes which corresponds to general Dutch development co-operation guidelines.²⁹¹



VI.2.3 Volume of Aid and the Loan versus Grant Component

From recent financial statements, the volume and terms of the aid committed to the drinking water sector in Andhra Pradesh and Kerala since the beginning of the programmes can be ascertained. Looking first at Andhra Pradesh one notes a total commitment of Dfl. 88,426,000. Of this amount Dfl. 23,101,000 (26.1% of the total) has been disbursed as a loan on soft terms. This amount is entirely due to the high loan component within the first Andhra Pradesh rural water supply project (Andhra Pradesh RWS I). In Kerala, the total commitment is Dfl. 116,480,000 of which Dfl. 5,500,000 (4.72% of the total) has been provided as a soft loan. Once again this loan element is due to only one project; in this case, the loan element of the Kerala Watersupply II - Kundara project.²⁹² The high loan component in Andhra Pradesh RWS I, does not, however, correspond to past argumentation used by the government of the Netherlands. In 1979 the Dutch in fact decided to convert the loan element of Andhra Pradesh RWS I (Dfl. 10 million grant/Dfl. 19 million loan) into a grant resulting in a Dfl. 29 million grant commitment. The Dutch government reasoned that this was a social project whereby it was clear that the commercially expected repayments would not be brought up by the poor rural population.²⁹³ One year later policy had again changed and loan elements were reintroduced in Andhra Pradesh RWS I. Yet, before one draws any negative conclusions about the absence of an all-grant policy on the part of the Dutch government, as well as a seemingly inconsistent modus operandi, it is crucial to realise that the reintroduced loan element was insisted upon by the Indian authorities, *since it was a way of*

ensuring that the disbursement of grant allocations did not lag behind those of the loan allocations. By requesting a lowering of the grant percentage to 50 per cent in the drinking water sector, the remaining 50 per cent could be reserved for the import of goods. The Dutch government agreed to this alteration for two reasons. Firstly, and primarily, the Dutch authorities were not previously aware of the precise financial arrangements by which the funds were provided to the different states by the government of India. The Dutch government had naturally assumed that it was



of significance whether loans or grants were committed to the projects. This assumption proved incorrect. The Indian authorities pointed out to Dutch representatives that for the regional states and the projects it made no difference whether a grant or loan had been committed. The central government added up both the loan and grant contributions of all the donors forming an average financial figure at which the states were loaned finances for donor approved projects.²⁹⁴

A second reason for Dutch approval of this change was that the 50 per cent 'left-over' grant could be used for import support without global tendering (as it was a grant). *Possibly as a result* of this new development, in 1980, Dfl. 3 million could be committed for five new drilling rigs and Dfl. 15 million could be committed for research motor launches.²⁹⁵ Both India and the Netherlands appeared to be pleased with this arrangement as India received a quicker disbursement flow and the Netherlands avoided global tendering which, according to some observers, the overpriced Dutch industry required.²⁹⁶

Dutch and Indian agreement on an increased loan component in the drinking water sector was, however, shortlived. The emphasis returned to grant commitments which was more in line with the Dutch policy of not providing loans to programmes in the structural poverty eradication track.²⁹⁷

Concluding, one can safely say that assistance to the drinking water sector is not one of the major contributors to the somewhat surprising statistic that India momentarily annually repays about Dfl. 100 million (50 per cent of the cash ceiling) to the Netherlands in interest and capital repayments on past loans.²⁹⁸

VI.2.4 Programme Support

It was noted previously that programme support may be considered more progressive than project support (see p. 12). Although Dutch aid to the drinking water sector officially falls under project and not programme aid, one could suggest that the character of the Dutch drinking water projects, in reality, has more in common with the characteristics associated with programme aid.²⁹⁹ This is because of the flexibility involved in the Dutch



aid. The projects run over several years with suggested but no fixed deadlines. The total costs are also not predetermined. The feasibility studies centre on the drinking water sector and the executing agency in a certain region instead of concentrating on a specific fixed local location.

VI.2.5 Multi-year Financing

Previously, it was also stated that assistance in the form of multi-year financing is more beneficial to recipient countries than assistance in the form of annual allocations (see p. 12). The Netherlands plays a progressive role in that it provides assistance to the drinking water sector in India on the basis of multi-year reservations and commitments.³⁰⁰ A four year future disbursement schedule was introduced in 1985.³⁰¹ This provides security to the Indian authorities responsible for the provision of drinking water facilities. Consequently, the Indian *authorities were satisfied* with the introduction of this new financing system.³⁰²

VI.2.6 Official Binding and Local Cost Financing

No official binding of the Dutch assistance in the drinking water sector to purchases in the Netherlands exists. On the contrary, it was claimed that the assistance to this sector is 100 per cent local cost financing.³⁰³ Local cost financing implies that the assistance provided is spent on salaries, wages, construction materials, project support, etc., in the recipient country itself. Although the Dutch assistance to the drinking water sector is almost entirely spent within India, the figure of 100 per cent needs some adjustment. Specifically, the fees for various visits by consultancy bureaux, including the review and support missions, are paid to institutions in the Netherlands.³⁰⁴ Also of interest is that the programme in Andhra Pradesh partly uses PVC pipes manufactured by an Indian company within which a Dutch company owns shares (at the most 49 per cent). Yet on the whole the programme uses cement-asbestos-, clay- and PVC pipes produced by a fully owned Indian company.³⁰⁵ Thus, WAVIN, one of Shell's subsidiaries in India mentioned in the research problem,



does not seem to benefit to any great degree from the assistance and does not appear to receive any favourable treatment.

Other sectors in which local cost financing in India is practised are small-scale irrigation, the national agricultural credit programme and improved housing for rural craftworkers. Projects and programmes which involve local cost financing are found exclusively in those projects and programmes which directly eradicate poverty.³⁰⁶

It is stated that the terms of financing are valued, and characterised as being liberal and flexible, in the eyes of the Indian authorities. D.G.I.S. states that this is not too surprising because roughly one half of the total annual allocation is given to India as free to be spent valuta. About one half of both the programme- and project help is set aside for local cost financing or balance of payments support. This leaves about Dfl. 100 million which is not freely spendable (i.e. some funds for import support and project tied goods and services).³⁰⁷

Programmes and projects with local cost financing do not have any immediate benefits for Dutch exports or employment levels. Not surprisingly, a resulting tension often reveals itself between the Ministry of Economic Affairs and the Ministry for Development Co-operation. A gentleman's agreement was made between the two ministries which allowed a local cost financing element of 30 per cent of the annual India allocation. Occasionally, arguments arise in which statistics are disputed and in which the Ministry of Economic Affairs protests against any proposed increase in the local cost financing element by D.G.I.S.. For example, in 1982 the Ministry of Economic Affairs claimed that an unacceptable 70 per cent of the India allocation was planned to be spent on local cost financing. They argued that the choice between tied and untied aid was to be decided by both ministries and that the planned allocation discussions could not be held unless a satisfactory agreement on this issue could first be found.³⁰⁸ The Ministry for Development Co-operation noted that the 70 per cent spent on local cost financing, according to the Ministry of Economic Affairs, only referred to the grant allocation. They did not mention the loan allocation (total Dfl. 149 million) which only had a local cost financing element of Dfl. 30 million. As the total allocation (loan and grant) was



planned at Dfl. 223 million, the allowed local cost financing element was Dfl. 67 million (30 per cent of the total).³⁰⁹ Yet, D.G.I.S. in that year, wished to commit Dfl. 97 million to local cost financing projects. To comply with the gentlemen's agreement and to placate the Ministry of Economic Affairs, D.G.I.S. decided to delay the commitment of Dfl. 35 million for increased assistance to water projects in Andra Pradesh. This proved not a serious setback as the preparation and appraisal of the projects would take at least another year.³¹⁰ Disagreement between the two ministries reappeared two years later when D.G.I.S. wished to increase the local cost financing element to 35 to 40 per cent of the cash ceiling. They argued that this corresponded well with the poverty eradication track. Moreover, possibilities for quick allocations were relatively limited.³¹¹ The Ministry of Economic Affairs had difficulty with the proposed increase in local cost financing leading to the compromise that in 1984 at least 30 per cent of the allocation could be spent for local cost financing in the poverty eradication track but that any increase of this amount would require prior discussion with the Ministry of Economic Affairs.³¹²

D.G.I.S. finds itself in a difficult position which it also recognises. Regarding the 50 per cent of the annual allocation which is now given as more or less free valuta to the Indian government, D.G.I.S. noted that in terms of balance of payments and the creation of rural employment, the policy is quite defensible. Yet the problem is whether this policy is (remains) acceptable in the Netherlands.³¹³

VI.2.7 The Elements of Sustainability

In this paragraph I will examine Dutch policy regarding various aspects which affect sustainability in the drinking water sector. Not only policy will be examined, its actual implementation in the different projects in Andra Pradesh and Kerala will also be studied. The projects in these two states are divided into 'first and second generation' projects. Second generation projects were started in 1987 in which the integrated approach started at the identification phase. In the older projects, the new software issues have had to be grafted onto the



already existing programmes.³¹⁴

VI.2.7.1 The Use of Appropriate Technology

In paragraph VI.1.1 it was noted that some observers (including the Intermediate Technology Development Group) believed that rainwater catchment was the least expensive source for drinking water. The I.R.C. disagrees stating that handpump schemes are the cheapest option although perhaps not always the most convenient. This is especially true in sprawl out villages where the distance to a handpump can be considerable. In such a situation, rainwater catchment tanks next to the dwelling may be a better option. Although the Indian Technology Mission is now examining the possibilities of rainwater harvesting, clear problems with such a choice do remain. These include the higher cost, the erratic supply and the fact that the quantity of water collected is much less than with other schemes. Therefore, at the moment, the Indian government has a stated first preference for groundwater schemes followed by surfacewater schemes in its rural drinking water programmes.³¹⁵ Groundwater was to be preferred to surfacewater because groundwater facilities were less expensive to construct and maintain. The greater complexity of surfacewater schemes also seems to increase the difficulties in achieving community participation in the surfacewater schemes.

In the Dutch assisted programmes rainwater catchment is thus not at the moment seen as a serious option although perhaps more attention will be paid to this alternative in the future. Regarding a choice between surfacewater and groundwater schemes it does, at first glance, appear very inappropriate that almost all of the Dutch assisted programmes in Andhra Pradesh and Kerala belong to the former category. In AP AWS I most of the villages receive their drinking water from surfacewater that is drawn from an irrigation canal. The raw water is pumped into a summer storage tank. This tank is necessary because the irrigation canal dries up a few months per year. From this summer storage tank the water is led to a slow sand filter and disinfected, whereupon it is led by gravity fed transmission mains to the villages. In three places motorised pumping was found necessary. Once the water has reached the villages it is pumped into overhead service



reservoirs in the villages involved in the comprehensive protected water schemes (CPWS). From these overhead service reservoirs the water is led via distribution lines to public standposts and private household connections.³¹⁶ In AP RWS II similar schemes were proposed in which canals and rivers were suggested as drinking water sources. In the Medak scheme, however, the slow sand filtration process (which is much cheaper, and easier to operate and maintain) could not be applied because of the high turbidity of the water. Instead a complicated process involving aeration, coagulation, flocculation, settling, rapid sand filtration and disinfection had to be undertaken.³¹⁷ The third group of schemes in Andhra Pradesh involving 755 villages is also based on a piped water supply.³¹⁸ In all of the motorised schemes in Andhra Pradesh I, II and III, concern about breakdowns in the energy supply was apparent in the early 1980's. Recently, new sources of electricity have been exploited so problems with power shortages in Andhra Pradesh seem to have diminished.³¹⁹

In KE RWS I, the Vakkom-Anjengo scheme utilised the Attingal River because the groundwater was not sufficient in yield and in quality. In the Nattika Firka component of KE RWS I the alternative source, to the brackish well water people were previously using, was also a river source. In KE RWS II a small scheme in Thrikkunapuzha was to be based on a new tubewell system.³²⁰ The other projects in KE RWS II and the Pavaratti scheme (KE RWS III) are all based on the use of sourcewater.³²¹ Groundwater is rarely used because of its excessive depth and salinity. Moreover, limited data was often available on groundwater sources. This latter problem has been solved with the strengthening of a Hydrogeological Unit in Kerala which was provided with Dfl. 173,000 in 1984.³²²

Thus, although a first negative impression regarding the choice of surfacewater as a drinking water source in the great majority of the rural water supply schemes in Kerala and Andhra Pradesh can be understood, upon closer inspection one must conclude that this was the most appropriate technology. Conscious, well-founded choices were made.³²³ The belief in the advantages of groundwater as a source is shared by the Dutch government and where it is feasible, it is recommended to make use of it, because of its better water quality and its greater



ease for operations and maintenance.³²⁴ Unfortunately, the physical geography in both Andhra Pradesh and Kerala greatly limits the possibility of using groundwater. Dutch attention for appropriate technology is not restricted to the most appropriate drinking water source. Within the surfacewater schemes this is apparent in their support for gravity fed systems and slow sand filtration wherever this is technically possible.

VI.2.7.2 Community Participation

The Dutch government follows or participates in the international trend to encourage more community participation in rural drinking water projects. Dutch policy states that in the planning stage a preliminary study should take place involving discussions with the users on the technical options, the extent and nature of the participation, and the location of the facilities.³²⁵ Community participation is also advocated in the operations and maintenance of the schemes. The type of community participation favoured by the Dutch government thus seems to be the second example of the fourth type as classified by the I.R.C. (see pp. 64-65). Although a range of technologies may not be offered, different service levels are possible (i.e. public standposts, yard- and private household connections). These service levels should be decided upon on the basis of discussions with the users and technical feasibility.

Attention towards community participation is a relatively new phenomenon in the Dutch assisted schemes reflecting also reservations by the Indian counterpart organisation. Thus, in response to a parliamentary question as to why the community was minimally involved in planning, execution and maintenance in AP RWS I, the government answered that the project was reviewed in 1981 before more attention was placed on community participation. This lack of action in community participation was explained as a result of the Indian authorities' belief that water provision was a government task which had to be delivered by government officials and technicians.³²⁶ It has been/still is a difficult struggle to convince the different Indian authorities that community participation is attainable and desirable. Difficulties were first overcome at Indian federal level before state level. A



positive development is the presentation of a new policy document written by the federal government in 1986 which stresses the importance of community participation.³²⁷

The Dutch government regards community participation as one of the central means to improve the chances of sustainability of projects in the drinking water sector. Community participation is, however, hampered by both the pure consumptive role of the past activities and the poor economic conditions/low educational level of the users. The users are more concerned with survival than putting energy, time and resources into the construction and maintenance of water supplies. On the other hand, an extreme need for drinking water acts as a compensating factor in the chances for community mobilisation. To achieve community mobilisation it was thought wise to attach income-generating activities to the water projects in an integrated programme.³²⁸ This will be discussed below in paragraph VI.2.7.3. Another difficulty in integrating community participation into the projects is often to find suitable and capable NGO's which could support the process.³²⁹

In the first generation drinking water projects, no funding had been included for software activities yet favourable consideration was to be given to financing additional projects which involved community participation and hygiene education.³³⁰ Later, with the second generation projects funding was immediately included for software aspects.

In Andhra Pradesh community participation has involved the siting of public standposts. Site location is theoretically to be decided upon in consultation with all sections of the population and complemented by an independent assessment by a P.A.E.D. engineer.³³¹ Yet, as previously mentioned (see p. 81), the provision of public standposts to the poorest population groups often left something to be desired. The Dutch government recently requested the P.A.E.D. to introduce more flexibility in its designs so that distribution lines and water collection points could be sited with the assistance of future users. This suggestion was well-received by the engineers.³³²

On the question as to how community participation arises, it appears to take place after an external stimulus instead of an internal village-based movement. This does not in itself need to



be negative if the attitude of the external stimulus is appropriate. Unfortunately, the attitude has too often been one of working for instead of with the community.³³³ NGO's are often mentioned as organisations specialised in working with the community. Yet, the problems in identifying suitable and capable NGO's for software aspects is well-documented in the case of Andhra Pradesh. In this state a complete preparation, training and motivation campaign had been set up to introduce various software aspects. The Andhra Pradesh Voluntary Health Association (APVHA) had been entrusted with this project in 1986.³³⁴ One year later, it was reported that the APVHA had severe internal organisational problems and because of these difficulties the realisation of hygiene education and community participation had been severely affected.³³⁵ A new organisation had to be located to undertake these tasks.

Thus, the Catholic Health Association in Andhra Pradesh (CHAAP) was approached to be responsible for health education and community participation activities in four of the eight districts in Andhra Pradesh where Dutch assisted projects are operating.³³⁶ In the proposed system cluster organisers, who would receive an initial training of one month, would each supervise ten village animators who would receive no salary. These animators would work with likewise unpaid village volunteers to institute software aspects. The CHAAP would be responsible for all training of the cluster organisers, the village animators and the volunteers. It would also fulfil a monitoring function. The local population is to participate in a fundamental manner as CHAAP's premise is that any intervention can only be undertaken when the villagers themselves are involved in a process of increasing awareness and mobilisation.³³⁷ Various strategies are adopted including: folk media aimed at the entire village; motivation camps aimed at specific groups (i.e. women, youth, potential village leaders); informal discussions; health education classes; and leadership training.³³⁸

Crucial in the new integrated approach is the formation of village action committees which will consist of representatives of neighbourhood groups about water taps. Representatives from government bodies may perhaps also be invited to join these water committees.³³⁹ In the past, not enough emphasis seems to have



been placed on who participates. If site location is decided upon by all members of the community, greater notice must be paid to caste, sex and income power differences within the community. According to cluster organisers both higher and lower class people should be organised in this committee. I would praise this idea yet attention should be given to who exercises power within this committee. Care has to be taken that the interests of the poorest population groups are not swept away by the stronger interest groups. CHAAP does seem to be fulfilling a positive role in this regard as it does agitate for the rights of scheduled castes taking action against illegal tapping which was negatively affecting the water supply for the poorest villagers.³⁴⁰

In Kerala, the K.W.A. consults the panchayats about site location of water collection points. The K.W.A. is dependent on their impartiality which may be disputed because of class interests and pandering to voter's interests. Another problem is the 'natural' choice to lead the distribution mains along the main roads, which also happens to be where the wealthier residents live. The poor are also quite difficult to locate in Kerala as there are no ghettos as such. All of these problems led to the suggestion to set up a team of four or five people to assist the P.H.E.D. in preparing socio-economic profiles of the villages and to organise a stronger consultative base with the people.³⁴¹ This team was in fact a forerunner to the socio-economic units which presently initiate community participation at ward level (about 450 households per ward and 10 wards per panchayat).³⁴² A key element of the activities of the socio-economic units is assistance in the creation and functioning of water ward committees. The head of this committee shall be the ward member of the panchayat who will select four volunteers for this committee of which two should be women. The water ward committee has among other tasks the responsibility to help the socio-economic units and the engineers in the final siting of the standposts.³⁴³ Non-governmental organisations in Kerala involved in community participation include the Kerala Sastra Sahitya Parishad which is a forum for spreading scientific knowledge among the people. It organises camps and classes, and publishes booklets, pamphlets and journals. The Young Stars in Trikkunapuzha is another active NGO.³⁴⁴



VI.2.7.3 The Participation of Women

The Dutch government is increasingly aware of the benefits to sustainability when women are specially mobilised to participate in the drinking water projects. The Indian authorities are similarly aware of the indispensable role which women need to play in this sector.³⁴⁵ In Dutch development co-operation women's development is implemented by either supporting specific women's programmes or integrating women's interests into general programmes. In the case of the drinking water sector, the latter approach has more or less been followed.³⁴⁶ A policy paper on Women, Water and Sanitation has recently been formulated in which this integration is worked out.

In this policy document, mention is first made of the improvement in the quality of life of women which an improved drinking water supply is expected to provide. Water collection is a time-consuming and arduous process increasing the health risk to women, the main collectors, and decreasing the available time for income generating activities or community work. Women should be mobilised in the drinking water sector because they are the primary actors,

As domestic managers, women...decide which water sources they will use and for what purposes in what season, how much water they will collect, how they will store and use it and how and where they will dispose of the various types of waste water...As educators, moreover, they direct children's water collection and use, and guide them on sanitation, waste disposal and hygiene.³⁴⁷

Women have local expertise as to: the location, availability and reliability of water sources; the preferred uses of water and waste; and the social acceptability of water sources and sanitary practices. Women also have knowledge in locating suitable training candidates for local maintenance and management. These candidates for the maintenance of new facilities should be, more often than in the past, women members of the community. The Dutch government notes, "Technical maintenance of traditional facilities has always been in the hands of women. It seems cost-effective to continue this arrangement with new facilities requiring new techniques, provided that a supportive organisational framework



is set up, that proper training is given and that a satisfactory balance between benefits and workload is achieved." User's management is another area in which the traditional role of women in the traditional water sources is often unhappily taken away from them once new formal positions are created for new schemes. This should not be allowed to occur. Women may also be instrumental in knowledge transfer. The policy paper writes, "Women are familiar with the traditional learning systems that are particularly relevant for effective health education and project communication as a whole." Whether the new facilities will actually be utilised and whether the children will be taught about the proper use of the new supplies is, to a great extent, a women's decision. Another area in which women can perform a major role forms low cost construction providing voluntary labour and services as well as increasing community contributions.³⁴⁸

Although the policy document is quite clear in its analysis and its recommendations regarding women in the drinking water sector, problems have been encountered in the operationalisation of the guidelines in the actual Dutch assisted projects. A need is felt to share experiences, orientations and strategies in order to draw conclusions for future policy.³⁴⁹ In Andhra Pradesh, although women are considered important in site selection, no quota or guideline appears to exist specifying the number of women on the village action committees. Women seem to be integrated into the drinking water projects by means of a complementary income generating activity, dairying within the Andhra Pradesh Dairy Development Co-operation Federation Limited. A few years ago the federation had noticed that although women were the primary producers, men were enrolled as primary members. It was therefore noted that despite women's predominant role in dairying (calf-rearing, maintenance of a pregnant heifer, and caring for a milch animal), the traditional patterns were followed when co-operative societies were formed with the men enrolled as the primary members.³⁵⁰ The federation wished to correct this imbalance but required outside support. The Dutch government now assists the federation in setting up some operations in Prakasam District. By doing so the chances for increased community participation in the drinking water projects are increased. This is because the associated increased economic



development is meant to strengthen the position of women so that they are more capable of effective decision-making powers. Moreover, a part of the income generated can be reserved by the women for the payment of operations and maintenance.

The supported programme is comprised of three elements. First, the aim is to incorporate women as members of the federation. A target of eighty dairy co-operatives in eighty villages with fifty women per village has been set. For this goal women extension supervisors will be trained to encourage women to join and establish women dairy co-operatives. In 1985 all-women dairy co-operatives seemed to be required for at least another five years before poor women could acquire the self-confidence to speak up and participate in mixed dairy co-operatives.³⁵¹ Second, the objective is to create an asset for those women who do not already own land or cattle by supporting the women with a subsidy and a loan to purchase a milch cow.³⁵² Ten women per dairy co-operative per year should be assisted in this way. Third, a fodder development programme for the cattle has been introduced.³⁵³ Problems in the execution of this programme have included resistance by male villagers to women's organisations and the initial difficulty in reaching women from the scheduled castes and tribes (which forms the target group).³⁵⁴

Other NGO's which are suitable for women's participation are difficult to find in Andhra Pradesh. For example, the Mahila Mandal in a scheme in Nalgonda is labelled as elitist. It is an organisation which is dominated by certain social strata. The activities of the centre are based on obtaining economic benefits for the already better off.³⁵⁵

A similar difficulty in finding appropriate NGO's for women's participation has occurred in Kerala. In this state, no income generating activities for women have been set up. Women's participation runs parallel to community participation with two women being required to belong to the ward water committee.³⁵⁶ One NGO specifically geared to women's participation has, however, been identified in Kerala. This is the Mahila Samajam which runs various activities including day care and feeding centres.³⁵⁷ In Kerala, women's roles are to be extended beyond the roles which are traditionally assigned to them (i.e. health educator and cleaner of public taps) by using special



regulations, and applied research and training.³⁵⁰

VI.2.7.4 Sanitation and Environmental Sanitation

The international trend to place greater emphasis on sanitation and environmental sanitation in drinking water projects is shared by the Dutch government. Sanitary facilities, drainage and solid-waste disposal have received less priority than the drinking water projects themselves creating a harmful imbalance.³⁵⁰ Developments in the sanitation and environmental sanitation sectors may be shown by examining the programmes in Andhra Pradesh and Kerala.

In AP RWS I, sanitary aspects were rarely considered at the preparatory stage and were not integrated into the drinking water projects.³⁵⁰ A scathing report stated that sanitation was utterly neglected and that the situation was worse where no separate bathing and washing places were available.³⁵¹

Sanitation was becoming an increasingly greater problem as privacy was becoming increasingly elusive due to less land being available to go to the fields. The construction of community, institutional and household latrines was becoming an urgent necessity. Thus, sanitation became one of the complementary activities in AP RWS II. Community latrines were to be built for the public at market places, railway stations, bus stops, etc. They would be run commercially for a small fee so that they could be properly maintained. Institutional latrines were to be built in schools so as to teach the children when they were young. It was also assumed that the teachers would be available to organise and supervise proper daily maintenance of the school sanitation blocks when properly constructed with a water connection. Individual households would also be provided with latrines. They would be provided at free cost to women wishing to join a dairy co-operative yet the superstructure above the latrine would be the responsibility of the recipient.³⁵²

Unfortunately the pilot project implemented by a NGO, Sulabh International, did not fare well. For example, regarding the school latrines, no provision of water supply was made to the twenty-two constructed sanitation blocks. The thirty year maintenance clause between the P.A.E.D. and Sulabh International



was also not signed. Finally, the assumption that the teachers were motivated to carry out this programme was false.³⁶³ Problems also arose in the distribution of the 650 planned household latrines, in which the initial 280 latrines were allocated to members of forward castes instead of to members of scheduled castes and scheduled tribes.³⁶⁴ Negative experiences with Sulabh International led to a few institutional recommendations in which the NGO would be replaced by the P.A.E.D. (technical, administrative and financial aspects), the Department of Health (organisation, co-ordination, training and promotion), and local masons (construction).³⁶⁵ Later, the NAPSU and CHAAP were also asked to participate in new sanitation programmes.³⁶⁶ Another recommendation was that in any new sanitation activities, latrine construction would only be undertaken in villages in which at least 30 to 40 per cent of the households could be mobilised to provide support, including a real contribution.³⁶⁷ Regarding school latrines, co-operation and interest from the Departments of Health and Education is now a prerequisite before construction may begin.³⁶⁸

Concerning environmental sanitation in Andhra Pradesh, it was observed as late as 1987 that public standposts had no provision for soakaways and that no drainage infrastructure existed for waste water.³⁶⁹ New environmental sanitation projects thus had to include soakaways, vegetable gardens and communal drainage facilities.³⁷⁰ These projects remain difficult to execute and are still provided with less priority. It is noted that sanitation (including environmental sanitation) seems to be restricted to the construction of latrines for schools and households. The sanitation component takes up between 59 and 70% of the total 'software' budget, and 75% of the sanitation budget is reserved for latrines at household level.³⁷¹

In Kerala, the socio-economic units have as one of their tasks the introduction of low-cost pour-flush latrines to the poorest members of the villages. The expected contribution of the villagers is as follows: Extremely poor households and households of scheduled castes/tribes should contribute 25% of the latrine construction costs, while other households with an income below the poverty line should contribute one half of the costs.³⁷² The socio-economic units have also been given the responsibility to



implement programmes for environmental sanitation. As the K.W.A. is not responsible for sanitation (the Department of Rural Development has formed a sanitation cell) these socio-economic units will have to co-ordinate their activities with this government department. A role has also been planned for the ward water committees who should ensure that all standposts are well-maintained and that the environment is kept neat and dry.³⁷³ The same difficulties which afflict the programmes in Andhra Pradesh are present in Kerala, namely, the overemphasis on physical targets and latrine building, and the lack of progress on environmental sanitation.³⁷⁴ An alternative is suggested in which sanitation projects are individually tailored to the felt needs and payment capacities of different villagers in different villages. Linking sanitation projects with income generating projects is also suggested.³⁷⁵

VI.2.7.5 Hygiene Education

Hygiene education is another aspect which the Dutch government increasingly wishes to emphasise so that the improved drinking water and sanitation facilities are effectively used.³⁷⁶ The Dutch government appears to be withdrawing from a didactic approach and instead seems to be favouring the social marketing and participatory approaches, of which the latter, the I.R.C. especially promotes (see pp. 66-67). A policy document explains,

Experience shows that the mere provision of general and theoretical health information to passive audiences rarely induces people to change local risky practices and conditions. Consequently: Health education had better focus on (1) the marketing approach and (2) the participatory approach. This means that (1) the needs and capacities of each target group are first investigated, with particular attention to women's interests, problems and practical possibilities, upon which the outline of a suitably adopted programme is evolved. It means (2) that target groups are assisted in the joint identification of problems and in joint decisions on solutions. Only then will certain improvements become acceptable and only then will the health message be effectively understood.³⁷⁷

Difficulties do, however, exist in operationalising this policy (both the didactic and the newer versions) as a historical



examination of hygiene education in Andhra Pradesh and Kerala will reveal.

For example, in AP RWS I, it was remarked that although hygiene education was an important part of Indian government policy, in practice, according to some observers, it was virtually non-existent.³⁷⁸ To overcome this deficiency a complementary hygiene education programme was proposed in which the APVHA would assist the Department of Health which has the basic responsibility for health issues. This programme was to be conducted in 427 villages in all eight districts in both AP RWS I & II, and would raise awareness on the prevention of fluorosis and other water-borne diseases. Village health guides would be trained which was based on an existing government village health guide scheme.³⁷⁹ These village health guides would be volunteer workers yet would receive an honorarium of Rs. 50 per month and some scheduled medicines.³⁸⁰ Sufficient health and sanitation education materials seemed to have been developed by the various departments and agencies in Andhra Pradesh yet the materials were insufficiently used because of a lack of co-ordination among the involved organisations.³⁸¹ The planned programme faced another major setback when the chosen NGO, the APVHA, was temporarily paralysed due to the already mentioned internal organisational problems. The CHAAP was thus requested to take over responsibility of the hygiene education component in the programmes as a part of the community participation component.³⁸²

The necessity to shift to a more participatory approach in Andhra Pradesh was by the mid-1980's quite apparent. Too much emphasis had been placed on hardware aspects (the production of latrines, education materials and training courses) when in fact the final objectives involve behavioural changes. An alternative was proposed in which preferably the villagers themselves would be actively involved in the identification of risky conditions and habits in their villages and households, and in planning, implementation and evaluation of local action programmes to decrease and eliminate these risks.³⁸³

In Kerala, the socio-economic units have only recently begun to integrate hygiene education into the drinking water projects. About five per cent of the total costs of the programmes should be reserved for hygiene education.³⁸⁴ The



socio-economic units were to motivate people to construct latrines and to become involved in environmental sanitation. Audio-visual materials were also to be developed.³⁰⁵ A promotional social marketing approach was used involving the selective use of mass media, yet emphasis recently has been placed on a more participatory approach.³⁰⁶ At the moment, in some cases, the ward water committees are involved in hygiene education activities.³⁰⁷ On the whole, however, the organisations to be used for hygiene education are not so well-defined as in Andhra Pradesh.

VI.2.7.6 Cost Recovery

It was mentioned in VI.1.6 that an appropriate technology and community participation play a crucial role in cost recovery. In VI.2.7.1 it was pointed out that although piped distribution schemes were the most expensive, this choice remained a well-founded one in the specific Dutch assisted projects. Given the restriction in technology choice, community participation in cost recovery thus centres on the choice of service levels (public standpost, yard- and householdconnections), the collection system, and operations and maintenance. This latter aspect will be handled in VI.2.7.7. I will now proceed to more fully describe the development of Dutch policy in this field.

In Dutch policy cost recovery is considered as the sum of the costs for capital costs (depreciation and interest), operational costs and maintenance costs. Dutch financing assists in the capital costs of drinking water projects but costs for operations and maintenance are expected to be borne by the users, the drinking water authorities and the national states. Problems in cost recovery occur with capital costs because the national states often can not pay back the loans to the federal Indian government on the calculated interest rate with which it is loaned (see p. 83). The solution to this problem may be to extend the repayment period. The other problem in cost recovery is that the recovered costs to no extent cover the actual costs of operations and maintenance with an average cost recovery of only 30 per cent for India as a whole.³⁰⁸ Several observers believe that the tariffs are too low and the collection is minimal or



non-existent. According to some observers, this is attributed to the water should be free ideology and the politicisation of water questions.³⁸⁹ On the other hand,

Experience has shown that the users of improved facilities are willing and able to contribute towards the costs of construction, utilisation and maintenance, particularly if the facilities are satisfactory, and if the charges are set at a reasonable, i.e. income-related level. For the lowest income categories, the guideline is sometimes used that the total costs of utilisation and maintenance should not exceed 3% to 5% of household income. It may also be possible for users to contribute in kind, for example by supplying unskilled labour or locally available building materials.³⁹⁰

When a preliminary study should reveal that the costs of operations and maintenance are greater than 3 to 5% of the household budget, the project should not be carried out.³⁹¹

An interesting development in Dutch policy has been the shift from an earlier rejection of private household connections to a more differentiated service level. Initially, these private connections were argued against because they, by definition, were aimed at the better-off members of the community, which clashed with Dutch policy to assist the poorest villagers. Moreover, the required water meters are fairly expensive increasing the costs even further, and they are not tamper-free.³⁹² Later, the Dutch seemed to have followed international developments and recognised the possibilities for cross-subsidisation. The private household connections could help pay for the operations and maintenance of the public standposts.³⁹³ The differentiated service levels now proposed are: 1) the public standpipe which everyone may use; 2) a communal tap for residents within a certain neighbourhood; 3) a yard tap for a group of four or five households; and 4) the private household connection for which the household must also pay for the capital costs.³⁹⁴

Developments in Dutch policy formulation will now be compared to its actual implementation in Andhra Pradesh and Kerala. In Andhra Pradesh, the cost of maintenance was too high to be collected without regular collections. The option used was a special surcharge to the property tax because house connections were an exception as 80 per cent of the population depended on public taps due to their poverty.³⁹⁵ Attention to the problems of



the poorest members was shown by an initial Dutch suggestion to change this fixed surcharge percentage of the property tax to a graded rate. By using graded rates people owning property valued at below a certain identified take-off point could use the water without any additional payment. People with property valued above the take-off level would pay progressively more.³⁹⁶ This suggestion, however, does not seem to have been implemented. Owners of the private connections were obliged to pay the actual connection costs and, in several cases, a greater amount, thus introducing the concept of cross-subsidisation. Furthermore, a certain amount had to be paid per month per connected tap which frees the household from paying the special surcharge. This is to avoid double taxation.³⁹⁷ One problem recognised by the Dutch authorities with private connections is that when the amount of water is scarce it strains the quantity going to the public standposts, negatively affecting the supply available to the weaker sections. This argument along with the belief that it was futile to believe that operations and maintenance costs could be paid on the basis of revenues from private connections, resulted in some early discouragement of private household connections.³⁹⁸

Later on, the introduction of an increasing number of private household connections seemed to have been accepted as a fait accompli. In practice, it occurred that although panchayats promised not to extend private connections without prior consent by the P.R.E.D., this did not necessarily imply that newly elected panchayats felt bound by earlier resolutions.³⁹⁹ Furthermore, new studies revealed that the costs of operations and maintenance could be met by cross-subsidisation which appealed to the financially impoverished panchayats.⁴⁰⁰ A more participatory approach to cost recovery was envisioned in which the communities themselves could decide upon the service mixture that they desired and were willing to pay for.⁴⁰¹ Attention must, however, continue to be paid to the physical capacities of the scheme; a shortage of water in tail-end villages and households has also been observed because of make-shift illegal house connections and the tampering of valves. In this area, the panchayats and the NGO's need to exercise their powers and skills.⁴⁰²

The final responsibility for cost recovery in Andhra Pradesh



lies with the panchayats but where they were not able to fully do so (e.g. in case of an extremely poor population) the state government would have to pay the balance.⁴⁰³ A somewhat harder regime seems to have been installed five years later. In 1983, it was agreed that the panchayats in the comprehensive protected water supply schemes (one headworks for several villages) had to pay a statutory water tax. Any costs made in excess of this amount would be paid by the state government. Yet, when a panchayat failed to contribute the entire statutory water tax, the amount in arrears would be deducted from any state government subsidies to that panchayat. In the protected water schemes (smaller groundwater schemes) all operation and maintenance costs would be borne by the panchayat, any unexpected additional costs would also be for the account of the panchayat and no government subsidy would be given.⁴⁰⁴

In Kerala, the responsibility for operations and maintenance costs was clearly delegated to the state government. It was agreed that the maintenance and operational costs of the Project would be sought to be recovered, to the extent feasible, by the Government of Kerala and any cost not so recovered should be borne by the Government of Kerala.⁴⁰⁵ The state government in turn has delegated cost recovery to the panchayats and the K.W.A. The panchayats are supposed to collect the costs for cost recovery from the villagers for the public standposts whereas the K.W.A. is to render bills to and collect fees from the private household connections. Yet, the collection of the surcharge tax on the property tax by the panchayats did not seem to occur to the extent required. Moreover, even the planned contribution of the panchayats to the K.W.A. was an insufficient 12.5 per cent of their total revenue. Perhaps for this reason, a debate between supporters and antagonists of cross-subsidisation in Kerala does not appear to have taken place to the extent that it did in Andhra Pradesh. Already in 1982, it was proposed to rapidly expand the number of metered private connections as this was the only means to effectively maintain the systems and to provide free water to the rural poor. In KE AWS II & III it was suggested that private connections could be afforded by 40 per cent of the beneficiaries.⁴⁰⁶

A few years later, improvements in cost recovery were still



not being made. Only 20 per cent of the total operations and maintenance costs were being paid by the users in 1989.⁴⁰⁷ One reason was that the panchayats were largely ignoring their obligations to pay the K.W.A. with the actual payments received by the K.W.A. an entirely inadequate 11 per cent of the amount due to it from the panchayats. In those villages where a special surcharge on the property tax is levied, the households with private connections usually have a free water allowance implying that a few households do not pay anything for a household connection. This seems quite ineffective and a suggestion might be to replace this system by the system in Andhra Pradesh whereby the private household connections are excluded from paying the special surcharge, yet receive no free allowance. The government of Kerala was, in fact, considering abolishing the free allowance to improve cost recovery.

Regarding the household connections tariffs are set by the government of Kerala yet are less than adequate to pay for operations and maintenance according to a World Bank estimate.⁴⁰⁸ Water provided via the public standposts is paid by a surcharge tax on the property tax. Furthermore, tariff increases were proposed. These tariff increases would result in minimum charges of Rs. 10 per month for household connections. The percentage of a worker's income spent on water would thus be 2.1% of an official government worker's salary and 1.3% of an unskilled manual labourer's salary. This remains well within Dutch policy guidelines that a maximum of 3 to 5% of a household's income should be reserved for water. Cost recovery in Kerala is not only hampered by too low tariffs and an unwillingness/inability of the panchayats to pay the dues owed to the K.W.A. Another difficulty is the poor quality of the water meters with 50 per cent not functioning properly. A water meter repair workshop has been set up to overcome this problem. A final difficulty is that many of the bills are not even rendered by the K.W.A.⁴⁰⁹ A pilot study to introduce automated water billing is seen as a possible solution to this problem.⁴¹⁰



VI.2.7.7 Operations and Maintenance

Dutch development policy in this field once again appears to follow or participate in international trends as a shift in emphasis from a purely technical and organisational approach is gradually being replaced by a more systematic approach. Technically, it has already been shown that an appropriate technology for the conditions encountered is strived for. Organisationally, the Dutch government recognises that although drinking water and sanitation authorities usually have the official responsibility for operations and maintenance, they are often incapable of adequately conducting their tasks because of a shortage of trained personnel, poor management, insufficient materials, and perhaps most importantly, severe budgetary problems. For this reason, a call for decentralisation of operations and maintenance to the users is advocated. This increases community participation in the schemes as well as improving the affordability for the users.⁴¹¹ Of course, the extent to which operations and maintenance can be decentralised is limited by the complexity of the schemes. Thus, as most of the Dutch schemes involve complex piped water distributions, the decentralised tasks may be limited to preventive maintenance leaving larger repairs and maintenance, as well as the training of the caretakers, to the supralocal drinking water authorities.⁴¹² Women are specifically targeted as future caretakers and should receive sufficient training and compensation.⁴¹³

By examining the specific projects in Andhra Pradesh and Kerala, one does, however, discover that the above policy standpoints have not yet been put into practice. In Andhra Pradesh, where the P.R.E.D. is responsible for the execution of the schemes, the local panchayats were initially delegated the responsibility for operations and maintenance of the protected water schemes. The operation and maintenance of the larger comprehensive protected water schemes would remain in the hands of the P.R.E.D.⁴¹⁴ The delegation of operations and maintenance to the panchayats was, however, not always successful with broken and/or neglected taps, leaks, etc. Another major problem which the local panchayats faced with operations and maintenance was



the high cost of electricity for the schemes resulting in situations where the panchayats could not pay the bills for a number of months, eventually leading to the cutting off of power to several schemes. To alleviate this problem, the state government decided to reduce the power charges.⁴¹⁵ The number of supply hours was also much less than originally foreseen. It was suggested that not much could be done to improve the situation in the short-term because the panchayats themselves were paying for operations and maintenance costs. Community involvement and education campaigns could perform a useful role but it would take some time before they would produce results.⁴¹⁶ Thus, to overcome the operations and maintenance problems in the short-term, operations and maintenance was centralised, and the responsibility for operations and maintenance in all of the schemes was transferred to the P.R.E.D.. This centralisation even occurred in the limited number of borewell and handpump schemes. Negative experience with operations and maintenance by the local panchayats with these systems led to the state government taking over responsibility. The costs of spare parts, the mobile teams and the salaries of the pump mechanics (thus implying a three-tier maintenance system) were charged at Rs. 360 per handpump per annum, of which the local panchayats and the state government each paid 50 per cent.⁴¹⁷ External advisors criticised the tendency to maintenance centralisation in both the piped distribution and handpump water schemes stating that the underlying causes of the failures were not adequately being examined. They suggested more training in water system management and that efforts should still be made to experiment with a more decentralised organisational set-up (i.e. village water committees). Moreover, they doubted whether the P.R.E.D. had the interest and the capacity to also take care of the individual protected water schemes.⁴¹⁸ Recently, a renewed effort to delegate operations and maintenance to panchayat level for the protected water schemes has been undertaken. A systematic approach is favoured in which attention is given to: 1) the enhanced competence of staff; 2) community participation; and 3) institutional development involving adequate personnel and funds, as well as clearer lines of responsibility and accountability.⁴¹⁹

In Kerala, operations and maintenance was initially the



responsibility of the P.H.E.D.⁴²⁰ In this state; as in Andhra Pradesh, the comprehensive protected water schemes are often too technically complex to decentralise all operations and maintenance tasks to the village level. On the other hand, at community level the ward water committee could appoint public tap caretakers to look after small and preventive maintenance. The committees and caretakers could also play a central role in a leak reporting system. To implement such a strategy, the K.W.A. could provide suitable training and some simple tools.⁴²¹ Yet, progress in the introduction of village level participation is extremely limited.⁴²² The paucity of funds of the K.W.A. does, however, require that operations and maintenance should be more of an item in the negotiations over new projects.⁴²³ Reduced maintenance costs by involving the community in at least preventive maintenance would considerably improve the affordability of the schemes in Kerala.⁴²⁴

VI.2.8 The Role of Dutch Commercial Consultants

One of the assumptions made at the beginning of this report was that the Dutch business community may profit unfairly from the development assistance programmes. In this case study we have seen that no Dutch companies benefit from the help in terms of the delivery of goods because of the programme's local cost financing character. Some funds do, however, return to the Dutch business community when Dutch commercial consultancy bureaux receive contracts for various missions to India. In this paragraph, the specific value of these return flows will be calculated and government policy within D.G.I.S. concerning the Dutch consultants will be examined.

Annexes X and XI list the various mission reports for Kerala and Andhra Pradesh, the responsible author and the return flow to the Netherlands. The return flow is measured as the claimed labour costs by the commercial consultancy bureaux for time worked in the Netherlands. Airfare to India, labour costs in India and other costs in India (travel, hotel, etc.) are not included in this figure. In Andhra Pradesh, the return flow attributed to contracts to DHV and ETC comes to an estimated figure of Dfl. 602,700. This amount is negligible compared to the



total allocation to the programme in Andhra Pradesh (Dfl. 88,426,000). In Kerala, where the two Dutch expatriates replaced the previous review missions, the return flow is even less, being estimated at Dfl. 136,500. This amount is also negligible compared to the total commitments in Kerala of Dfl. 116,480,000.

Although this return flow is negligible compared to the total commitments, one may question the cost effectiveness of using these bureaux. The statistics reveal quite high consultancy fees usually in the price category of Dfl. 800 and higher per working day in the Netherlands.⁴²⁶ Local Indian consultants joining the mission are paid about Rs. 600 (Dfl. 100) per day.⁴²⁶ Although Dutch government policy is that local consultants should be used wherever possible due to cost advantages (see p. 64), no mention of this cost factor was found. The chosen Dutch consultants are also not always chosen by an open tender, which may inflate the asked fees. Open tendering does not need to be practised when the amounts involved are below Dfl. 400,000. When a contract is valued at above Dfl. 400,000 (it was Dfl. 1,000,000) open tendering is in principle required yet a waiver can be asked for by the country bureau. Waivers are usually asked for by pointing to a concern about the continuity of the supported programmes. The successful consultancy bureaux and D.G.I.S. then sign two and a half year contracts setting out the terms of reference for the review and support missions.⁴²⁷

Although some may query the cost effectiveness of this procedure, it seems to be wisely based on an emphasis on continuity. The consultancy bureaux involved have built up a long working relationship with the Indian authorities, thus building up a wealth of knowledge and trust. This also explains the recommendation to send out, as much as possible, the same team members in each mission.⁴²⁸

Dutch government policy towards the Dutch consultants in the Indian drinking water sector does not seem to be based on the promotion of export services. A desire for continuity may better explain the dominant use of a limited number of Dutch consultants. The promotion of export services is certainly also not assisted by Dutch plans to support Indian self-sufficiency in the management area of the Dutch assisted drinking water programmes. The planned indianisation of the technical liaison



officer and the socio-economic advisor consequently has its counterpart in the reduction of tasks delegated to the review and support missions. The increased use of local consultants in the review missions and also at embassy level (an Indian consultant often assists the water co-ordinator) continues. The objective is that the all-Indian staffed NAPSU's will take over the rôle of the review and support missions. The Dutch consultancy bureaux will then perhaps be left with an annual evaluative function.⁴²⁹ This transfer of tasks is perceived as not problem-free, yet it was felt that review and support missions (i.e. the consultancy bureaux) would have to adjust to their lessened responsibilities.⁴³⁰

In the selection of the two states to be studied in this research paper, it was explained that a choice for one state programme with the services of a Dutch consultancy bureau (Andhra Pradesh), and one state without, but with resident advisors (Kerala), would be a fruitful undertaking to determine whether these organisational differences might be responsible for any differences in the effectiveness of the drinking water programmes. Although it may be suggested that the programmes are slightly more effective in Andhra Pradesh, the programmes in Kerala are also attempting to adopt an integrated strategy. The degree of insight into the necessity of an integrated participatory strategy for a successful drinking water and sanitation programme by the Indian authorities themselves, appears to be of crucial importance, and of more significance than the specific Dutch organisational model chosen. The results of this case study do not allow one to conclude that the utilisation of commercial consultancy bureaux has decreased the quality of the assistance (as is so often feared). On the contrary, progressive recommendations of the consultancy bureaux (e.g. the formation of village water committees, the absolute necessity to place distribution systems and taps in the 'weaker' sections of the villages) have been formulated and submitted to the responsible Indian authorities.

A closely related positive remark about the use of Dutch commercial consultancy bureaux in the Indian drinking water sector is that their function is limited to an advisory one. As the Indian authorities are responsible for the actual execution



of the projects, the much noted danger that a conflict of interests may occur, when one consultancy bureau is responsible for both the pre-appraisal and the actual execution of a project, is not a factor in the Dutch assisted programmes. The noted danger in other situations is that a commercial consultancy bureau which is also responsible for the execution of a project is not likely to advise D.G.I.S. in a pre-appraisal report that a project should not be carried out (even when the actual chance of project failure is quite high).⁴³¹

VI.3 Introduction: Sweden

Swedish assistance to the rural drinking water sector in India began in the late sixties and continues to this day. The assistance started with the utilisation of Swedish NGO's and has since 1979 been supplemented with direct assistance from Swedish government authorities.⁴³² Momentarily three programmes with direct Swedish government assistance exist in India: 1) assistance to the UNICEF General Programme for all of India (begin date 1979); 2) since 1985 assistance to a UNICEF integrated project in Banswara, Udaipur and Dungarpur districts of Rajasthan (the SWACH programme - Sanitation and Water Activation of Community for Health); and 3) since 1985 assistance to a smaller project at block level in Bicchiwara, Dungarpur,

using an Indian NGO (PEDO - People's Education for Development and Organisation).⁴³³ This latter programme was supposed to be the pilot project for the larger government project in Banswara and Dungarpur, yet this did not occur because both projects were eventually sanctioned simultaneously.⁴³⁴ The first two programmes may be characterised as multilateral-bilateral assistance. This implies that although the funds provided originate from the bilateral financial allocations, the aid is channelled through a multilateral institution, in this case, UNICEF. The Swedish government chose to channel its assistance in this form after a long internal debate. It was eventually decided that the administrative capacity of the S.I.D.A. did not permit any new bilateral projects or programmes. The administration of the three programmes also falls under the country frame and not under the S.I.D.A. administration which is quite a low amount.⁴³⁵ All three



programmes will be dealt with more fully in the following paragraphs.

As is the case with the Netherlands, the drinking water sector is a concentration sector in the Swedish assistance to India. In total, Skr. 417.25 million has been committed to this sector for the aforementioned three programmes.⁴³⁶ S.I.D.A. funds fully the PEDO programme and funds 60 per cent of the costs of the SWACH programme (40 per cent is provided by the government of Rajasthan). Regarding the UNICEF General Programme S.I.D.A. supplies supplementary funding on top of the funds which come from UNICEF's general financial resources. The title supplementary funding, however, hides the true importance of the Swedish contribution to the programme as the Swedish help has covered throughout the programme about 65 per cent of the total costs.⁴³⁷

Similar to the Netherlands is also that the initial emphasis on the mere technical construction of facilities is being replaced by a more integrated approach involving the aspects of sustainability that are covered in the academic literature. A consequent development is noticeable in the Swedish schemes in which initially funds were primarily provided to purchase drilling rigs from abroad, but in which later help was provided in the manufacture of both drilling rigs and handpumps in India. Following this, emphasis was placed on the problem of spare parts, the adequate training of staff and the monitoring of performance. At the moment, the key word is communication with emphasis on public education, hygiene education and sanitation, with the actual target group. This development is a natural one corresponding to both the needs which became apparent and the propensity to solve one problem only after another has been solved.⁴³⁸

VI.3.1 Swedish Government Institutional Support Structures

The recent Dutch trend to decentralisation of support structures to India has also been instituted by the Swedes in their programmes. In New Delhi a Development Co-operation Office (D.C.O.) exists which deals with development issues. Although there is no separate water co-ordinator as in the Dutch embassy



in New Delhi, a senior programme officer, in addition to her other tasks, fulfils a similar function to the Dutch water co-ordinator.

Two types of discussions are held with the Indian authorities: 1) the annual or mid-term sector review (for water, energy, education and agriculture); and 2) the programme discussions. In the first, the following participants represent the Swedish government in discussions about the water sector: the senior programme officer, the head of the infrastructure division in Stockholm, the desk officer for water in India in Stockholm, the head of the D.C.D., the Women in Development officer at the D.C.D. and a consultant. They discuss various aspects with local consultants, UNICEF staff, government of Rajasthan personnel and government of India representatives. These discussions and the reports which they produce may be deemed equivalent to the discussions held by the Dutch review and support missions and their accompanying reports. Thus, whereas the Dutch government has delegated a significant deal of the backstopping and monitoring functions to commercial consultancy bureaux, the Swedish government has retained the responsibility for these functions. The second set of discussions deals with the annual allocation discussions. In these discussions, the regional head of the division for Asia and Latin America in Stockholm, the desk officer for Asia in Stockholm and various embassy personnel participate.⁴³⁹

Other institutional support structures can not be deemed as Swedish because the assistance is primarily channelled via the UNICEF programme and its support structures within the Indian state apparatus. Similarly, the PEDD programme with its use of an Indian NGO can not be classified as creating a Swedish support structure. On the other hand, the SWACH programme under auspices of UNICEF, and which was more or less forced onto UNICEF by the Swedes, has created a parallel support structure next to the existing state apparatus, the P.H.E.D.⁴⁴⁰ S.I.D.A. and UNICEF describe,

like most of UNICEF's national programme,

SWACH has been set up with a project structure: it has its own administration, and a budget which is well-endowed compared to ordinary government programmes. It has an extremely qualified staff which was



handpicked from different departments. They further enjoy the support of UNICEF personnel posted in Udaipur.⁴⁴¹

This project set-up is described as both the strength and the weakness of the SWACH programme. Its strength lies in its solid financial position; the competent, hard-working staff; and the near eradication of guineaworm infection. Its weakness, however, lies in its doubtful replicability and sustainability because the parallel structures to the P.H.E.D. which it has created, are not integrated into the government structures.⁴⁴² This is in marked contrast to the Dutch programmes where the NAPSU's and socio-economic units/technical liaison officer are embedded (or are in the process of being integrated) into the existing governmental structures.

VI.3.2 . . . General Preconditions for Assistance

Swedish government assistance to the rural drinking water sector in India is meant to meet the objectives of Swedish development assistance, primarily the goals to work for social justice and a fair distribution of resources, to help establish economic independence and to promote economic growth (see p. 39). The S.I.D.A. writes, "The objective of S.I.D.A.'s assistance to the water sector is to improve the capacity of the recipient countries to solve problems relating to inadequate water supplies - in terms of both quality and quantity - and associated problems of health/hygiene and sanitation."⁴⁴³ The target groups are women, children and the rural poor, particularly those in the less developed areas.⁴⁴⁴ As with the Netherlands, Swedish policy on assistance to the drinking water sector in India is consequently centred on reaching the problem villages.

As in the case of the Netherlands, this policy choice is also implemented. In the UNICEF General Programme the villages supported all have a water table located below 15 metres below the ground and/or have a water source which is further than 1.6 kilometres away. In the SWACH and PEDO programmes those who use the surfacewater are extremely liable to guineaworm infection.⁴⁴⁵

Regarding the financial aspects, Swedish help is meant to supplement funds for UNICEF's Master Plan of Operations. Although the Swedish funds are not earmarked for any specific activities,



the agreement does stipulate that attention will be especially paid to the software aspects of the programme.⁴⁴⁶

VI.3.3 Volume of Aid and the Loan versus Grant Component

One can be quite summary on the loan versus grant element in the Swedish assistance. As previously mentioned (see p. 43), the Swedish government decided to provide all of its S.I.D.A. disbursed bilateral development assistance in the form of grants. Support to the drinking water sector in India is no exception to the rule so the total commitments of Skr. 417.25 have all been allocated as grants.

VI.3.4 Programme Support

Similar to the Netherlands is that support to the drinking water sector in India by Sweden can not be classified as project support. Programme support is the desired means to allocate funds. In Sweden, the programme support in the drinking water sector is referred to as sector support.⁴⁴⁷ At the beginning of the programme (before 1982) import support was, however, given. This import support was used to finance the procurement of foreign drilling rigs in India.⁴⁴⁸

VI.3.5 Multi-year Financing

Sweden also shares a Dutch preference for multi-year financing with various components of the programmes being assured of funding over a period of several years.⁴⁴⁹

VI.3.6 Official Binding and Local Cost Financing

As with the Netherlands, no official binding of the Swedish assistance to purchases in Sweden exists. The import support before 1982 was also not officially tied although an element of informal tying may deem to have existed. Thus, in 1981 nine S.I.D.A. supplied Atlas-Copco Rotamec-1302 rigs produced in Sweden were shipped to India. With the sector support after 1982, any foreign rigs required are selected by international tendering



by UNICEF procurement offices in Copenhagen. The firms selected for the supply of drilling rigs are consequently not only Swedish. HALCO, a British company, has thus received contracts for the Tiger II drilling rig paid for with Swedish funds.⁴⁵⁰

Unlike the Netherlands, no agreements have been made between different ministries on the subject of local cost financing. A gentlemen's agreement, such as that agreed to by the Ministry of Economic Affairs and D.G.I.S., on a maximum of 30 per cent local cost financing does not exist in Sweden. On the other hand, despite the previous import of foreign drilling rigs, one can safely claim that at the moment 100 per cent local cost financing is practised in the Swedish assisted schemes. This concurs with the desire by the Swedish and UNICEF authorities to build up a self-sufficient Indian drilling rig manufacturing industry (see also VI.3.7.1).

VI.3.7 The Elements of Sustainability

In this paragraph Swedish policy concerning aspects of sustainability in the drinking water sector will be handled. The operationalisation of this policy in the three programmes will also be discussed. Although attention in the UNICEF programmes has shifted away from an exclusive emphasis on equipment (drilling rigs, vehicles and handpump development) towards a more integrated approach involving various software aspects, drilling support and supply assistance still forms between 75 and 85 per cent of UNICEF disbursements.⁴⁵¹

VI.3.7.1 The Use of Appropriate Technology

A major contrast with the Netherlands is Swedish avoidance of distribution systems for private individual connections in all of its water projects in the Third World. Target groups are difficult to reach with the use of distribution systems and water rates because they can rarely afford to pay or find them too high. Moreover, if the rural poor are to be reached with public standposts, "They [the poorest 40 per cent of the population] can be without water in those cases where there are so many individual private connections that there is not sufficient water



for the communal stand pipes."⁴⁵² Thus, the Swedish government, in contrast to the Dutch government, does not believe that private distribution systems are an appropriate technology.

Swedish assisted projects utilise for the most part groundwater sources. As noted earlier if the choice is available this is to be preferred to complicated surfacewater schemes. Yet, the technology chosen by UNICEF and the Swedish government to extract this groundwater is often not the simpler, cheaper and more susceptible to community participation, choice of hand-dug wells or hand-drilled wells. Instead, the programmes use primarily hydraulic drilling techniques.⁴⁵³ Eyes have, however, recently been opened after a Knowledge, Attitudes and Practices (KAP) survey conducted by UNICEF in 1989. In this survey it was revealed that most people in India are dependent on open wells for their water supply. Recent Swedish sector discussions have now also brought up the need to promote and improve upon traditional sources of water supply.⁴⁵⁴ A shift in policy is discernible as, "[t]he previous concentration on the construction of new water schemes is being replaced by an approach in which improvements of existing facilities are stressed and where the key role of the community is recognised."⁴⁵⁵ On the other hand, the geological conditions in India except for a small area in West-Bengal necessitate deep and hard rock drilling. In many cases, it is the only option. A hand-dug well in these areas to the required depth, even with the abundant labour supply is prohibitively expensive.⁴⁵⁶ For these reasons, and because of the new-found willingness to improve upon traditional water sources wherever possible, one can suggest that the Swedish supported programmes have chosen an appropriate technology for the given conditions.⁴⁵⁷

Furthermore, the Swedish government and UNICEF support attempts at Indian self-sufficiency in the manufacture of handpumps and drilling rigs. The S.I.D.A. explains,

Dependence on imports causes problems for water programmes and is one of the reasons for long breakdowns in operations. Factors here can be delays in deliveries, unwieldy purchasing routines or a shortage of foreign currency... Efforts shall be made to improve purchasing routines and to reduce dependence on imports, among other things by the adaption of technologies and support for



local production.⁴⁵⁵ Gradually less and less drilling rigs have had to be imported from outside of India for the programmes. At the moment no equipment needs to be imported from abroad because even drilling rigs for very tough rock formations and remote villages (i.e. requiring an all terrain vehicle or two truck model) are now manufactured in India. Some doubts may arise because of the nature of these companies (to a great extent subsidiaries of Swedish, American and British multinationals) but at least problems of spare parts and the use of valuable foreign exchange are avoided.⁴⁵⁶ One study of Swedish multinationals in India has also praised Atlas Copco for its strong backward linkages to the rest of the Indian economy, and concluded that Atlas Copco fits in rather well with Indian industrial priorities.⁴⁵⁷

Regarding the manufacture of handpumps, S.I.D.A.'s support assisted UNICEF in developing the India Mark II handpump. This handpump is consequently utilised in all of the Swedish assisted schemes. In two test areas, the even more technologically appropriate modified India Mark II pump with VLOM possibilities has been installed. Installation has, however, been limited because of two reasons. First, the state governments can not purchase VLOM handpumps without first being approved by the Indian Standards Institute. Second, a lot of unused India Mark II handpumps are still in stock which first have to be used up.⁴⁵⁸

VI.3.7.2 Community Participation

As with the Netherlands and the international academic community, Sweden regards community participation as essential for the sustainability of the rural drinking water programmes in India. Policy statements confirm that community participation should occur at the planning, construction, cost recovery and operations and maintenance levels.⁴⁵⁹ To maximise the efforts at community participation, the strengthening of a recipient organisation at village level is indispensable.⁴⁶⁰ Of importance is that the customer should identify him- or herself with the installation in some way (i.e. that it is partly/wholly his/her property).⁴⁶¹ This corresponds with the Dutch suggestion to symbolise the transfer of ownership to the villages with a public



ceremony.

In the programmes themselves, it was noted in the UNICEF General Programme in 1984 that a workable strategy for community participation was beginning to emerge. At the village level, the community was to participate in promotional activities. These promotional activities were to use radio spots, television spots, railway televisions, special talk shows, booklets, flipcharts, slides, posters and visual aids. These traditional approaches clearly signify a working for, instead of a working with the community, framework. Trained volunteers, selected by the panchayats and block administrators, as well as arganwandi (children's health) workers, were to play a major role in the setting up of these activities. At the district and block level, administrative support was being offered yet the district collector and block district organiser needed to be motivated through repeated extensive dialogue. Active involvement at the NGO level was also being sought to link the trained village volunteers with the local administrators and the technical support from the state level agencies.⁴⁶⁵ Yet, progress in these areas was slow and in 1987 a sector discussion report stated that information, education and communication, were the weakest elements in the UNICEF strategy. Training and human resources development was weakest in those areas where the activities had a less tangible physical focus, and this included community participation. Moreover, the community participation officer appeared as a staff position within the Water and Environmental Sanitation Section (W.F.S.S.), yet had no direct links with the zonal offices. The S.I.D.A. agreed with the sound strategy of implementing training and human resources development for community participation through others (e.g. Bharat Scouts and Guides, business houses) yet also stated that the field experiments had to be closely followed up.⁴⁶⁶ It was also commented upon that the Indian authorities ambitious desire to provide all of the population with potable water by 1991 unavoidably led to an overemphasis on construction aspects and a lack of time spent on user involvement. The nature of the technology chosen, as in the case of the Dutch programmes, also leads to a restriction in the extent of possible community participation. As in the Dutch assisted programmes, community



participation thus centres on the location of the facilities (in the Swedish case, the boreholes and the handpumps) and not on the choice of technology.

Difficulties in achieving progress in strengthening community participation in the UNICEF General Programme was one of the reasons which led to S.I.D.A. support for the SWACH programme. By using guineaworm eradication as a starting point it was hoped that community participation could be more easily attained. Success in this project could then be shown to UNICEF and the government of India in order to transfer the insights gained to a wider area. This, in fact, has to some extent already occurred. The methods used in the SWACH programme as part of the community participation strategy seem more innovative than in the UNICEF General Programme. S.I.D.A. and UNICEF both agreed that,

For a number of years, the communication strategy of UNICEF had a traditional profile. It was based upon printed matter and upon media messages. The material was urban-biased, often authoritarian, and it often either over- or underestimated the awareness of the recipients.

Using elements of the SWACH programme, the UNICEF General Programme is now moving into a new direction utilising folk culture, drama, puppetry and interpersonal communication at the village level.⁴⁶⁷ Thus, the SWACH programme does play to some extent the pioneer role that it was intended to perform.⁴⁶⁸

On the other hand, it is stated by S.I.D.A. and UNICEF that not the entire strategy of the SWACH programme can be copied to the General Programme. They refer specifically to the Village Contact Drives and the animator's scheme yet the reasons why UNICEF can not adopt these elements in the General Programme is not clearly spelt out.⁴⁶⁹ The Village Contact Drives recruit and train village level functionaries and social workers who then return to the villages in teams to explain the project objectives and activities through discussions, sketches, puppet shows, etc. One of the major tasks of the Village Contact Drives is site selection of boreholes with the villagers, and primarily with the women. Only after the villagers have chosen the site is the choice checked by project staff for social, environmental, technical and hydrogeological requirements. At that point the P.H.E.D. is contacted for the drilling operations. This procedure



is often a significant improvement upon the earlier method when the P.H.E.D. selected the sites with local leaders. These local leaders were not aware of the wider implications of water supply or chose to ignore them having other considerations in mind. The P.H.E.D. also had other considerations by choosing sites based on easy access to roads.⁴⁷⁰ Yet, even with this new procedure, cases exist in which at the meetings for site selection, men and local leaders were in attendance. It is reported that, "[i]n such cases initiatives slipped from the women and the team members did not always know how to handle the situation." Another negative observation is that the village contact teams often spent more time in non-interactive communication (e.g. pasting posters, writing slogans) than in actual discussions with the villagers.⁴⁷¹ The Village Contact Drives occur twice or thrice in each village during the project period, each time carrying a message appropriate to the phase in which the project is in.⁴⁷²

The use of social animators is another instrument in the SWACH programme which is not found in the UNICEF General Programme. The social animators would be responsible for mobilising the community, and especially women, around the issues/problems to be faced by the project. They would also provide a pressure from below on the project in terms of performance expectations, the mode of planning and the manner of implementation. Regarding the incentives to the social animators it was initially agreed that an honorarium was required but that it should be related to a specific task instead of an automatic payment.⁴⁷³ Later, this situation was seen as unsatisfactory with the social animators deserving and needing more recognition. It is now suggested that the animators should receive other career opportunities (e.g. training for other government positions).⁴⁷⁴ Social animators were initially to be selected in each village but this was brought back to one social animator per cluster due to logistical reasons. Even with this smaller number, the workload of the government health education department in backstopping remains quite high.⁴⁷⁵

In the PEDD programme, community participation includes regular meetings with the village community to discuss maintenance issues, site selection and the formation of village level committees for the maintenance of village assets such as



handpumps and sanitation facilities.⁴⁷⁵ The project approach is characterised by its orientation to a bottom-up framework, ideally constructing facilities as a complementary activity to activities that have been initiated by the community.⁴⁷⁷ Problems in community participation in this programme have included the negative perception of the project shared by most of the non-tribal castes as most of the work is done for the poorest tribal castes. Another problem is that other government programmes which also require community participation compete for the limited time and energy of the target groups.

Recently, Swedish and UNICEF officials have expounded on the concept of community participation and using all three Swedish programmes to illustrate their arguments. They correctly argue that the concepts of community and participation are used in UNICEF documentation without them being sufficiently problematised. Differences between classes, factions and castes do exist in one individual Indian village. A combined S.I.D.A./UNICEF report states that,

Therefore it can not be taken for granted that the 'community' in reality also is a community in the sense of having common, and non-contradictory interests, in the sense of being united, of having a leadership, etc. When we speak of popular participation, it is likewise generally not made explicit who is going to participate in UNICEF activities. Neither is it usually made explicit what cleavages within the 'community' imply for the possibilities of bringing about its participation in development activities carried out by the administration.⁴⁷⁸

Thus, the Swedish government (likewise the Dutch government) seems to be following international developments in which it is claimed that the fact that the community is not an homogeneous entity needs to be more often taken into consideration (see p. 64). On the other hand, when consideration is taken of the heterogeneous composition of a community and UNICEF acts accordingly by making sure that the less-privileged groups are closely involved, a contradiction exposes itself with the desirable objective of assisting local democracy. This is because it is necessary to overrule or bypass the in theory democratic organs in the villages. Doubts can also be raised about the community participation value of an ad hoc gathering of women



summoned together by a village contact team for site selection. Such an ad hoc gathering does not fit the definition of community when community is defined as, "...a local society which has some form of organisation and leadership, and a certain measure of homogeneity, which imparts some common interests to it." It does not fit the definition because it has no autonomous organisation, no leadership and perhaps not even homogeneous interests. The criticism continues with, "[m]aybe the gathering could qualify as 'women's participation', but only in activities planned, executed, and ultimately decided upon by the project staff." The social animator's scheme is also questioned because they also work with ad hoc groups. In practice, they work too much for the community and do not work enough with the community. They are also not instructed to work in organising the community in water user's groups, for example. To solve these various contradictions, it is suggested that UNICEF should become an advocate for true local democracy.⁴⁷⁹

Criticism is also directed at the belief that NGO's provide the panacea for all the ills of the aid administration including problems concerning the implementation of a successful community participation programme. Funds may be spent in an amateurish way, but more threatening, is that the NGO's develop an uninspired routinism. They lose their flexibility and lose their idealistic working spirit, becoming shadow administrations doing essentially the same thing as what the regular administration is doing or should be doing. It is claimed that this may have occurred to the NGO involved in the PEDO programme. Moreover, "[e]ven if such 'shadow administrations' in the short run may prove more efficient than the regular administration, there are reasons to suspect that, in the long run, they will fall back to the same levels of achievement as the regular administration."⁴⁸⁰ In the SWACH programme a similar problem has arisen with the NGO, Seva Mandir, which was meant to train members of the village contact teams in Udaipur District.⁴⁸¹

The problems of parallel structures in the SWACH programme and shadow administrations in the PEDO programme has led to the formulation of a new Swedish government strategy in which the routing of funds will occur via the regular administration. In this way it is hoped that results in, for example, community



participation, will be more durable and replicable. Problems of adaptation to other schemes and areas should be less when new approaches are integrated into the regular administrative apparatus. This new strategy has been woven into the UNICEF Master Plan of Operations for 1991-1995, and is already being used by the S.I.D.A. in the appraisal of new programmes. A project in Madra Pradesh will attempt to utilise the SWACH integrated approach, entering the project area with a specific problem as an entry point, yet no longer operating within a project set-up but instead with the regular administration.⁴⁵²

Concluding, one can suggest that community participation in the Swedish assisted programmes may be classified, like the Dutch assisted programmes, into the fourth category listed by the I.R.C.. Yet, whereas the Dutch programmes seem to offer a range of service levels, the Swedish programmes offer a more standardised package of technology around which the community may participate (e.g. site location, user group formation). The difference between the two may be explained by the choice of technology used. With handpumps no private household connections are possible, so that further discussions based on different service level desires and different payment capacities of the users is not required in the Swedish assisted schemes. Although the Swedish assisted schemes now seem to be implemented with joint discussions and mutual decisions (both the implementing agency and the target groups), a future objective might be agency participation in community projects where the democracy of the community organisations can be counted upon.

VI.3.7.3 The Participation of Women

The Swedish government, like the Dutch government, believes that the participation of women in the drinking water schemes is essential for sustainability. They are in fact a key target group.⁴⁵³ Women should be involved in the planning of the schemes (site selection), in hygiene education, and in operations and maintenance.⁴⁵⁴ In this latter area, the Swedish government encourages the selection of women as handpump caretakers and mechanics. The Swedish government was pleased that the Indian authorities were more aware of the necessity to take into account



women's needs and capabilities in the drinking water sector, and their consequent agreement to select women as a first priority as handpump caretakers. Their agreement was attributed to two factors: 1) the realisation that community participation/women's participation is essential for cost recovery; and 2) maintenance is neither glamorous nor income-generating for the engineers. On the other hand, opinions were divided on the use of women as handpump mechanics with the Swedish representative summing up by stating, "[i]f there is a will there is a way."⁴⁰⁶

In the programmes themselves, Swedish government emphasis on women's participation is carried out. This seems to be more of the case in the PEDO and SWACH programmes than in the UNICEF General Programme. In the General Programme it is noted that the participation of women should be increased, perhaps by more training of women mechanics such as occurs in the SWACH programme. Women could also be trained as masons in latrine and pump platform construction. Positive mention is made of the systematic involvement of women in the site selection for boreholes and in the maintenance of handpumps (at least in the caretaker scheme in Tamil Nadu where VLOM handpumps were introduced in a pilot project).⁴⁰⁶ In the normal programme, when 13,000 handpump caretakers had been selected in nine states, only 1,500 were women. This was despite the fact that experience had shown that women are more effective than men as handpump caretakers. Of the motivators involved in environmental sanitation, 25 per cent were women.⁴⁰⁷ This percentage and the percentage of handpump caretakers as women have fortunately seen a steady rise in recent years.

In the SWACH programme, the aforementioned social animators are all women. They are supported by twenty women supervisors. In the selection committees for the members of the village contact teams and the social animators it was suggested that a woman should be included.⁴⁰⁸ In the village contact teams, which are comprised of four to five people, at least two should be women.⁴⁰⁹ Regarding handpump maintenance, twenty-four women handpump mechanics have been trained and provided with jobs by the block offices in Banswara and Dungarpur. They operate in groups of three with each group being responsible for the maintenance/repair of 30 handpumps. Another twenty-four are now



undergoing training in Udaipur District.⁴⁹⁰ The personnel policy in the higher echelons of the project structure does, however, face some criticism. S.I.D.A. criticised the fact that of the 96 top positions, only two are filled by women, a health educator for each district.⁴⁹¹ Yet, on the whole, the Swedish government believes that the SWACH programme is a qualitative breakthrough when it comes to women's participation. A Swedish observer reports on his visit to the region,

I took the opportunity to personally address a group of men assembled in one of the major village panchayats. I told them frankly that most of the development work I had seen...had been done by women. They were, however, absent in the decision-making assembly that I addressed. I hoped that the next time I came back, I would be able to meet the ones who were doing the real job. The response of the male group in the room was not to ignore this or to belittle the comments, but to take up a discussion among themselves that women indeed had contributed a lot. There was no firm commitment to my proposal of women being included in the panchayat group, but the stir created by the comment was an illustration of the potential of qualitative breakthroughs that exist in this programme.⁴⁹²

The desire to integrate women into these village structures where decision-making processes occur, corresponds to the Swedish government's objective to strengthen local democracy in India.

In the PEDO programme, "...the Joint Review Team found that women were actively and adequately involved in the programmes, which means that they were not only employed for manual tasks but shared responsibilities for planning and implementation as well."⁴⁹³ Twenty women extension workers support the women's activities in the programme. These workers hold meetings with the village women and prepare the tribal women to participate equally in the meetings and in the decision-making processes. The meetings with the village women are held monthly and discuss site selection of handpumps, afforestation, soil/water conservation and kitchen gardening.⁴⁹⁴ Other activities in this programme involving women include the Mahila Mela and the women's awareness generation camps with respectively 3,000 and 4,000 female participants.⁴⁹⁵ The Mahila Mela was a huge festival held in 1987 to establish a good rapport between the women and the PEDO programme. Mutual trust was developed, and strong contact bases



in several villages were created making the organisation of women's meetings in the villages much easier. On the other hand, a lot of hostility still comes from the men and the local power structures.⁴⁹⁶ This is thus in marked contrast to the panchayat visited above in the SWACH programme. Yet, also in contrast to the SWACH programme, is that the number of female workers in the project establishment is quite high.⁴⁹⁷ This does not solve all problems in achieving equal responsibility and respect because of resistance among some of the PEDO male staff members and women's own difficulty in breaking out of traditional stereotyped moulds.⁴⁹⁸

VI.3.7.4 Sanitation and Environmental Sanitation

Swedish government attention to sanitation and environmental sanitation is part of the integrated approach in the drinking water sector. The sanitation element involves the construction of socially accepted and functional latrines. Policy objectives in environmental sanitation include improved waste disposal, the construction of separate washing places, the drainage of waste water and the use of separate cattle troughs.⁴⁹⁹

The difficulties faced in the Dutch assisted programmes in successfully executing sanitation and environmental sanitation components seem to be shared by the Swedish supported programmes. For example, in the UNICEF General Programme a recent survey showed that only 23 per cent of the handpump platforms were in good condition with 40 per cent not having any drainage system at all. Regarding sanitation, it was recommended that no more institutional latrines should be constructed until the problem of maintenance and cleaning was solved. The success rate of individual latrines fared somewhat better with 71 and 78 per cent of the latrines being used in on-the-spot surveys in Tamil Nadu and Uttar Pradesh. A subsidy is involved in the UNICEF construction, yet the beneficiaries also have to contribute whether in cash or labour. They pay about 40 per cent of the total costs. As with the Dutch assisted schemes, this has improved the performance considerably. The Swedish government wishes to grade the subsidy according to income level as is the case in latrine construction in the Dutch supported programme in



Kerala. S.I.D.A. and UNICEF write, "It is revolting when the wealthiest families in a village get UNICEF subsidies for constructing a latrine which they without difficulty would be able to pay on their own." For the poorest groups, a credit scheme could be instituted with assistance of the nationalised banks.⁵⁰⁰

As in the Dutch programmes, the focus in the Swedish assisted sanitation programmes in the UNICEF General Programme is too fixated on the mere physical construction of the facilities. It needs to move away from this fixation into a more integrated approach examining various behavioural aspects leading to improved cleanliness and personal hygiene practices.⁵⁰¹

Recently, good progress has been made in this area as a visible shift is occurring in which sanitation is seen as a package of activities. Thus, in the allocation of funds to the sanitation component in 1989, 40 per cent was spent on communication and training; 13 per cent on programme support, research and evaluation; and a modest 47 per cent on latrine construction.⁵⁰² The training and communication element involves the training of teachers, NGO representatives, village level motivators, and Bharat Scouts and Guides, in sanitation issues. The latter have a handbook 'Let us Promote Sanitation', and have adopted sanitation as a major theme in their activities.⁵⁰³ The use of village level motivators for the sanitation programme is an innovative experiment that has been carried out in a few selected blocks. In this approach, the motivators are selected by the villagers to promote sanitation awareness and to liaise between the villagers and the service delivery system. They receive as of yet no remuneration except increased status, but the introduction of a payment is being considered.⁵⁰⁴

In the SWACH programme, it was noted that the targets for the construction of well-designed drainage platforms had been reached in Banswara and Dungarpur but that work had not yet started in Udaipur.⁵⁰⁵ Of note was that the drainage specific improvements were not being implemented with any standard design but that close attention was being paid to the specific local conditions.⁵⁰⁶ Separate bathing and washing platforms, as well as cattle trough construction, met with problems, and primarily that of non-usage or faulty usage. Regarding sanitation the actual



usage of institutional latrines is not much better than in the General Programme and the programme faces similar problems. It is too early to assess the demonstration effects of the individual latrines provided to the social animators, yet S.I.D.A. encourages the continued construction of individual latrines on the same guidelines as in the General Programme.⁵⁰⁷ In the SWACH programme the social animators perform a crucial function in integrating the construction of the facilities with alterations in behavioural practices (see VI.3.7.5).

In the PFDO programme, environmental sanitation centres on the development of kitchen gardens and mini-nurseries to use the spill water from the handpumps. The construction of latrines in the sanitation component often met problems of non-usage and non-maintenance. Only 30 per cent of the latrines in the schools and hospitals were being kept clean. Therefore, it was envisioned that also here, a shift would occur from institutional to private latrine construction. The latrines would be subsidised in the following way; those households above the poverty line would pay the entire costs of the superstructure whereas those below the poverty line would only have to pay the labour costs. The underground structure would be provided free in all cases.⁵⁰⁸

VI.3.7.5 Hygiene Education

The Swedish government has recognised that no improvement in the health of the people can be assured solely as a result of an improved quality and quantity of drinking water. Harmful behavioural practices in water conservation, water handling and in sanitation practices also have to be tackled by means of hygiene education. Like the Dutch, the Swedes would like to see their assisted programmes shift in approach from a didactic approach to more participatory approaches in hygiene education. Yet, they foresee that this will be quite difficult to achieve.⁵⁰⁹ At the moment, hygiene education in the General Programme rests on media messages and attempting to influence person-to-person communication by training people working at the grass-roots level such as teachers, organwandi workers, health educators, NGO representatives etc.⁵¹⁰ Both of these strategies (media and training) do, however, work from top to bottom, in a



more or less traditional didactic approach.

In the SWACH programme, hygiene education is carried out as a necessary component of stepwell conversion and handpump installation.⁵¹¹ Preventive and curative medical camps have been held to alleviate the suffering of guineaworm infected villagers. These camps were a great success and the estimated cases of guineaworm infected patients has dropped from an estimated 3,700 - 10,000 sufferers in 1986 to 612 cases in 1988. Ayurvedic doctors were used thus profiting from an indigenous tradition. During these camps emphasis was placed on both guineaworm extractions and information on the method of transmission, so as to prevent reinfection.⁵¹² Regarding these camps it was reported that, "...health education, particularly with regards to the public through a mobile exhibition, sketches and puppet shows was imparted in a creative and imaginative way."⁵¹³

The social animators and the village contact teams also play a key role in hygiene education in the SWACH programme. For example, in the Village Contact Drives the use of double coloured filter cloth for the straining of water to prevent guineaworm infection is actively stimulated. The free distribution of these cloths is held back and home production is encouraged.⁵¹⁴ The social animators may be compared to the village health guides in the Dutch assisted schemes in Andra Pradesh. On the other hand, the social animators do not seem to have received explicit instructions to participate with the community in hygiene education, and instead function more as intermediaries in informing the villagers how to change their habits. The aim in the Dutch assisted programmes in Andra Pradesh is clearly to go beyond this didactic approach (see p. 99).

In the PEDO programme, hygiene education is conducted in a similar manner to the UNICEF General Programme in the sense that a great deal of emphasis is spent on training. In this programme school teachers, health workers, village midwives, and women extension workers are all trained in hygiene education. Health education campaigns using puppetry and drama are also undertaken but reveal once again a didactic approach.⁵¹⁵



VI.3.7.6 Cost Recovery

Cost recovery in the Swedish assisted programmes does not seem to attract as much attention as in the Dutch supported programmes. This may be due to the difference in technology used with the costs of operations and maintenance of handpumps being considerably less than that of complex piped distribution systems. Nevertheless, general Swedish government policy on assistance to the drinking water sector does state that appropriate revenue systems for recurrent costs need to be developed to improve sustainability.⁵¹⁶ Furthermore, it is stated that no scheme should be agreed to where in the long term the costs of operations and maintenance are not assured.⁵¹⁷ To collect these recurrent costs and if tariffs are to be set, "S.I.D.A. shall give priority to activities which: - lead to a levelling out of difference between income groups."⁵¹⁸ This redistribution aspect may correspond with the Dutch encouragement of cross-subsidisation (see p. 101). Although it is agreed that water charges are inevitable in the long run, the Swedish government responds negatively to the use of water meters in the case of piped distribution systems because of their expense, fragility and need for servicing.⁵¹⁹

Examining cost recovery in the specific Swedish assisted programmes in India, no specific mention was found on this subject in the PEDO or the SWACH programmes. It was, however, mentioned that cost recovery in India was hampered by politicians who promise free water.⁵²⁰ This problem has also been identified by international observers and Dutch experts. On the other hand, it was again revealed that users are willing to pay for water if without such a contribution the handpump would fail.⁵²¹

A major difference from the Dutch assisted projects is that the panchayats and states in the Swedish financed schemes are not responsible for the costs of operations and maintenance. Instead, UNICEF pays all recurrent costs which comprise 20 per cent annually of the total costs of the programme. Therefore, UNICEF finances: 1) the salaries of government and project personnel; 2) refresher training; 3) spare parts for the vehicles and drilling rigs (and handpumps?); and 4) quality control and inspection of handpumps.⁵²²



VI.3.7.7 Operations and Maintenance

As favoured by the I.R.C. and attempted to put into practice by the Dutch government, the Swedish government also prefers a systematic approach to operations and maintenance over a purely technical or organisational approach. Swedish policy thus states, "[i]n all programmes priority is given to methods and techniques which can be afforded by households and can be operated and maintained on village level with minimum support from outside."⁵²³ Furthermore, "[i]t is essential that the consumers are organised and that they assume responsibility for operation and maintenance of facilities."⁵²⁴ This consumer's organisation would be a village level water committee.

In the UNICEF General Programme, operations and maintenance was previously an organisational question. The programme became synonymous with the three-tier maintenance system, yet within the programme, experiments have been conducted with two-tier and single-tier structures.⁵²⁵ This organisational approach was supplemented with concern about appropriate technology and community participation in the early 1980's. Thus, successful research was conducted into a VLDM handpump which as has previously been stated will be introduced on a wider scale in the programme (see p. 117). This will improve possibilities for community participation in operations and maintenance. Yet, maintenance as carried out now without the VLDM model is better than earlier feared with 95 per cent of the handpumps still in working order in a recent on-the-spot survey.⁵²⁶ It also appears that although the government of India and UNICEF now prefer a VLDM approach to the handpumps, the state governments are much more reticent and wish to continue with the centrally organised systems.⁵²⁷

In the SWACH programme, maintenance of the handpumps seemed to also initially be based on a three-tier maintenance system. Handpump mistris (the handpump caretakers) had to call the block level mechanic in case of breakdown yet this mechanic had only the most basic spare parts. All other spare parts remained with the P.H.E.D. and repairs requiring them also needed the mobile teams. As such repairs took place during the maintenance drives which took place twice a year, it could occur that a handpump was



out of service for six months if the mobile team had just been. During these maintenance drives, scheduled preventive maintenance was carried out.⁵²⁵ In 1989, the responsibility for operations and maintenance was transferred from the state government and the P.H.E.D. to the panchayat union. P.H.E.D. was to depute the assistant and junior engineers to work with the Zilla Parishads (District Level Local Self-Government) yet the system already seemed to have ground to a halt as the Zilla Parishads had not been able to release the engineer's salaries which were consequently still paid by the P.H.E.D. The new system also introduced the idea of user representatives which, although a difficult task to identify and train them, remains an attractive idea.⁵²⁹ In the new system, the panchayat unions appoint handpump mechanics to look after a number of handpumps. This system does, however, not function adequately with a recent survey revealing that 10 to 18 per cent of the handpumps were out of order.⁵³⁰ This is poorer than the aforementioned 95 per cent success rate in the UNICEF General Programme. Other issues in handpump maintenance in the SWACH programme requiring attention include: 1) the unhappy distinction between major and minor repairs; 2) the fact that scheduled preventive maintenance is not likely to be done unless the mechanics are compelled to do so - both villagers and mechanics remain convinced that it is not useful to tamper with functioning handpumps; 3) better financial incentives for the caretakers and mechanics; and 4) encouraging more women to participate.⁵³¹

In the PEDD programme, a single-tier maintenance system was planned with extensive community mobilisation. Village level committees would be formed for among other things, discussions on the maintenance of handpumps. Yet, for reasons unclear to me, the handpump mistry, who would in the end have final responsibility for handpump maintenance, would not be selected by the community but by a higher level panchayat. The mistry would thus also not be accountable to the community.⁵³²



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VI.3.8 The Role of the Swedish Business Community Including
 Swedish Commercial Consultancy Bureaux

Like the Dutch assisted projects, Swedish assisted projects in the drinking water sector in India are not motivated by a desire to promote the export of goods and services. Although it was seen that a number of drilling rigs were imported from Atlas Copco in Sweden in 1981 using import support financing, after 1982 other companies outside of Sweden, in addition to Atlas Copco, have also provided drilling rigs with Swedish financial sector support (see p. 114). Moreover, Swedish government policy in this sector has been to assist in the development of manufacturing possibilities within India itself so as to avoid imports from Sweden and other Western countries of drilling rigs and the necessary spare parts.

Regarding the use of consultants which led to some return flows in the Dutch assisted programmes, Swedish use is more limited because it has not delegated backstopping tasks in the Indian rural water programmes to commercial consultancy bureaux, instead retaining this function as a government responsibility. This is not to say that Sweden does not use Swedish consultants in its missions but rather that they operate as team members under the leadership of a Swedish government official. In the case of UNICEF led missions the Swedish government has no say in the selection of the involved consultants. In the case of S.I.D.A. led missions the S.I.D.A. has a consultants network from which it selects. As the cost is usually below Skr. 100,000 there is no need for tendering. The choice of using Swedish consultants, as in the Dutch case, also does not seem to be motivated by Swedish export promotion. Instead, continuity and experience seem to be the motivating factors. For example, over the last decade, one Swedish consultant (a one-person consultancy firm) has regularly been chosen because he is the only candidate with working experience and knowledge of the government of India, UNICEF, the drinking water sector and the S.I.D.A.. This consultant has now been employed by UNICEF to formulate the UNICEF Master Plan of Operations for 1990-1995, and is consequently no longer available for the S.I.D.A. missions. As in the Dutch case, in order to build up local competence, local



consultants are also increasingly used in India.⁵³⁴

The fear that the use of consultancy bureaux negatively affects Swedish supported programmes (see V.3.4), does not seem to prove valid in this particular case study. The consultant who was primarily used was clearly an advocate of a needs-orientated approach and did not think simply in terms of product delivery. No evidence was found that the consultants used were controlling the S.I.D.A. An harmonious co-operation would be a more appropriate description. The positive experiences with the Swedish consultants in this particular programme may also be attributed to the fact that they were not responsible for the actual implementation of the projects but merely assisted S.I.D.A. personnel in their monitoring and advisory functions.

VJ.4 A Comparison of the Dutch and Swedish Rural Drinking Water Programmes

The Dutch and Swedish rural drinking water programmes will be summarily compared in this paragraph to test hypotheses IV.1 and IV.2. Of special interest is whether the results of this case study comparison will lead to the same conclusions as in the preliminary comparison of the general historical descriptions of the Dutch and Swedish aid programmes (see V.4). In the case study comparison, the degree of progressiveness can be measured by once again utilising the relevant aspects mentioned in V.1. A further measure of progressiveness in the case study was, however, the extent to which the Dutch and Swedish governments promote sustainability (both in policy and implementation) in the drinking water sector.

Support to the drinking water sector was mentioned as a progressive sectoral choice in V.1 because its objective was to directly improve the quality of life for the poorest members of society. In both the Dutch and Swedish cases, the drinking water sector is one of the concentration sectors within the assistance to India. Another criterion for the progressiveness of the help was country concentration choice. Although India can not be considered a socialist country with active policies to redistribute income from the wealthy to the poor, it is a country which appears on the list of the most seriously affected



countries affected by the energy crisis. It is also a low income country with a per capita gross domestic product of US\$ 270 in 1985, where 40 to 50 per cent of the population is officially classified as poor. 535

Regarding the motives behind the help, the Dutch and Swedish publicly stated motives to this sector do not conceal any ulterior motives such as national economic self-interest. The motives correspond entirely to the belief in humane internationalism. This may be revealed by the fact that no major tying of the aid has occurred (except the use of informally tied import support in Sweden in the early 1980's for the purchase of drilling rigs). Formal and informal tying has been greatly restricted with the stated intention that the goods and services to be used should be manufactured and obtainable in India. Both the Dutch and Swedish assistance is in fact now almost entirely 100 per cent local cost financing. The role of the national business communities in the assistance is consequently almost non-existent.

At the moment, the only national business interest which is assisted is the consultancy sector. Yet, the return flows back to the Netherlands and Sweden as a result of their utilisation are negligible. Moreover, they appear to have been chosen not because of any governmental interest in supporting the involved Swedish and Dutch consultancy bureaux but rather due to a desire for knowledgeable expertise and continuity. At the same time, a willingness to support the indigenous development of local consultancy expertise is apparent. In the Dutch case this reveals itself in the indianisation of the programme whereby the NAPSU's are to gradually takeover the backstopping functions of the Dutch consultancy bureaux. The planned replacement of the Dutch technical liaison officer and the socio-economic advisor by Indian experts is another example of this development.

Regarding the grant component of the help, Sweden has a slightly better record than the Netherlands in that all of Sweden's assistance has been provided as a grant. Both countries, however, score equally well when it comes to the other terms on which the assistance is provided. In other words, both Sweden and the Netherlands provide programme support instead of project support, and allocate on a multi-year instead of annual basis.



Concerning the extent to which the Dutch and Swedish governments contribute to the sustainability of the drinking water schemes, one may conclude that no significant differences between the two donors exist. Both donors recognise the importance of an appropriate technology yet have had to choose to support more complicated schemes because of difficult geohydrological conditions in the areas to which the assistance is concentrated. Community participation and the participation of women are strived for with differing rates of success in the various programmes. The Dutch programme in Andhra Pradesh is supplemented by an income-generating project for women which does not have its counterpart in the Swedish assisted programmes. Both the Dutch and Swedish programmes also recognise the importance of sanitation and environmental sanitation in the drinking water sector, yet have faced difficulties in implementing these components in their assisted programmes. Regarding hygiene education the Dutch and Swedes both desire to move from a didactic approach to a more community orientated approach to improve the effectiveness of the programmes. On the subject of cost recovery, although the Swedish government now accepts that water charges are inevitable, the Dutch government has provided much more attention to this problem. Both countries are in favour of some type of cross-subsidisation so that the poorest villagers are not unduly affected. Dutch and Swedish developments in operations and maintenance closely follow or participate in international developments to decentralise these tasks as much as is technically feasible. Furthermore, both countries support specific programmes to train women as caretakers and/or mechanics.

Concluding, one may suggest that the hypothesis that the Swedish assistance is more progressive than the Dutch assistance has been proved invalid in this case study. In both the Swedish and Dutch rural drinking water programmes, similar progressive measures have been noted based on the philosophy of humane internationalism. The effectiveness of the programmes in achieving their objectives of a sustainable rural drinking water programme is being increased, yet remains a slow process, particularly with respect to the software aspects of the programmes. But the inability to achieve total effectiveness of



the programmes does not appear to lie with the Dutch and Swedish governments or their national business communities. The creation of sustainable rural drinking water programmes is a complex process in which the Indian authorities themselves have the largest responsibility. The significance of the Dutch and Swedish assisted programmes on the general welfare of the recipients has not been well-documented, yet one can safely say that the quality of life for a very large number of the poorest Indian people has improved. One only has to point to the decrease in guineaworm infestation in the Swedish projects and of the alternatives to drinking water with a high fluorosis content in the Dutch projects in Andhra Pradesh.

The finding in the preliminary testing of the second hypothesis that an increasing commercialisation of both the Dutch and Swedish assistance programmes during the 1980's has occurred also does not apply to this case study. In the general historical comparison, it was suggested that the role of the Swedish business community in the help had increased to the levels of their Dutch counterparts in the Dutch assistance programmes. In this case study, it has been revealed that although the role of the Dutch and Swedish business communities in the assistance is roughly equal, this equality is not based on an increasingly large role in the assistance, yet on an equality in their minimal involvement in this sector.

VII. AN ANALYSIS OF THE DUTCH AND SWEDISH ASSISTANCE PROGRAMMES

VII.1 Introduction

In this chapter, an explanation will be attempted to be found for the similarities and differences between the Dutch and Swedish aid programmes in general and by deduction to the Indian rural drinking water programmes in particular. To analyse the Dutch and Swedish programmes it will be necessary to examine several relevant macro- and micro-factors. A short conclusion will round off this chapter in which hypothesis IV.3 will be tested.



VII.2 The Macro-Level

At the macro-level, a further sub-division can be made between economic and political factors. In hypothesis IV.3 it was stated that a presumption was made that the economic situation in both countries was roughly similar suggesting that any differences in aid policies could not be deduced from the general economic situation. The political conjuncture was deemed to be more of an explanatory factor for the initial hypotheses that Swedish aid is more progressive than Dutch aid and that the national business community plays less of a role in the assistance in Sweden than in the Netherlands. A study of both the economic and political factors is thus required to see whether these assumptions about the economic and political situation are in fact correct.

VII.2.1 The Economic Situation

A short survey of the economic situation of both countries is required to determine whether in fact a similarity in the two economies exists. The presumed similarity lies in their equal status as Northern industrialised countries with open economies and both having suffered from major employment losses during the recession of the late 1970's to the late 1980's. Although the economic situation is presumed not to be an adequate explanatory force (due to the presumed shared economic situation) for any differences between the Dutch and Swedish aid programmes, similarities between the two programmes may be partly explained by the hypothesised similar economic situation. In particular, it is hypothesised that the same economic crisis which rocked the industrialised world in the late 1970's to the late 1980's has tempered humane internationalist policies and increased the commercialisation of the assistance in both the Netherlands and Sweden. The economic situation of the two countries will be examined by looking at trading and investment patterns, the balance of payments situation and the budgetary deficit, and the unemployment problem.



vII.2.1.1 Trading and Investment Patterns

In both the Dutch and Swedish cases, it is felt that humane internationalist ideas have been fostered by the fact that they are greatly reliant on international trade. Pratt wrote, "...it is very much in the interest of middle powers, particularly those dependent upon trade, to contribute to the development of international trade, financial, and monetary regimes which would negotiate and enforce common rules and standards."⁵³⁶ Statistics do in fact reveal that both the Netherlands and Sweden have quite open economies. In the case of the Netherlands, exports and imports each comprise over 50 per cent of the value of gross domestic product. In the case of Sweden, the respective figure is also quite high at about 30 per cent.⁵³⁷ These export and import percentages of gross domestic product are significantly higher than those of the United States (not known for its progressive aid policies). Yet, the progressive aid policies of the like-minded countries may not be solely attributed to their open economies. One only has to point to the case of Belgium (whose aid policies do not place it in the group of like-minded countries) but which has an even more open economy than the Netherlands.⁵³⁸ Other factors must also be responsible for the humane internationalist aid policies of the Netherlands and Sweden.

Furthermore, the great majority of the trade of the Netherlands and Sweden is with other Western industrialised countries. In 1988 Dutch exports and imports to the Third World as a percentage of total exports and imports were respectively only 11.9 and 16.0 per cent. The similar figures for Sweden were 13.4 and 11.6 per cent. Moreover, trade with the oil producing countries comprised a sizeable proportion of these figures.⁵³⁹ The programme countries to which the Netherlands and Sweden provide most of their development assistance are, on the whole, not major trading partners.

Likewise most of the programme countries of the Netherlands and Sweden are not major investment centres.⁵⁴⁰ An exception in the Dutch case might be the programme countries of India and Indonesia where significant Dutch business interests operate, and where significant markets exist.⁵⁴¹ Yet, in the Dutch case,



direct foreign investments in the developing countries (excluding the Netherlands Antilles) as a percentage of total direct foreign investments remains a very small 8.1 per cent.⁵⁴² In the Swedish case, direct foreign investments in the developing countries is higher (20-25 per cent of total direct foreign investments) yet these investments also occur primarily in countries which are not Swedish programme countries. Swedish direct foreign investments are concentrated in Latin America, a region in which only Nicaragua is at the moment a programme country. An exception in the Swedish case would also be India where 2 per cent of total direct foreign investment is located.⁵⁴³

Concluding, one may suggest that an economic precondition for the existence of humane internationalist policies within the Netherlands and Sweden would be the revelation that Dutch and Swedish capital have a limited overall interest in the Third World. Moreover the trade and investment patterns which do occur reveal that the assistance goes primarily to countries which are not of significant economic interest to the Netherlands and Sweden. Recently, however, the consequences of the world recession, the creation of new markets in the Third World, and the emergence of a fierce competition between old and new suppliers (some of whom are supported by their own governments) have led to an attack on the principles of humane internationalism and a corresponding increase in the commercialisation of the help.⁵⁴⁴ On the other hand, indirect economic interests are still served by humane internationalist policies. The image of the Netherlands and Sweden is built up in international fora and a peaceful international trading community is promoted.⁵⁴⁵ Exports may be indirectly promoted by the goodwill which the assistance may encourage and as a result of the stimulus to world trade in general, from which the Netherlands (and Sweden) benefit.⁵⁴⁶

VII.1.1.2 The Balance of Payments Situation and the Budgetary Deficit

The presumed similarity between the Dutch and Swedish economic situation experiences a contradiction with the balance of payments situation of the two countries. Sweden has



repeatedly had less positive balance of payments figures than the Netherlands.⁵⁴⁷ Thus, whereas the Netherlands has almost consistently had a positive balance on the current account, Sweden's record is much more negative achieving positive figures in only eight of the last thirty years. The differences in the balance of payments situation has also appeared to have led to different measures in the aid programmes of the two countries. Thus, the positive balance of payments situation in the Netherlands has contributed to some extent to one of the progressiveness aspects, namely the volume of total O.D.A. Pronk has himself stated that the extensive surplus on the current account balance eased the rapid growth in the volume of the help during the 1960's and early to mid-1970's.⁵⁴⁸

In Sweden, on the other hand, continual negative balance of payments figures have shaped to some degree the increasing commercialisation of the Swedish assistance. This argument was, for example, used to support the introduction of tied aid in 1972.⁵⁴⁹ Long-term balance of payments problems were, however, not only attempted to be solved by trying to increase the return flows of the development assistance budget to Sweden. A far more important instrument was the series of devaluations during the mid-1970's and early 1980's. During the 1975 to 1977 period three devaluations of the krona were necessary so that Swedish export industry could regain some of its lost market shares. Yet, by the late 1970's the balance of payments crisis re-emerged and further devaluations of the Swedish krona by 10 and 16 per cent were necessary in 1981 and 1982.⁵⁵⁰ It has been written that,

Following [these latest] devaluations... the balance of payments on current account underwent a marked improvement. A persistent deficit on the current account turned into a sizeable surplus in 1984, the only year so far in the 1980's with a noteworthy surplus. 1985 witnessed once again a deficit, reflecting a strong domestic demand and large net interest payments and negative services net. A marked oil price decline and a negative stock cycle in 1986 could only produce a slight surplus on the current account. The deficit which followed in 1987 has since been growing throughout in 1988 and is expected to grow further in 1989. The competitive edge gained through the devaluations has largely been exhausted and the relative cost and price deteriorations



have led to increasing losses in the market shares for exports of manufacturing over the last few years.⁵⁵¹

Thus, the balance of payments problems afflicting Sweden still do not seem to have been structurally solved. For the first time since the late nineteenth century Sweden has become a large foreign borrower.⁵⁵²

Regarding the government budget, both the Netherlands and Sweden continue to be plagued by budgetary deficits, although the Swedes have recently succeeded in decreasing their deficit considerably.⁵⁵³ Swedish success in this area has been achieved not by large cuts in social spending or the development assistance programmes but rather as a result of a 'free lift' (the western world economic upturn in the mid-1980's) and the aforementioned devaluations.⁵⁵⁴ The existence of budgetary deficits in the past and in the present have not been sufficient to decrease the volume of development assistance in both the Dutch and Swedish cases. In the Swedish situation, the new centre-right government of 1976 stepped up the growth of aid at a pace which was more rapid than that which had been planned by the previous government.⁵⁵⁵ In December of 1983 an attempt by the social democrats to reduce aid spending by Skr. 450 million was not successful and a turnaround occurred only five months later with an increase in the aid budget of Skr. 300 million (see VII.2.2.3).⁵⁵⁶ In the Dutch situation, the budget for the Ministry for Development Co-operation was one of the few departments spared in the large spending cuts of the 1980's.

VII.1.1.3 The Unemployment Problem

Both Sweden and the Netherlands faced large employment losses during the world recession of the late 1970's to the late 1980's. Before this particular recession the unemployment statistics for the Netherlands were consistently lower than the O.F.C.D. average. During the late 1970's the Dutch figures roughly matched the O.E.C.D. average, yet from 1981 onwards the Dutch unemployment figures have been repeatedly 2 per cent higher than the O.E.C.D. average. In the Swedish case, although the unemployment percentages have always been lower than the O.E.C.D. average, a similar trend is discerned in that a very high {for



Swedish ideas) 3.5 per cent unemployment figure was reached during the height of the recession in 1983.⁵⁵⁷ Since 1974 the unemployment rate has been higher in the Netherlands than in Sweden, with Dutch figures about 8 per cent higher than similar Swedish figures during the early and mid-1980's.

The unemployment problem has been utilised by the Dutch government as a reason to diminish the influence of humane internationalism on the assistance programmes. For instance, Pronk suggested that in his first period of office, the complete unbinding of the assistance which was strived for at the beginning of the social democratic led cabinet period, could not be achieved, not because of pressure from the national business community but because of the strong increase in unemployment during those years.⁵⁵⁸ This argument was repeated in the public policy statement of 1976/1977: "The Dutch economy finds itself at this moment in such a situation that a certain binding of the financial assistance will have to be continued."⁵⁵⁹ A few years later at the height of the late 1970's/1980's world recession a new policy statement once again stated that one of its objectives was to assist in solving the Dutch unemployment problem. This was necessary because, "[t]he Netherlands turned out to be relatively vulnerable to the world recession. An inability to adjust - partly due to the poor rentability situation and the preponderance of the collective sector - created a relatively sharp reduction in production and employment levels."⁵⁶⁰ The worsening recession led to more open and direct links between the development co-operation programmes and both Dutch employment levels and the export position of the Dutch business community.⁵⁶¹

The unemployment problem in Sweden has also led to an increasing commercialisation of the assistance. For example, the initial tying of aid in 1972 was partly introduced to stimulate employment within Sweden.⁵⁶² The initial resistance to this policy has today largely disappeared because of Sweden's economic difficulties.⁵⁶³ It may also be suggested that aid and Swedish economic interests became even more entwined as the recession worsened in the early 1980's. Thus, the introduction of the concessionary credits programme in 1980 was supported by pointing to the unemployment figures, the negative balance of



payments statistics and the unfairness towards Swedish industry when all the other donors used similar methods to tie aid and trade. Swedish industry was not to be allowed to operate at a disadvantage in international competition.⁵⁶⁴

VII.2.2 The Political Situation

After having examined the economic situation, a review of the political conjuncture in both countries will now be presented. The political situation at the macro-level will be ascertained by commenting on the colonial past, the power of public opinion, the power of the social democratic party and the role of 'welfare statism'. In essence, within the political situation, a study of the respective strengths of the 'breeding grounds' for a humane internationalist philosophy within the Netherlands and Sweden will be undertaken.

VII.2.2.1 The Role of a Colonial Past

As has been noted previously, Sweden has had no colonial past, whereas the Netherlands has had colonies in the Far East (Indonesia), in the Caribbean region and in South America (Surinam). The Swedish government points to the absence of a colonial past as one of the reasons why Sweden was so quick to provide political and economic support to the new developing nations which had gained independence.⁵⁶⁵ Yet, other colonial powers such as the Netherlands and the United Kingdom were also quite quick in providing assistance. Instead of the speed with which the assistance was given, one must examine the motives behind the help.

The existence of former colonies may have a negative impact on the progressiveness of donor aid programmes regarding the motives for the provision of the assistance. It has been stated that Sweden's development assistance, because it had no ex-colonies in the Third World, "...could be guided by truly untarnished moral and humanitarian motives."⁵⁶⁶ Although Stokke regards the Dutch assistance as primarily humane internationalist in character, he perceives elements of realist internationalism regarding the former Dutch colonies. The assistance was/is partly



meant to maintain good relations with the (ex-)colonies so that Dutch business interests were/are not damaged.⁵⁶⁷ Other observers have likewise mentioned the maintenance of (business) ties with the (ex-)colonies as a motivation for the extensive assistance programmes to those countries.⁵⁶⁸

VII.2.2.2 The Power of Public Opinion

In both the Netherlands and Sweden it is commonly believed that the development assistance programmes enjoy a large degree of public support. An O.E.C.D. study recently wrote,

The Nordic countries and the Netherlands clearly stand out for an extraordinary degree of public support for strong development assistance programmes. This reflects genuine sympathy for underprivileged people [and] the fact that a large part of the population is conscious of living in an affluent society ...The sense of international solidarity may also be favoured by the stronger homogeneity of the population in these countries, which are largely free of social, racial, religious or language tensions, and by their relative insulation, as small countries, from international political conflicts that have affected public opinion towards particular developing countries in, for example, the United States.⁵⁶⁹

Public support for the aid programmes is also perhaps the result of public education. The same report wrote,

In the Nordic countries and the Netherlands active public education has contributed to create a positive public opinion towards development assistance. Although causal conclusions in this field are difficult it is significant that the public authorities spend some 50 US cents per capita for public information on development issues in Sweden and Norway and some 20 cents in Denmark and the Netherlands, whilst the comparable figure in the United States and the United Kingdom is only about 1 cent.⁵⁷⁰

Statistics do reveal a very high degree of public support for the development assistance programmes in both the Netherlands and Sweden. For example, in a study on Swedish public opinion towards development aid published in 1978, 95 per cent of the respondents thought that Sweden should assist the poorer countries (although only 62 per cent favoured the provision without reservation). To the question, 'should we have solved our



own problems before giving aid?', 42 per cent of the Swedish population thought that their own problems should be solved first to some extent and 37 per cent disagreed. Regarding the volume of the assistance, 52 per cent thought the grants were large enough, 30 per cent desired an increase, and 8 per cent favoured a decrease. It was noted that no major changes in attitudes to development aid had taken place in the last fifteen years (1963-1978) although the aid as a percentage of G.N.P. had increased significantly.⁵⁷¹ Since 1978 the trend of support for development assistance has remained quite high despite the severe economic difficulties in Sweden in the late 1970's and early to mid-1980's. The 82 per cent of the population who either supported an increase in the assistance or thought the level was just about right in 1978, decreased to a low of 65 per cent in 1980 but rebounded back to 77 per cent by 1985. Women and young people are more disposed to the help than the average Swede.⁵⁷² Also of interest is that no significant differences in support for the assistance programmes were discovered between Swedes that were optimistic and those that were more pessimistic about the state of the Swedish economy. It has been written that these opinion polls suggest that, "...the responsiveness to Third World needs, rather than being shallow and dependent upon high levels of employment, is in fact remarkably entrenched within the social values of most Swedes."⁵⁷³ One notable feature about the opinion polls is that although an increase in the aid is usually supported by only about 25 per cent of the Swedish population, once the increase has been carried out, it receives widespread approval.⁵⁷⁴

The fact that the support for the development assistance programmes remained quite high during the economic recession (and also amongst both the Swedish optimists and pessimists) may, however, not only reflect principles of solidarity held by the Swedish people. It might reflect the changing nature of the Swedish aid programmes (i.e. the increasing commercialisation and ties to the Swedish economy). An increasing pressure was felt to justify 'pure' development assistance during the late 1970's and 1980's. It has been noted that, "[t]he development assistance budget had reached a level which, given the ever more onerous weight of objective constraints in Sweden, could no longer be

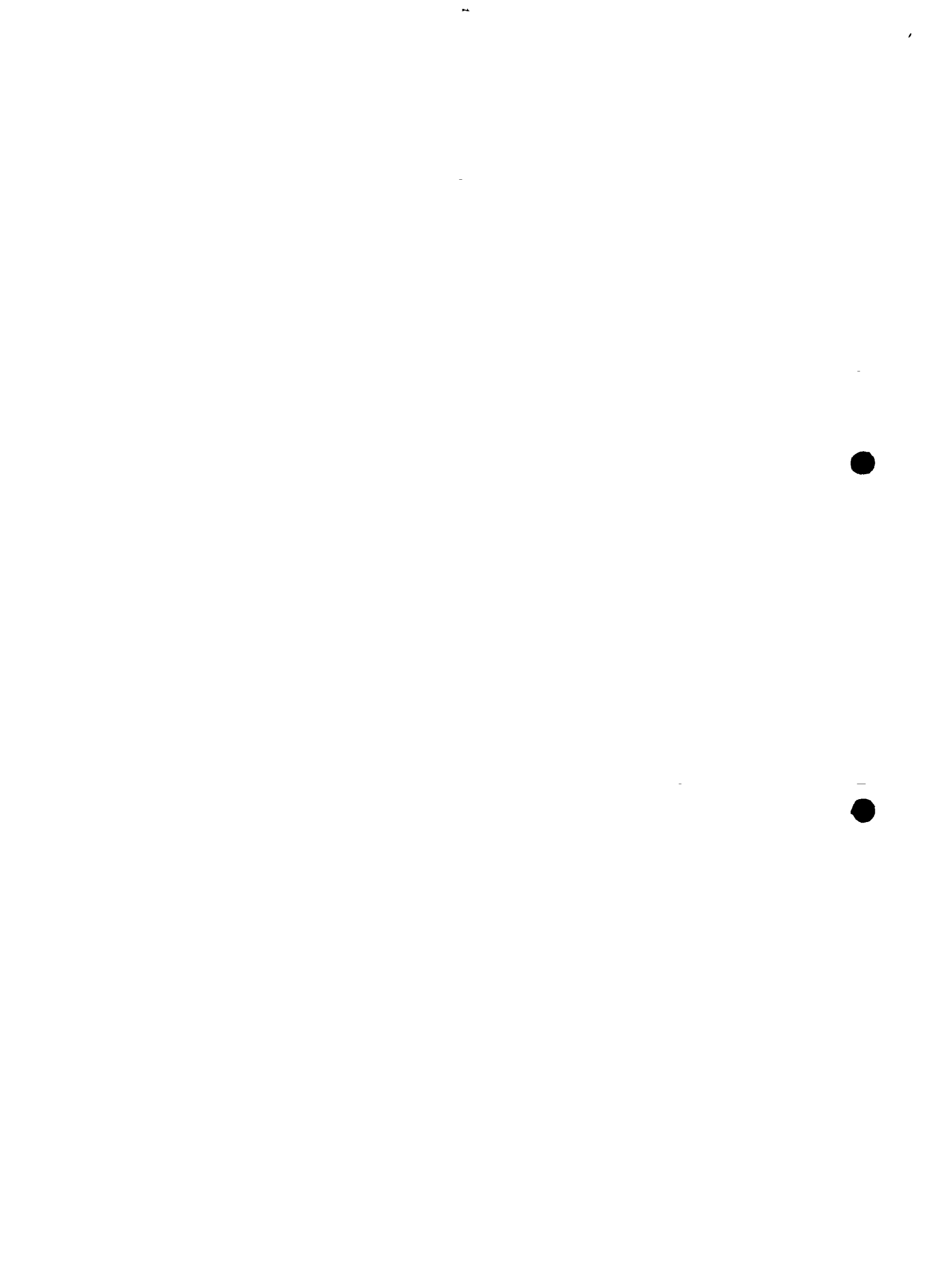


regarded as a quantité négligeable either by industry or by the public at large."⁵⁷⁵

In the Netherlands, public support for the development assistance programmes began with the catholic and protestant church groups.⁵⁷⁶ In 1954, a group was set up against the lowering of taxation levels, arguing instead for more funds to be committed to development assistance. It has been stated that the Third World movement in the Netherlands is unique because similar types of movements in other countries are not so large. Moreover, the influence of this movement in the Netherlands can not be underestimated.⁵⁷⁷ This belief is shared by another observer who suggests that the aid administration listens more closely to the Third World movement than the general public. This is revealed by examining the support which the great majority of Dutch parliamentarians gave to increasing the development assistance levels in 1970 when other surveys showed that the general public was less in favour of increasing the aid. The author continues by stating that the aid policy makers have more contact with the Third World movement via newspaper headlines, informal and formal contacts, than with the general public at large. It is thus plausible that 'the public opinion' in the eyes of the aid administration is more defined by the Third World movement than the public opinion itself. On the other hand, this does not imply that one should place extensive importance to the influence which this movement has on the policy makers. The influence of other ministries is naturally much greater.⁵⁷⁸

Returning to public opinion in general, similar figures to those noted in Swedish surveys have been encountered in survey research. For example, in 1979, 80 to 85 per cent of the Dutch population was either in favour of maintaining or increasing the aid volume. This percentage matches the aforementioned Swedish percentage of 82 per cent in 1978.⁵⁷⁹ Yet, these figures, according to another observer are not noticeably better than other European countries. This observer wrote,

In contrast to the common view, public opinion polls do not clearly indicate that the Dutch feel that Third World issues are of more importance than the public in other European countries does. What is different, however, is that in Holland extremely negative views on aid and Third World



countries are less apparent than in other countries. Only 7 per cent of those interviewed by the European Consortium of Agricultural Development belonged to this category, as against 11 per cent in the community as a whole (and, at the other extreme, 20 per cent in the United Kingdom).¹⁰⁰⁰

Thus, the overly rosy view of the degree of public support for the assistance programmes accorded to the Netherlands at the beginning of this paragraph by the D.E.C.D. needs to be tempered to some extent.

VII.2.2.3 The Power of the Social Democratic Party

The hypothesised more positive political conjuncture for progressive aid policies in Sweden than in the Netherlands (see IV.3) is primarily based on the greater power of the social democratic party in the former country. Election results do reveal the considerable power of the Social Democratic Party in Sweden. For instance, "[i]n seventeen parliamentary elections since 1928, it has averaged 46 per cent of the popular vote, never falling below 40 per cent and outdistancing the second largest party by an average of 25 percentage points."¹⁰⁰¹ Between 1932-1976 the Swedish social democrats were in office permanently except for an interregnum period of one hundred days in 1936. Before the second world war the social democrats had a working agreement with the Centre Party, during the war all parties except the Communist Party were in a coalition, and after the war until 1976, the Social Democratic Party had ruled alone in office (except for the period between 1951-1957 when a coalition government was in power).¹⁰⁰² Thus, in 1976 when the non-socialist parties together won a majority of seats, and the social democrats had to resign, they left office after having helped shape Swedish society for almost half a century. No other Western country has seen such a success of social democratic policy translated into voter's support. After a few centre-right coalitions (the Centre Party, the Conservative Party and the Liberal Party) during the period 1976-1982, the Social Democratic Party regained power. At the moment a considerable socialist majority (the social democrats, the communists and the greens) in the Swedish parliament exists, with 197 out of the 349 seats



occupied by these parties.⁵⁵³

In the Netherlands the Labour Party has never experienced as much support as its sister party in Sweden. This is confirmed upon examining socialist participation in Dutch post-war governments. Thus, although the Labour Party formed part of the 'roman-red' backbone of Dutch politics for the period of reconstruction in the first decade after the second world war; the Labour Party was forced out of the coalition in 1958 and was not to return until 1973 (except as a short coalition partner in 1965/1966). In 1973 the Labour Party formed a socialist led coalition which lasted until 1977.⁵⁵⁴ In 1977 the socialists did not return to the cabinet and a centre-right government was formed which lasted until 1981. At that time the Labour Party returned to the government but the new coalition faced immediate problems and new elections were called in 1982. In the following two government periods, a centre-right coalition ruled the Netherlands.⁵⁵⁵ In the autumn of 1989, the Labour Party once again could finally share power after a lengthy period in the political wilderness.

The fact that Swedish society has been primarily governed by the social democrats in contrast to the Netherlands necessitates a closer examination of the role of the Social Democratic Party in the formulation and implementation of Swedish aid policies. Although the Swedish social democratic party generally aims for a reformist democratic socialism, regarding aid policies an extensive radicalisation process occurred during 1960-1972. This was a function of the evolution of social democratic ideology during that time.⁵⁵⁶ Another observer confirmed the fact that the aid programme of Sweden (a capitalist country) could be directed at anti-capitalist and anti-imperialist movements and countries not only because of the economic situation of Sweden at that time (the limited overall interest of Swedish capital in the Third World and the concentration of direct foreign investments in Latin America formed the preconditions - see p. 139), but more importantly, "...the strong opinion in Sweden for such a policy, not least thanks to the work of the anti-imperialist movement and because of forces within the social democratic party."⁵⁵⁷ Still another observer, Söderston, suggests that the support base for such radical policies was in fact much smaller and that the



radical aid policies of the 1960's/early 1970's could be shaped because, "...the details of aid policies will primarily be the concern of limited groups with special interests. An ideological approach which would be deemed far-fetched and extravagant if applied to domestic issues can thus take on relevance and seem appropriate for application to aid policies. My contention is that views which would not have received much of a hearing if applied to domestic policies were quite important in shaping aid policies in the early 1970's." 500

As the Swedish economic situation began to deteriorate in the mid-1970's, a tension between the reformists within the aid administration and the pragmatists in other government departments (who dominated the consideration of domestic reforms), was noticeable. The pragmatists seemed to have won this battle and since the late 1970's, an effort has been made to adapt aid policies so that they are more in harmony with internal Swedish policies. 501 Referring to the changed political climate in the late 1970's, an onlooker wrote,

It has been suggested that the various policy changes introduced by the centre-right government (International Development Bank membership, the export drive in developing countries, extended export credits, investment guarantees and SWEDFUND) were caused not so much by the change in government as by changes in the international position of Swedish capital (the 'crisis'). These changes...have removed the preconditions for the earlier separation of aid policy from the interests of capital. A Social Democratic government would have had to act roughly in the same way as its successors. 502

The continuation and strengthening of the commercialisation of the assistance after the social democrats regained power in 1982 showed how far-sighted his analysis was. Another observer has also stated that the assumption that these changes in the mid-1970's would not have occurred if the social democrats had stayed in power is incorrect. The economic crisis narrowed the room for relatively autonomous aid policies. 503 The increasing commercialisation of the assistance does not therefore seem to be influenced by government colour.

On the other hand, the Swedish aid policies as we have seen, have not become entirely commercialised. A 'purity consensus' in



almost all the parties ensures that a brake exists on a too extreme form of commercialisation.⁵⁹² Only the Conservative Party at the moment favours a much greater degree of formal tying or a large reduction in the aid budget.⁵⁹³ The fact that almost cross-party support for the development assistance programmes exists, leads one to propose that the hypothesis that the large role of the Social Democratic Party in Sweden is a main cause for the progressiveness of the aid programmes, needs to be somewhat altered. The other political parties also support the aid programmes, and in several cases, even more so than the social democrats. For example, when the new social democratic government wished to decrease the aid budget in 1983, quite a large public outcry arose even from parties to the right of the social democrats, the Centre and Liberal Parties. Within the Social Democratic Party, resistance came from the Young Socialists, the christian wing and women's groups.⁵⁹⁴ The resumption of the 1 per cent target by the social democrats in April 1984 was, however, not considered sufficient by both the Communist and Liberal Parties. In their election manifestos, they wish to double the present aid level to 2 per cent of G.N.P.⁵⁹⁵ This coincides well with a public opinion survey held in 1985 in which the supporters of the small non-socialist parties (the Liberals and the Christian Democrats) were the strongest believers in the maintenance or increase of the help programmes. Social Democratic and Conservative Party voters were the least inclined to maintain or increase the assistance.⁵⁹⁶ The strong support for development assistance held by the Liberals lies in their historical links to religious and idealistic associations. Founded in 1934, the Liberal Party has strong ties with one of its initial constituents, the Free Churches. Similarly, Christian Democratic support rests on christian influences.⁵⁹⁷ The actual increase in the aid budget, the continuation and even increase of the percentage of the assistance provided to the 'socialist' countries, and the brake on a too extensive commercialisation of the Swedish assistance during the centre-right government of 1976-1982, may also be explained by noting that the Liberal Party had the development co-operation post. The Liberal Party on the development assistance issue differed marginally from the Social Democratic Party (except the volume question), one of her



coalition partners (the Centre Party) accepted liberal policy, and although the other (the Conservative Party) did not, development assistance was not one of her priority issues.⁵⁹⁸

At a much earlier stage of the assistance programmes in the early and mid-1960's (when the Swedish minister for development co-operation resigned after her belief that not enough funds were committed - see p. 39), social democratic supporters also lagged far behind in their knowledge and favourable attitudes towards development assistance. Urban intellectuals formed the support base for the development assistance programmes with the best knowledge and most favourable attitudes being held by Communist and Liberal Party supporters. Conservative and Centre Party supporters had somewhat less positive attitudes, followed by the last comers, Social Democratic Party voters. Within the social democratic ranks,

"[t]he impression was strong that aid was an upper- or middle-class issue, of interest to those who could afford it, people who perhaps earlier had not shown very much sympathy for the struggle for justice and egalitarianism in Swedish society. This was certainly one element in the ambivalence of the Social Democratic Party regarding the question of putting international solidarity into practice."⁵⁹⁹

It must be remembered that the power base of the Swedish Social Democratic Party was and still is for the most part manual workers who form a loyal and stable voting block.⁶⁰⁰ It may be suggested that the radicalisation of aid policies during the late 1960's and early 1970's under the social democrats was formulated and implemented by middle-class intellectuals whose links with a mass base were limited. This corresponds well with the aforementioned analysis of Söderström that radical aid policies could arise at that time because only limited groups with special interests were involved in the policy formulation process. When unemployment levels started to rise in the early 1970's, other groups with other interests could and suddenly desired to become involved in the policy formulation process. Of importance is that the opposition to the tying of aid in 1972 did not come from the Social Democratic Party in general or the affiliated trade unions. The resistance was found in the S.I.D.A. administration (the middle-class intellectuals), and the youth, women's and



christian branches of the party.⁶⁰¹

In the Swedish case, the fact that sympathisers of other political parties are just as supportive, if not more so, of development assistance than the social democrats is also supported by the previously mentioned public opinion study in 1978. In that study, the hypothesis that the more radical a party supports the more Third World orientated that person is, was not proven valid on the issue of development aid. The attitude to development aid was not found to relate to a left-right political dimension.⁶⁰²

VII.2.2.4 The Role of 'Welfare Statism'

In the previous paragraph, one discovered, somewhat surprisingly, that the general power of the Swedish Social Democratic Party can not adequately be utilised as the major explanation for the humane internationalism of the Swedish development assistance programmes. This is the case after witnessing that other parties to the right of the social democrats also share similar party views. Moreover, the supporters of the non-socialist parties in many cases even have more favourable attitudes towards the development assistance programmes than the traditional social democratic voter.

One can consequently suggest that it is not the narrow political power of the social democratic party which explains the more progressive aid policies of the like-minded countries, but the extent to which 'welfare statism' has become an integral element of those societies. This would also explain why the Netherlands, where the power of the Labour Party itself, is much less than in Sweden, still finds itself in the group of like-minded donor countries. This may explain, for instance, why in both the 1982 and 1986 Dutch election campaigns, "...all the major political parties reaffirmed their commitment to the aid target of 1.5 per cent of net national income."⁶⁰³ 'Welfare statism' defined as a, "...high degree of public trust in the effectiveness of the state institutions in redistributing income and in providing social services to large segments of the domestic population," has a deep basis in these countries.⁶⁰⁴ In both the Netherlands and Sweden, although the social democrats have been



the primary architects of the welfare state, it has slowly become entrenched as the common property of those societies, although not without some contestation.⁶⁰⁵

It has thus been suggested that the progressiveness of the aid policies of the like-minded countries may be attributed to the transference of domestic 'welfare statism' to the international plane. For example, 'welfare statism' is more or less explicitly mentioned in the public policy statements of the Swedish government regarding foreign development assistance. In 1978, the Swedish government, in discussing the motives for the help, wrote, "[t]he call for solidarity with the poor countries is also a natural outgrowth of our strivings towards equality between groups and individuals in our own country. This latter policy thereby assumes an international dimension."⁶⁰⁶ This vision is also dealt by the Dutch government. In a recent publication, the government stated, "[j]ust as in the Netherlands, where the differences in welfare have been decreased to the present levels, the Third World desires to do the same. When we wish to decrease the differences between rich and poor in the Third World, we can only do that by working on a more just society in the Netherlands."⁶⁰⁷

An O.E.C.D. study has also suggested a positive correlation between the political acceptability of large scale aid programmes and relatively large domestic social expenditures. It is felt that public support for development assistance in the Nordic countries and the Netherlands arises because of, "...an optimism about the feasibility of promoting social justice through public programmes. It may be a matter of projecting on the international level the collective sense of responsibility for the less fortunate which seems to be particularly developed in these countries at the national level."⁶⁰⁸ A common measurement of the extent of 'welfare statism' in a country is current general government expenditure as a percentage of gross domestic product. Statistics reveal that both the Netherlands and Sweden have considerably more government outlays (about 20 per cent more) than the average D.A.C. member.⁶⁰⁹ Another method to operationalise the relative size of the public sector in the donor countries is to measure the total taxes and social premiums as a percentage of the bruto national product. When this is done,



a study has shown a very high correlation between the size of the public sector and the level of O.D.A. as a percentage of G.N.P. in the donor countries.⁶¹⁰

VII.3 The Micro-Level

At the micro-level, an examination of the political conjuncture will involve a study of the aid administrations of both countries. This will include an examination of the structural differences between the two central aid agencies including an analysis of their power with respect to other ministries and the national business community. Other micro-factors to be examined will be the personnel policy and the spending pressures of the two aid administrations.

VII.3.1 Structural Differences

Numerous Dutch critics of the Dutch development assistance programmes as presently administered have suggested that the organisational structure of the Swedish development assistance programmes should be copied by the Dutch authorities to improve the effectiveness and progressiveness of the Dutch aid programmes. A parallel discussion is the desirability or not of expanding the real competence of the minister for Development Co-operation to other areas of structural importance for Third World development (i.e. trade, natural resources, foreign investments and monetary policy).⁶¹¹ In this second discussion, proponents do not point to a specific Swedish model: the Swedish solution is only preferred for the first discussion, the narrower organisational questions concerning the provision of the development assistance programmes.

In the past Pronk has stated a desire for a new super ministry for international economic relations in which the assistance would be organised in a S.I.D.A. type form. He suggested that this would be better for the continuity of Dutch aid policy and would ensure that the aid programmes were not misused (i.e. serving only the economic interests of the Netherlands). His plea for the creation of a super ministry was based on recent developments which he had noticed, namely that



Schoo had no real influence on areas of structural importance to the Third World, as the other ministries (e.g. the Ministry of Foreign Affairs, the Ministry of Finance and the Ministry of Economic Affairs) remained de facto more powerful. Regarding the development assistance programmes, he favoured a S.I.D.A. type organisation because a change in policy would only be possible by a change in the law. The criteria by which the organisation would provide the help could also be laid down by law (e.g. the social redistributive criterion) so that a minister could not so easily change policies to promote Dutch exports, for example.¹²

Another observer, Bol, who has praised the Swedish development assistance programmes also pointed to the organisation of the S.I.D.A. as a contributing explanatory factor. His analysis centred on the organisational differences at embassy level. The S.I.D.A. was gifted with an organisation which stood relatively autonomously from the regular embassy personnel, whereas the Dutch organisation was faced with institutional barriers put up by the Ministry of Foreign Affairs and the Dutch embassies abroad. He suggested that at most of the embassies development experts were still either viewed as export promotion or image improvement agents.¹³

Verloren van Themaat has also stated that further studies on the desirability of an aid agency à la S.I.D.A. are certainly worth the trouble considering the numerous advantages of a separate autonomous agency. These advantages would be the greater flexibility, the directer possibilities for personnel recruitment, the easier introduction of professional standards and the greater autonomy vis-à-vis the bureaucratic procedures.¹⁴ By setting up an independent state agency for development assistance, still another observer has suggested that public support for the development assistance programmes would be increased.¹⁵

All of the Dutch critics of the Dutch organisational structure regarding development co-operation share the common belief that a more independent aid-executing agency modelled on the S.I.D.A. would probably be able to put a brake on the commercialisation of the aid process. At the moment it is noted that, "[o]nly meagre bureaucratic resistance can be mobilised against reducing the role of the aid bureaucracy in favour of



other, stronger ministries, the increased influence of the diplomatic service, and the involvement of the private sector. The aid administration itself is not a strong lobby force in the Netherlands.⁶¹⁶

The fact that the aid administration may be less influential may be partially the result of the influences that the different ministries have upon each other. The Ministry for Development Co-operation is affected by its relationships with primarily three other ministries (Economic Affairs, Finance and Foreign Affairs). The relationships amongst these ministries are, however, not static and may change over the years. For instance, regarding the Ministry of Economic Affairs, 1973 seems to have been quite a turning point with Pronk's ability to reduce the influence of the Ministry of Economic Affairs in the aid programmes. The Ministry for Development Co-operation at that time received the responsibility for the expenditure decisions regarding the financial assistance programmes, which before then had been located within the Ministry of Economic Affairs.⁶¹⁷ This ministry was, of course, a strong advocate of tying the aid to purchases in the Netherlands.

After 1973, the Ministry of Economic Affairs continued, however, to have a role in the Dutch assistance programmes by, for example, sending a representative to the Dutch delegation in the annual allocation discussions with the concentration countries. In the discussions involving the development aid to India, the Dutch Ministry of Agriculture is also represented.⁶¹⁸ The Ministry of Economic Affairs must also receive a copy of the country documents planned by D.G.J.S. so that they can be commented upon. Moreover, concerning India, the Ministry of Economic Affairs fulfils a watchdog function regarding the gentlemen's agreement to restrict local cost financing to 30 per cent of the annual allocations.⁶¹⁹ The Ministry of Economic Affairs also partakes in the concessionary credits and restructuring programmes which are financed with development co-operation funds.⁶²⁰

It is admitted that the relations between the Ministry for Development Co-operation and the Ministry of Economic Affairs are characterised by a certain natural tension. Within the Ministry of Economic Affairs, "...[it] is consequently confessed that the



Ministry for Development Co-operation can not be labelled as business unfriendly, but that the activities of the business community have to fit in the own criteria of the Ministry for Development Co-operation."⁶²¹ This tension is also revealed by another observer within the Ministry for Development Co-operation in a discussion over the 'widening' exercise with India.⁶²² In the various conflicts of interest that may arise, D.G.I.S. has not always been the victorious party. For example, it has been stated (once again specifically with respect to India) that,

[t]he Ministry for Development Co-operation could not entirely ignore the influence of the business community [and the Ministry of Economic Affairs]. This became abundantly clear with the first 'widening' project. Hastily, the delivery of a dredging ship was arranged while the development relevance was not properly researched...Also concerning the fertiliser aid, the Ministry for Development Co-operation allowed the importance for the Dutch business community to (temporarily) prevail above the importance for India...With the trawler affair, it took much trouble before the treadmills could be stopped, but eventually the interest of the small fishers (after much pressure from the public opinion) was put first.⁶²³

On the other hand, the Ministry of Economic Affairs, has not always been the stronger party in the relationship between the two ministries. In the case of India, one only has to point to the following achievements accomplished by the Ministry for Development Co-operation: the use of retroactive financing was argued against; the agreement to reserve 10 per cent of the allocation for the 'widening' exercise disappeared; and the planned utilisation of counter value funds was torpedoed.⁶²⁴

Regarding the relationship of D.G.I.S. with the Ministry of Finance, a shift in influence towards this latter ministry is noticeable. This seemed to occur after 1978 and has not occurred because of a formal shift in responsibilities but rather due to actual developments. For example, regarding World Bank and I.M.F. policy, a shared formal responsibility still exists between the Ministry of Finance and the Ministry for Development Co-operation, yet in reality the Ministry of Finance determines the content, or at least the direction, of Dutch policy.⁶²⁵

The room for manoeuvre of the Dutch Ministry for Development Co-operation is also affected by its organisational integration



into the Ministry of Foreign Affairs. An observer has commented,

...the very fact that the Minister for Development Aid is operationally attached to the Ministry of Foreign Affairs means that development aid runs the risk of being used as an instrument of short-term foreign policy. Moreover, it may be argued that the grafting of the aid administration on to the Ministry, with its older and perhaps somewhat rigid structure, has led to some dissipation of the idealism and dynamism of the aid administration.⁶²⁶

The function of the minister for Foreign Affairs remains a more important function than the minister for Development Co-operation and can restrict the possibilities for an independent development co-operation policy.⁶²⁷ One recent example of this would be the verbal differences between the two ministers regarding the public weight attached to the matter of human rights violations in Indonesia in which the development co-operation minister seems to have been called to order by the foreign affairs minister.⁶²⁸ Verloren van Themaat has also suggested that the influence of the Ministry of Foreign Affairs on the Ministry for Development Co-operation is greater than is often assumed. Among other aspects, this results in diplomatic considerations often dominating those of a more objective character.⁶²⁹

After having noted that an extensive number of Dutch critics regard the Swedish organisational structure as a better alternative for organising the Dutch development assistance programmes, it is clear that a more detailed examination of the Swedish organisational aid structures is required to determine whether in fact the assumed benefits are true in reality. In Sweden, the S.I.D.A. operates, like many other agencies, as a central agency under the responsibility of the relevant ministry. These ministries are much smaller than their Dutch counterparts having often not more than one hundred staff members.⁶³⁰ In the case of the S.I.D.A., the relevant ministry at the moment is the Ministry of Foreign Affairs. A researcher has explained the historical development of ministerial control as follows,

Until 1970, political responsibility for development policy remained spread over a number of ministries (foreign affairs, finance, trade, and in addition various sectoral ministries). A reorganisation scheme then placed virtually all responsibility in this field with the Ministry of Foreign



Affairs. The competent department there was the newly established Office for International Development Co-operation which was headed by an under-secretary of state. This department - and development policy in general - was upgraded on several occasions to acquire its own appointed minister, since the change of government in October 1985, the Minister in the Ministry of Foreign Affairs with Special Responsibilities for International Development Co-operation.⁶³¹

Only 56 people work within this department at the Ministry of Foreign Affairs.⁶³² This is quite a difference from the Dutch situation and is of course explained by the decentralisation of numerous tasks to the centralised agencies responsible for the development assistance programmes (e.g. S.I.D.A., SWEDFUND and B.I.T.S.).

The S.I.D.A. enjoys a great deal of autonomy in this construction. It is explained that,

The co-operation department of the Ministry of Foreign Affairs confines its activities to charting out the framework for S.I.D.A.'s activities on the basis of general guidelines, exerting influence on S.I.D.A.'s personnel affairs only in connection with highest-level appointments, co-ordinating S.I.D.A.'s budget proposal (for bilateral aid) with the Ministry of Finance and arguing the case for the budget proposal before the Parliament. Under the terms of its mandate, the Ministry is not involved in the routines of country programming, project selection, project appraisal or handling the project cycle.⁶³³

The budgetary proposals to the government, which include country concentration choice, are initiated by the S.I.D.A. itself after much participation from other societal groups.⁶³⁴ The proposals which are eventually sent to the Swedish parliament also include policy guidelines on country concentration choice such as the social redistributive criterion. These guidelines are passed as law by the Swedish parliament. Another significant difference from the Dutch case, is that a representative from the Swedish Ministry of Economic Affairs does not participate in the annual allocation discussions which are organised by the development co-operation offices with the authorities from the selected programme countries.

The independence of the S.I.D.A. is also ensured by the membership composition of its board of directors. The leadership



of the S.I.D.A. represents the corporatism of Swedish society and is described as follows,

There are thirteen members on...the Board of Directors. The President of the Board is the Director General of the S.I.D.A. The other members represent parliamentary political parties, non-governmental organisations (The Swedish Confederation of Trade Unions, The Swedish Central Organisation of Salaried Employees, The Federation of Swedish Farmers, The Federation of Swedish Industries, the Swedish Co-operative Union and Wholesale Society, and the Swedish Missionary Council) as well as two representatives of S.I.D.A.'s staff. 636

Although these board members are appointed by the government, they enjoy, as mentioned above, quite a large degree of freedom in policy formulation and implementation. 636 This may also be partly explained by the fact that no government members are allowed to sit on the S.I.D.A. board. This is not the case in the other central aid agencies, B.I.T.S. and SWEDFUND, where members of the government do have a seat on the board of directors and where it is judged that the power of the aid bureaucracy is less than at the S.I.D.A. 637 Although at the moment all the aid bureaucrats appear to share a desire for increasing the return flows without formal tying, Kärre has suggested that a determinant of the progressiveness of the Swedish aid policies can to some extent be attributed to the considerable power which the aid agencies (and in particular the S.I.D.A.) possesses. 638

At a first glance, after this review of the aid structure of the S.I.D.A., it could therefore be suggested that the Dutch critics of the Dutch aid structures have been proven right and that the institution of a S.I.D.A. type aid administration would perhaps improve the effectiveness and progressiveness of the Dutch O.D.A. programmes. Yet, recent developments in Sweden should lead to more caution in the suggestion that a Dutch S.I.D.A. would be the panacea to cure all the aid ills in the Netherlands. The problem lies in power discrepancies and shifts amongst the institutions involved in the Swedish aid programmes. We have already noted that the S.I.D.A. is becoming increasingly less important in the bilateral development assistance programmes with the creation of the commercially more lucrative central agencies, SWEDFUND and particularly, B.I.T.S. (see page 50).



Furthermore, a rival administration to the Office for International Development Co-operation has been set up within the Ministry of Foreign Affairs. This rival institution is led by a minister with Special Responsibilities for Foreign Trade. Three of this department's six divisions have a Third World orientation, one of which is responsible for export promotion and the associated financing programme (the development relevant export transactions). Whereas the Office for International Development Co-operation shares an ideological similarity with the S.I.D.A, this new department operates from another angle. The strength of this new department seems to account for the loss of significance in the overall Swedish development assistance programmes of both the S.I.D.A. and its development co-operation offices abroad.⁶³⁹

VII.3.2 The Personnel Policy: Generalists or Specialists

Many Dutch critics also point to the personnel policy (specifically the hiring of generalists) at the Dutch Ministry of Foreign Affairs as detrimental to the effectiveness of the aid programmes. Since 1987 personnel policy of the ministry is characterised by the integration of home-based personnel from the development aid sector and the diplomatic service. The personnel must be equipped to fulfil a variety of functions in the Netherlands and abroad, from development co-operation to trade promotion, from the European integration to the NATO. Employment rotation is a key element of this new strategy that ideally should lead to a new placement every three or four years. The critics attack this generalist personnel policy and point once again to the Swedish model where more specialist staff is hired. Breman typifies the critics in his statement that, "The ideal [Dutch] expert appears to be a shuttle that moves about the world and presumes that his/her specialism is overall direct and uniformly applicable. For the viewpoint that only a long and deep investment results in a useful return, exists little understanding or value."⁶⁴⁰ Yet, a report of the Operations Review Unit at D.G.I.S. published in 1988 did express doubts about the integration exercise stating that repeated transfers and internal exchanges would increase the difficulties in the



building up of knowledge accumulation.⁶⁴¹ Furthermore, according to Hoebink, in the first version of Bukman's last policy statement which circulated internally within the ministry, some recognition was also given to the problems involved with the integration. The fact that, "...a few decades ago primarily experts with long periods of working experience in the Third World were hired [at the Ministry for Development Co-operation]," and that, "[n]ow recruitment occurs via the so-called diplomatic class," was sketched as a development not without difficulties.⁶⁴²

Interesting, however, is that in the second version of Bukman's policy statement (which was the public version); the comment that in the past experts were recruited after a long working experience in the developing countries was notably absent. Instead it was claimed that the belief that the integration of the entire Ministry of Foreign Affairs (including the Ministry for Development Co-operation) with the diplomatic service would lead to a decline in professionalism was unfounded.⁶⁴³ Yet, Hoebink has counterclaimed that the arguments accompanying Bukman's optimism were quite weak. Hoebink wrote,

The only real argument that the policy statement gives, in arguing against the Labour Party supported plan to set up a central aid agency using the Scandinavian example, is that the distance between the political top and the executing agency would become too great. The two other arguments that are used (the underestimation of the possibilities to change within the present integrated service and the fact that the discussion [the quality of the Dutch aid] is centred excessively on the advantages of a different personnel policy) can not, examining them from a strict logical viewpoint, be considered as arguments.⁶⁴⁴

The possibilities for changes within the present integrated service which Bukman mentions (e.g. some more technical personnel at the Ministry, a few more sector specialists at the embassies, and the offer of a career trajectory that can take place primarily within the field of development co-operation by taking into consideration the background and interest of the candidates) are not considered adequate by Hoebink. Hoebink has thus stated, "[t]he concessions on the career perspectives of the diplomats are evidently more important than the obtainment of a



strong development co-operation department that can offer resistance against the pressures of the consultancy bureau, and the domestic business community."⁶⁴⁶ Moreover, the generalists who are hired are accepted into the diplomatic service on the basis of their capacity and willingness to look after Dutch interests abroad. Needless to say this is not always conducive to a more progressive development orientated policy.⁶⁴⁶

In the Swedish development co-operation field, staffing policies differ from in the Netherlands in that more emphasis is placed on the hiring of specialists in Sweden. For example, in the important infrastructure division at the S.I.D.A. (responsible for among other things the drinking water projects), architects, engineers and other staff with a technical background are hired. A few sociologists are also hired in this division. In the other divisions, more generalists are recruited, yet once they are hired they remain within the S.I.D.A. and are not expected to take up functions in other areas of the foreign affairs field, such as is the case in the Netherlands.⁶⁴⁷ Thus, within the S.I.D.A., the diplomatic service has not been integrated. In the Office for International Development Co-operation, the staff are also separate from the rest of the staff in the Ministry of Foreign Affairs. They also do not have to serve abroad.⁶⁴⁸

VII.3.3 The Spending Pressures

Another problem signalled by Dutch critics in the Dutch development assistance programmes is the spending pressure faced by the aid bureaucrats. The difficulty has arisen in that the number of bureaucrats has not increased at an equal pace to the volume of the aid budget. It is implied that this leads to time constraints in the judgement of project and programme appraisals. Consequently, it is thought that many projects and programmes are accepted without a prior well-considered analysis. Moreover, a preference for large scale expensive capital projects (whose relevance for an improvement in the living standards of the poorest have been doubted) might arise.⁶⁴⁹ This would be because these type of projects could be allocated large sums of funds quite quickly in contrast to the smaller target group projects which per spent unit require considerable more labour hours and



supervision. The progressiveness and the effectiveness of the aid programmes may therefore be negatively affected when severe staff shortages exist. The question to be asked in this paragraph is, if in fact the Dutch aid administration is overburdened, and if the Swedish aid administration faces similar problems.

Various statistics and studies point unanimously to the understaffing faced by both the Dutch and Swedish aid administrations. In my own calculations, the spending pressure per civil servant has increased considerably in both countries, from Dfl. 2.1 million in 1973 to Dfl. 6.6 million in 1983 in the case of the Netherlands, and from Skr. 2.7 million to 9.0 million over the same years in the Swedish case.⁶⁵⁰ Whereas the volume of the assistance has increased rapidly; a similar proportional staff increase has not occurred. In the case of the Netherlands, D.G.I.S. staff levels had even returned to 1980 levels in 1988. In the case of Sweden, a staff freeze has recently been instituted.⁶⁵¹ In the Netherlands, the problem of understaffing has also been confirmed by the Ministry for Development Co-operation itself.⁶⁵² It is mentioned as one of the reasons for the large-scale delegation of tasks to commercial consultancy bureaux since the late 1970's.⁶⁵³ This reason has also been utilised to explain the same development in Sweden.⁶⁵⁴ The Operations Review Unit at the Dutch Ministry for Development Co-operation has stated that the Dutch staffing levels are not only minimal, but also do not match the personnel levels of other aid donors. They furnish the example of Canada where the Canadian International Development Agency, with a similar assistance budget, counted 1000 staff members in 1983. The Dutch figure was only 470 staff members. The Operations Review Unit referred to the danger of a loss of quality in the Dutch assistance programmes as a result of this understaffing.⁶⁵⁵ In my comparison of the Dutch and Swedish aid administrations, the paucity of the aid personnel in the Netherlands compared to another donor is once again revealed.⁶⁵⁶ Thus, whereas aid bureaucrats in both countries face a large spending pressure, the Dutch bureaucrats still have a spending pressure two to three times as high as their Swedish counterparts.⁶⁵⁷

The higher spending pressure, in general, in the case of D.G.I.S. than in the case of the S.I.D.A., is mirrored in the



specific Indian situation. Staff levels are roughly equivalent at both headquarters and in the field, yet the 1989/'90 Dutch allocation to India was about 33 per cent higher.⁶⁵⁵

The spending pressure of both the Dutch and Swedish aid bureaucrats is also partly reflected in the large 'spending dams' which have developed over the years.⁶⁵⁶ The 'spending dam', which is the cumulative amount of O.D.A. which has been appropriated in past years but which has not as of yet been committed to particular projects or programmes, has reached quite high proportions in both countries. Except for the years 1970 and 1971 when Sweden's 'spending dam' was respectively 48 and 46 per cent of the total allocated O.D.A., and after 1984 in the case of the Netherlands, these 'spending dams' were always more than 50 per cent of the yearly new appropriations. The allowance of a 'spending dam' of course reduces the spending pressures of the aid bureaucrats. They are not forced to spend the allocations in a given year and may delay commitment until further project and programme analysis is undertaken. For this reason, it may be proposed that the already quite high spending pressures on the Dutch civil servants have increased even further after the 'spending dam' was formally eliminated as a possibility in the early 1980's. At that point, a new financial arrangement was introduced in which planned funds which were not committed by the end of the year could no longer be brought forward to be spent in the following year (or the years thereafter). Since the introduction of this arrangement, November is the busiest month at D.G.I.S.⁶⁵⁷ In the Swedish case, no legal restrictions exist on the growth of the 'spending dam'. On the other hand, the spending pressure within the aid administration will in all likelihood have increased recently after the decision in the spring of 1990 to utilise Skr. 1 billion from the 'spending dam' reserves for financial assistance to Eastern Europe.⁶⁵⁸

VII.4 Sweden: A More Positive Political Conjuncture?

In hypothesis IV.3 it was proposed that the hypotheses that the Swedish help was more progressive and that the role of the business community in the help was less in Sweden than in the Netherlands, could be explained by examining the economic and



political conjuncture in the Netherlands and Sweden. The economic conjuncture was considered similar in both countries which left the political conjuncture to be the explanatory factor in explaining hypotheses IV.1 and IV.2. The results of the research into the general context and the case study of the Dutch and Swedish development assistance programmes have, however, already revealed some surprises. Thus, although it was discovered that the progressiveness of the Swedish assistance in general remains somewhat better than the Dutch assistance, it was clearly shown that, in general, the help is becoming increasingly more commercialised in both countries and that the role of the Swedish business community in the assistance is momentarily roughly equivalent to that of its Dutch counterparts in the Dutch programmes. On the other hand, in the case study of rural drinking water programmes in India, this increasing commercialisation of the help programmes is not at all apparent. Both countries adopt equally progressive policies and the role of the respective business communities is minimal. In the light of these new insights, hypothesis IV.3 will be tested.

The assumption that the economic situation in both the Netherlands and Sweden was approximately similar has been, to a large degree, proven correct. It was discovered that the trading and investment patterns were about equal in that both the Netherlands and Sweden possess very open economies, yet with an orientation towards other Western industrialised countries. Trade and investment to the programme countries of both donors is, on the whole, minimal. It was found that in the eyes of some observers, this was an economic precondition for humane internationalist policies. Looking at the balance of payments situation, it was discovered that an economic difference between the Dutch and Swedish cases did exist in that the Swedes were/are faced with a negative, and the Dutch, with a positive, balance of payments situation. These different conditions have led to some different reactions with respect to the development assistance programmes. In the Dutch case, this was the ease with which the rapid increase in aid volume could be met. In the Swedish case, the tying of aid was partly excused by pointing to the structural balance of payments problem. On the other hand, an increasing commercialisation of the aid programmes was not the only remedy



to solve this problem and was certainly not the most important measure (note the devaluations of the krona). Regarding the budgetary deficit, both the Netherlands and Sweden experience similar problems. They also seem to have adopted a similar policy in response to this problem which may be considered somewhat unique in the international donor community: namely, no cutbacks in the development assistance programmes are allowed to take place.

Upon examining the unemployment situation, it was also discovered that both donor economies suffered severe employment losses during the late 1970's/1980's world recession. Stokke has stated that the economic recession (the first recession beginning in the early 1970's) is a factor which has changed the political philosophy of the like-minded countries.⁵⁰² Although the Dutch unemployment problem was in actual figures much more severe than in Sweden, one could make the case that psychologically the unemployment levels were similar considering the historic low level of Swedish unemployment. The commercialisation of the help in the Dutch case was deemed to assist in solving the unemployment problem or at least in not exacerbating it. In the Swedish case, the unemployment problem seems to have been tackled by a combination of factors: an increasing commercialisation of the assistance, the devaluations of the krona, and large scale public sector employment and retraining programmes. Concluding, although the volume of both the Dutch and Swedish aid programmes has not been affected by various government budgetary deficits, balance of payments problems and growing unemployment levels, some of these factors have caused an increasing commercialisation of the help.

An interesting economic reason given for the fact that national economic interests have not led to a complete commercialisation of the Dutch aid programmes lies in the analysis that the Dutch business community is divided into two groups of multinationals. The first group consists of the heavyweights (Shell, Unilever, Philips, AKZO) where a contract from the Ministry for Development Co-operation does not make a large difference to them. These companies are more interested in the larger issues such as international trading agreements and the debt crisis. The second group comprises the smaller



multinationals (i.e. construction - Boskalis, shipbuilding - IHC and Damen, chemical industry - UKF/DSM, agro-industries - HVA, and the consultancy bureaux). This second group does benefit from contracts financed out of the development co-operation budget and consequently, "[t]hey are permanently engaged in lobbying activities, either to get direct contacts or to change structural relations between the aid ministry and the business community; so as to give the latter a greater say in the allocation of aid by country, by sector and by instrument." Although this second lobby has increased its influence since the recession, economic interests in the assistance continue to play less of a role in the aid than other non-like-minded countries because of these divisions in the structure of the Dutch business community. Further research would have to show whether a similar division exists within the Swedish business community.

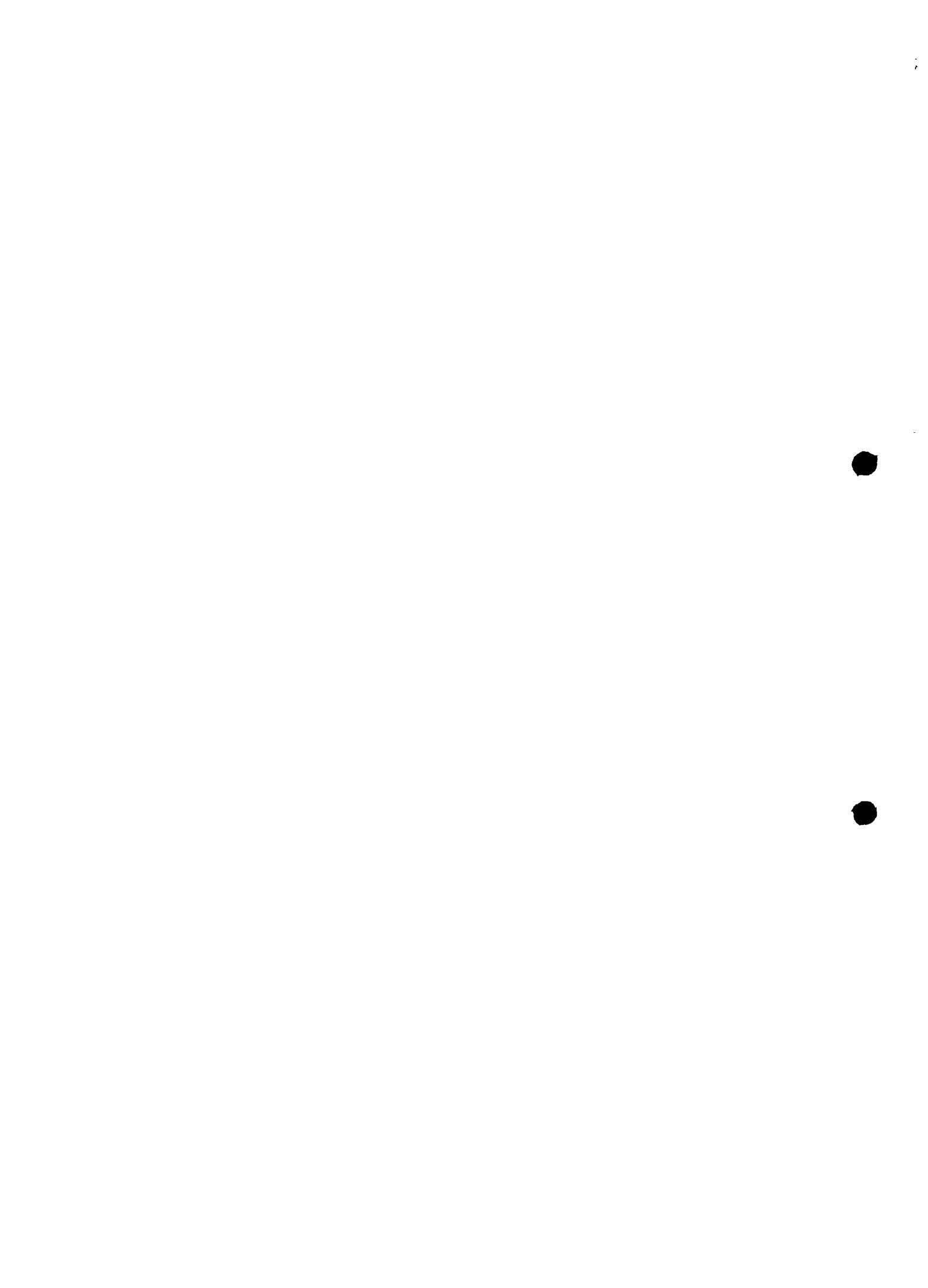
Reviewing the economic situation of the Netherlands and Sweden, it can be suggested that although similarities in the aid programmes could be explained (e.g. the increasing commercialisation of the assistance), the political conjuncture at macro- and micro-levels also needed to be examined to explain other similarities and differences in the policy and implementation of the Dutch and Swedish development assistance programmes. For example, the fact that, in general, the Swedish programmes may be classified as marginally more progressive than their Dutch counterparts could be partly attributed to the lack of a colonial past. The fact that both the Netherlands and Sweden continue to have more progressive aid programmes than most of the other donors may be due to the strong public support/Third World movements found within those countries.

Initially, it was suggested that the power of the Swedish social democrats as a political force could also have led to the somewhat more progressive Swedish policies that presently exist (and the much more progressive policies that previously existed before the commercialisation began) than in the Netherlands. At the first glance, this assumption was also proved true as the power of the Social Democratic Party in Sweden has been much greater than its sister party in the Netherlands. Yet, upon closer inspection, it was revealed that the power of the social democrats as a political force could not adequately explain the



humane internationalism of the Swedish aid policies. This was for a number of reasons: 1) the support base within the Social Democratic Party for the radical policies was quite limited (restricted mainly to the middle class intellectuals, who were also located in the aid administration); 2) the tying of the aid began in 1972 under a social democratic government; 3) no turning back of the clock occurred regarding the commercialisation of the assistance after the social democrats regained power in 1982 - in fact, a speeding up of the clock could be observed; 4) support for the development assistance programmes has often been stronger among the liberal and christian democratic supporters than the social democratic voters; and 5) cross-party support exists to put a brake on a too extreme form of commercialisation of the aid programmes. For these reasons, and because the Netherlands finds itself in the group of like-minded countries, despite possessing a weaker social democratic party, it was discovered that the concept of 'welfare statism' could better explain the progressiveness of the aid policies of the like-minded countries.

The examination of the political conjuncture not only involved a study of the macro-levels but required research into the functioning of the aid administrations in both the Netherlands and Sweden. It was discovered that the belief held by Dutch critics that a S.I.D.A. type organisation for the Dutch assistance would improve the progressiveness and effectiveness of the Dutch aid might be true. The influence of the Ministries of Foreign Affairs and Economic Affairs appeared to be much less on the S.I.D.A. than on D.G.I.S. and seems to reflect S.I.D.A.'s authority status. On the other hand, and of equal importance, is that a decline in the power of the S.I.D.A. was clearly apparent. The introduction of new rival institutions to the S.I.D.A. would also explain the increasing commercialisation of the Swedish assistance programmes and could partly explain why the role of the Swedish business community in the assistance has increased to a level roughly similar to the Dutch levels. If the Dutch bilateral assistance programmes would be shifted to a S.I.D.A. type organisation, the danger of course lies in the possibility of a similar development as that which has occurred in Sweden. New more commercially orientated institutions might be set up to evade the obstacles of a new Dutch S.I.D.A.



Regarding the specialist versus generalist debate, the continued slightly more progressive policies of the Swedish aid programmes may be attributed to their personnel policies. They hire more specialist staff, and keep them stationed at one position more longer than in the Dutch case. Furthermore, they are not transferred to non-development co-operation foreign affairs fields, and likewise, non-development co-operation experts are not brought into the departments and authorities responsible for the aid programmes. Regarding the spending pressures, the marginally more progressive Swedish policies may also be partially attributed to the fact that the Dutch spending pressure is higher. On the other hand, regarding the rural drinking water projects in India, the different spending pressures did not seem to affect the progressiveness and effectiveness of the aid programmes. Both the Dutch and Swedish rural drinking water programmes seem to be equal in their effectiveness and progressiveness. Yet, it might be the case that the spending pressures negatively affect other aspects of the Dutch assistance to India.

VIII. CONCLUSIONS

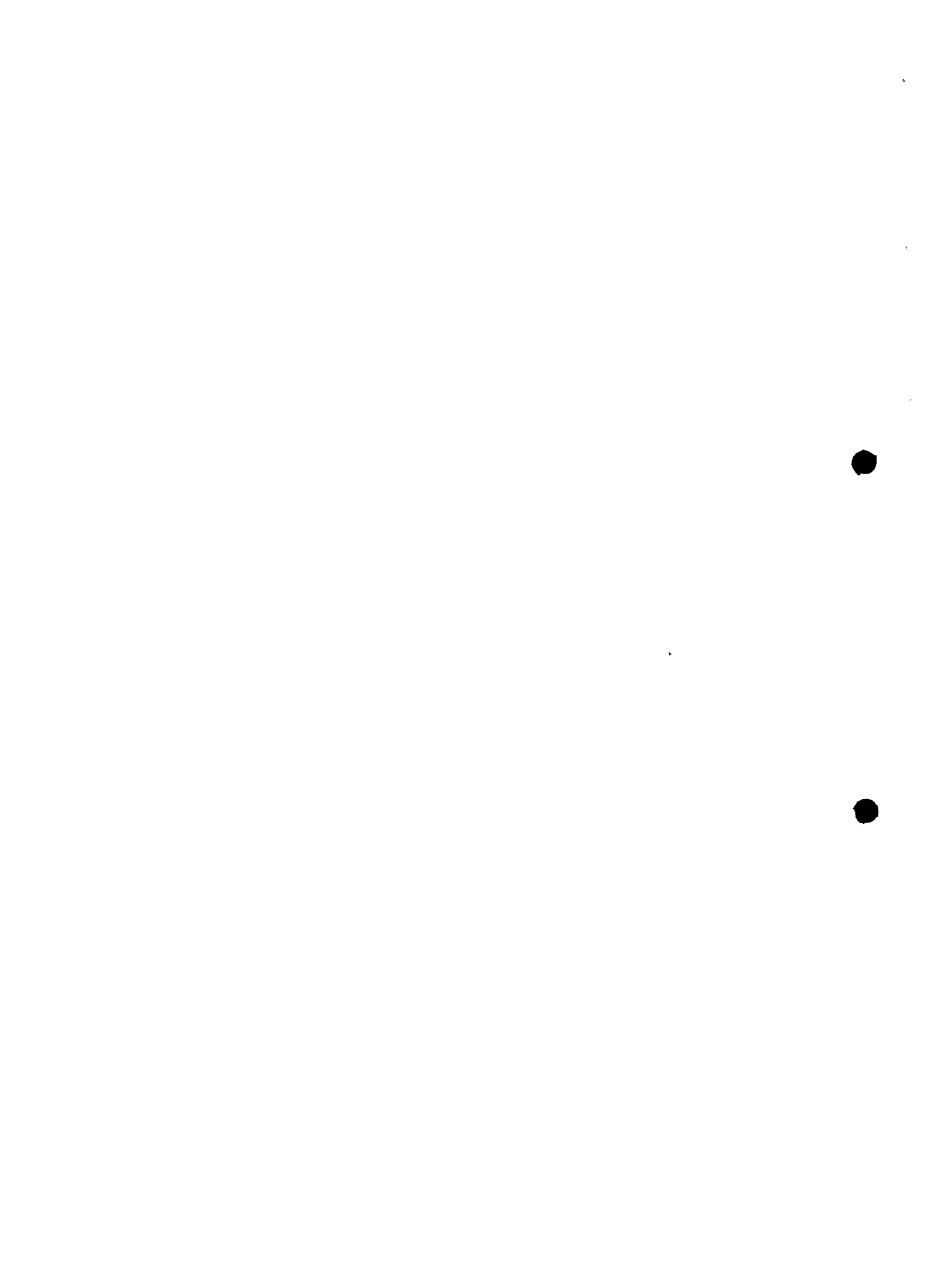
In the introduction, it was noted that although the Netherlands is still regarded as belonging to the group of like-minded countries, increasing doubts were apparent about the progressiveness of the Dutch aid programmes. The critics pointed to the Swedish model where the programmes were supposedly more progressive and the role of the business community in the help was less. After examining the policies and implementation of the development assistance programmes in general, it was, however, revealed, that although this may have been the case in the past, at the moment, these assumptions are incorrect. The Swedish assistance is momentarily only marginally more progressive than the Dutch aid, and the role of the Swedish business community in the assistance has increased to about the Dutch levels. On the other hand, it remains so that in general the development assistance policies and their implementation, of both countries, can still be classified as more progressive than the non-like-minded donor countries. Stokke has thus suggested that although



Dutch and Swedish aid are basically humane internationalist in character, a shift in the strands is discernible over the years. In the case of Sweden the more radical internationalism of the late 1960's and early 1970's has become increasingly more liberal from the mid-1970's onwards. Traces of realist internationalism have also begun to slip into the programmes. In the case of the Netherlands, the reformist internationalism of the mid-1970's has given way to an increasing liberal internationalism in the late 1970's and 1980's.⁶⁶⁴

This shift in the strands of humane internationalism is, however, not apparent in the case study of rural drinking water projects in India. Although the programmes can not be said to fall under a radical internationalism (they are not anti-capitalist or anti-consumerist in character) the programmes also do not fall under the liberal internationalist strand. This is because the assistance to the rural drinking water sector in India remains a basic human needs strategy in which government agencies play a large role. In the rural drinking water programmes, no sign of an increasing realist internationalism was discovered. No commercialisation of the assistance to this sector was noticed (on the contrary) and the influence of the Dutch and Swedish business communities in the assistance could be classified as minimal.

In the last chapter an analysis of the Dutch and Swedish aid programmes was attempted to explain why humane internationalism remains such a strong part of the aid policies of these countries and why the Swedish aid policies and their implementation are still slightly more progressive than in the Dutch case. It was assumed that official development assistance could be regarded as a state activity in an international arena being shaped or restricted by macro- and micro-factors. It was discovered that the economic situation was roughly similar in both the Netherlands and Sweden, and that the major world recession of the late 1970's and 1980's could to a large extent explain the increasing commercialisation of the aid programmes in both countries. At the political macro-level, the main explanatory factor for the continuing progressiveness (in relation to the non-like-minded donors) of the Dutch and Swedish development assistance programmes was discovered to be, not the power of the



Social Democratic Party, but the values of 'welfare statism' which are endemic in both countries. The political culture of both countries is characterised by strong public support for the domestic welfare systems and a trust in the institutions of the state to promote social justice. The support for the development assistance programmes reflects a transference of these values at the domestic level to the world stage.

At the political micro-level, it was assumed that the different aid structures of the Netherlands and Sweden might explain why the Swedish assistance may be marginally more progressive than the Dutch aid. It was discovered that a S.I.D.A. type organisation in the Netherlands might improve the progressiveness and effectiveness of the Dutch aid, yet a word of caution was also expressed. This was because it was shown that new institutions (B.I.T.S., SWEDFUND, Minister with Special Responsibilities for Foreign Trade in the Ministry of Foreign Affairs) in Sweden have been set up with a more liberal or realist internationalist framework. These new rival institutions have been able to circumvent the more progressive policies of the S.I.D.A.

Yet, as Hoebink has correctly noted, one should avoid a 'mono'-discussion in examining ways in which the Dutch (and Swedish) aid could be improved (see p. 2). Not only the structural organisation should be examined but also at least three other factors: 1) the proper working out of the public objectives of the assistance; 2) the creation of a method by which resistance can be offered to the growing influence of the business community; 3) and the building up of a collective memory about past mistakes and blunders so that they are not repeated. Examining the first aspect, Hoebink appears to be referring to the necessity to more clearly make operational the criteria by which recipient countries and projects/programmes should be selected. Regarding the third aspect, it is abundantly clear that the present personnel policy of the Dutch Ministry of Foreign Affairs is not conducive to the building up of a collective memory. With the frequent staff transfers both abroad and within the ministry, the difficulties in building up a collective memory and knowledge seem readily apparent. In this case, the S.I.D.A. personnel policy appears much more constructive.



Concerning the second aspect, the elimination of all the remaining binding rules as suggested by Hoebink seems to be the appropriate measure. This has even been confirmed by the present Dutch minister for Development Co-operation, Pronk. Resistance to the business community may also be offered by decreasing the amount of work which is delegated to the private sector and increasing staffing levels at D.G.I.S. and the S.I.D.A. Of course, the budget for development co-operation is limited, and an increase in staff levels will have to be to the detriment of the amount of funds spent on development co-operation projects and programmes. Yet, the case can be made that by implementing such a measure, although the quantity of the assistance may be decreased, the quality of the aid would be improved. An even more radical step, (and supported by the relative progressiveness and effectiveness of the Dutch and Swedish rural drinking water programmes), would be to only concentrate on local cost financing projects that would reach the poorest target groups. The recent campaign by the Dutch Indian Working Group to persuade D.G.I.S. to consider the financing of guaranteed employment programmes supported by the Indian government is therefore praiseworthy. Up until this moment, these target group projects have been restricted in number in the Dutch case partly because much more time per committed unit is required to be spent on supervision and control than in other areas (e.g. import support, large scale capital projects). Yet, the unfeasibility of shifting to a concentration on local cost financing projects is a relative concept and remains a political decision. One would, of course, also have to examine the absorption capacities of the Indian governmental and non-governmental organisations. Yet, once again, by studying the possibility of shifting funds to the aid administration and decreasing the actual aid volume, a change in policy may be successfully implemented. In this way, the humane internationalism of the Dutch assistance programmes would be strengthened and the quality of life for the poorest members in the Dutch programme countries may be improved. And that, of course, should be the prime motivation for the provision of development assistance funds.



FOOTNOTES

1. Rutherford M. Poats, Twenty-Five Years of Development Co-operation. A Review: Efforts and Policies of the Members of the Development Assistance Committee (Paris: O.E.C.D., 1985), pp. 171-172. "The grant element is a composite measure of the financial terms of a transaction, combining in one figure the overall concessionality of the interest rate, maturity (interval to final repayment) and grace period (interval to first repayment) of a loan."
2. J. Stephen Hoadley, "Small States as Aid Donors," International Organization 34 (Winter 1980):134.
The composite index comprised: O.D.A. as a percentage of gross national product (G.N.P.); multilateral aid as a percentage of O.D.A.; untied aid as a percentage of O.D.A.; and grant aid as a percentage of O.D.A.
The Development Assistance Committee is a sub-commission of the O.E.C.D.. It was set up in 1961 to secure an expansion of aggregate volume of resources made available to the developing countries and to improve the aid's effectiveness. The members review both the amount and nature of the aid programmes. See Development Assistance Committee, Development Co-operation: Efforts and Policies of the Members of the Development Assistance Committee (Paris: O.E.C.D., aid reviews 1963-1989).
3. Willem Gustaaf Zeylstra, Aid or Development: The Relevance of Development Aid to Problems of Developing Countries (Leiden: A.W. Sijthoff, 1975), p. xi.
4. Ibid., p. 80.
5. Teresa Hayter and Catharine Watson, Aid: Rhetoric and Reality (London: Pluto Press Ltd., 1985), p. 238.
6. See for example the following articles in de Volkskrant: "Geroep om Meer Geld voor Ontwikkelingssamenwerking is Onzin," 7 december 1988; "Derde Wereld Zelf Laten Beslissen Waar Zij Haar Bestellingen Plaatst," 20 december 1988; "Novib-secretaris Wil Meer 'Binding' met de Armsten," 31 januari 1989; and "Tonnen aan Exportsteun Bedrijven Verspilc," 10 februari 1990.
7. Paul Hoebink, Geven is Nemen: De Nederlandse Ontwikkelingshulp aan Tanzania en Sri Lanka (Nijmegen: Derde Wereld Centrum, 1988), chapters III and IV.
8. Jan Breman, "Het Smalle Spoor van het Nederlandse Ontwikkelingsbeleid - Herijking van Bilateraal Beleid," Internationale Spectator (juni 1984):314.
9. Hoebink, p. 233.



10. Ibidem.
11. Cranford Pratt, ed., Internationalism Under Strain: The North-South Policies of Canada, the Netherlands, Norway and Sweden (Toronto: University of Toronto Press, 1989), p. 201.
12. Ibid., pp. 10-11.
13. Werkgroep Evaluatie Nederlandse Ontwikkelingshulp, Evaluatie van de Nederlandse Ontwikkelingshulp; Onderzoek Verricht in Opdracht van de Nederlandse Regering (Tilburg: unknown publisher, 1969), pp. 4-5 & p. 47.
14. Jan Pronk, "De Linker- en Rechterhand in de Nederlandse Ontwikkelingshulp," Derde Wereld 3 (oktober 1989):12-16.
15. Hoebink, p. 11.
16. Dirk Kruijt, Kees Koonings, and Menno Vellinga, "De Nederlandse Ontwikkelingsgemeenschap," in Ontwikkelingshulp Getest: Resultaten Onder de Loep, ed. Dirk Kruijt and Menno Vellinga (Muiderberg: Coutinho, 1983), p. 14.
17. Development Assistance Committee, Development Co-operation: Efforts and Policies of the Members of the Development Assistance Committee (Paris: D.E.C.D., aid reviews 1963-1989). See annex I for a map of India.
18. Pit Gooskens, ed., Het Nederlandse Bedrijfsleven in de Derde Wereld: Voorbeeld India (Utrecht: Landelijke India Werkgroep, 1989), pp. 30-32.
19. Hans Lembke, Sweden's Development Co-operation Policy, (Berlin: German Development Institute, 1986), p. 1.
20. Internal message (I.M.)
The Dutch law regulating public access to government documents (openness of government act or freedom of information act) gives certain possibilities for researchers to review internal material. There are a number of exceptions and restrictions. Apart from the exceptions, this implies that the standpoints, opinions, citations, etc. may not be reducible to particular ministers or civil servants. For this reason, a number of items found in the archives have received the classification internal message (I.M). This term will encompass letters, telexes, discussion papers, policy papers, financial overviews, instructions, memos, reports, etc. Interviews with internal personnel will also be denoted with this term.
21. I.M.
22. Poats, p. 232.
23. The Netherlands, Ministerie van Buitenlandse Zaken, Drinkwatervoorzieningen, Drainage en Afvalverwijdering in Ontwikkelingslanden. Sektornotitie (Den Haag: Voorlichtingsdienst



Ontwikkelingssamenwerking, februari 1989), p. 4.

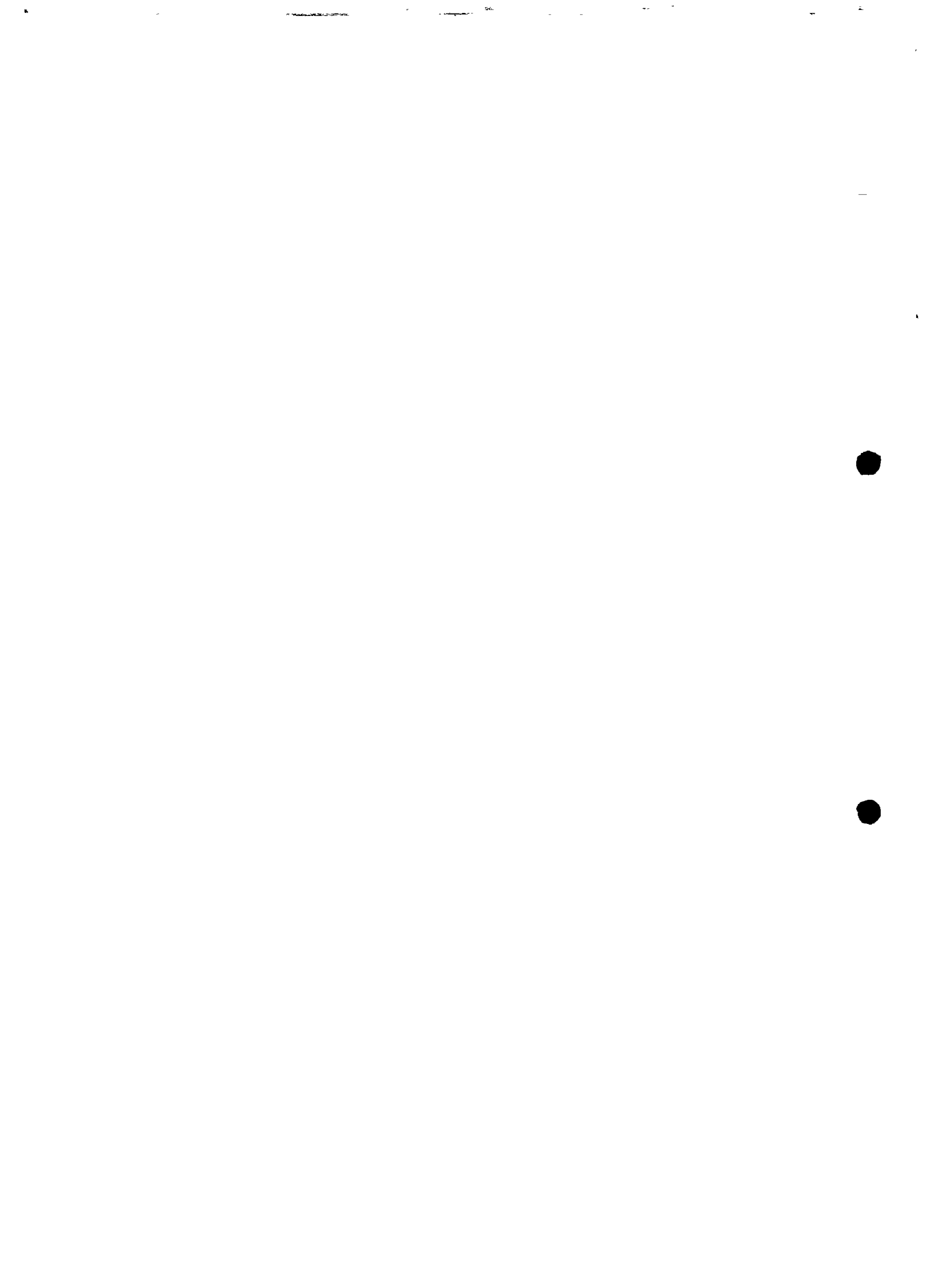
24. Olav Stokke, ed., Western Middle Powers and Global Poverty: The Determinants of the Aid Policies of Canada, Denmark, the Netherlands, Norway and Sweden (Uppsala: Scandinavian Institute of African Studies, 1989), p. 10.
25. Pratt, pp. 13-15.
26. Stokke, p. 11.
27. Stokke, pp. 12-13.
28. Pratt, pp. 17-20.
29. Hoebink, pp. 37-40.
30. Ibid., p. 44.
31. Poats, p. 136.
32. Ibid., pp. 106-108.
33. Hayter and Watson, p. 15.
34. The Netherlands, Ministerie van Buitenlandse Zaken, Nota Inzake de Verbetering van de Kwaliteit van de Bilaterale Hulp, Rijksbegroting 1980, Buitenlandse Zaken, Hoofdstuk V, Bijlage 2.A, september 1979, p. 179.
 An accepted definition of programme and project help is found in the Dutch government budget of 1980. The government writes, "One can speak about a project when it concerns an activity in which location, time period and costs are pre-determined and fixed, and where the possible effects and supervisory procedures are the subject of an extensive pre-study. Programme help in its feasibility study does not interest itself with a certain location restricted and time limited activity, but instead either, with the sector or the region within which the programme as a serie of activities is centred, or with the executing agency." See The Netherlands, Ministerie van Buitenlandse Zaken, Begroting van Uitgaven. Memorie van Toelichting, Rijksbegroting 1980, Buitenlandse Zaken, Hoofdstuk V, september 1979, pp. 77-78.
35. Technical assistance refers to the transfer of knowledge and skills to contribute to the economic and social development of the recipient country. The means are the sending out of experts, the creation of training possibilities and the provision of equipment necessary for the transfer of knowledge. Financial assistance refers to the provision of financial resources (grants and credits) for the purchase of goods and the direct provision of goods (e.g. food aid). See The Netherlands, Ministerie van Buitenlandse Zaken, Nota over de Hulp aan Minder-ontwikkelde Landen, Handelingen van de Tweede Kamer, 1961-1962, Bijlagen 6817, nr.1., p. 2.



36. The Netherlands, Ministerie van Buitenlandse Zaken, Nota Betreffende de Nederlandse Bijdrage aan het Programma der Verenigde Naties voor Technische Hulp aan Laag-ontwikkelde Landen, Handelingen van de Tweede Kamer, 1949-1950, Bijlagen 1734, nr. 4., pp. 1-5.
37. Peter Cloos, "Het Ontstaan van een Discipline: De Sociologie der Niet-Westerse Volken," Anthropologische Verkenningen 1-2 (Zomer 1988): 123, 129, 130, 137. With the independence of Indonesia, the studies leading to positions as colonial civil servants in that country had lost their function. The Commission on Adjustment of Higher Education to International Demands did not, however, advise the termination of these studies, instead arguing for a broadening of their areas of specialisation. The Netherlands, after Indonesian independence, had a large supply of experts with work experience in the tropics but with no markets. The involved threatened faculties also tried to persuade the responsible minister that the new study also increased export possibilities by increasing knowledge about the developing countries.
38. The Netherlands, Ministerie van Buitenlandse Zaken, Nota Inzake de Hulpverlening aan Minder-ontwikkelde Gebieden, Handelingen van de Tweede Kamer, 1955-1956, Bijlagen 4334, nr. 2., p. 10.
39. Ministerie van Buitenlandse Zaken, Nota Inzake de Hulpverlening aan Minder-ontwikkelde Gebieden, pp.2-4.
40. The modernising paradigm became popular after the second world war. This paradigm suggested that the developing countries should model their development on the basis of the industrialised countries. Unfortunately, however, the developing countries suffered from a shortage of capital and skills. This was formulated in the savings gap (i.e. the actual savings within the country do not match the funds required for investment). Another problem was the balance of payments problem formulated in the trade gap (i.e. the foreign exchange required to purchase raw materials, industrial products, and services, are insufficient to begin an investment programme). It was believed that both gaps could be eliminated with the temporary provision of foreign development assistance.
See Alan Strout, "Foreign Assistance and Economic Policies," in Structural Change and Development Policy, ed. Hollis Chenery (Washington: The World Bank, 1979), pp. 386-387.
41. Ministerie van Buitenlandse Zaken, Nota Inzake de Hulpverlening aan Minder-ontwikkelde Gebieden, p. 9.
42. Hoebink, p. 49.
43. Ministerie van Buitenlandse Zaken, Nota Inzake Hulpverlening aan Minder-ontwikkelde Gebieden, p. 9.



44. Hans Beerends, 30 Jaar Nederlandse Ontwikkelingshulp 1950-1980: Zin/Onzin/Effekten/Perspektieven (Nijmegen: Landelijke Vereniging van Wereldwinkels, 1981), p. 42.
45. Ministerie van Buitenlandse Zaken, Nota over de Hulp aan Minder-ontwikkelde Landen, p. 2 & p. 9.
46. Ibid., p. 4.
47. Consortia are organisations formed by various donors for the regulation of the assistance to different recipients. Whereas consultative groups have no formal annual obligations to pledge help, consortia are obliged to annually pledge assistance to the recipient countries. See Verbond van Nederlandse Ondernemingen en Nederlands Christelijk Werkgeversbond, Bedrijfsleven en Ontwikkelings-samenwerking (Den Haag: VNO/NCW, 1974), p. 11. Immediately after the foreign exchange crisis of 1957-1958 in India, the World Bank organised the Aid India Consortium. Both the Netherlands and Sweden became members, with the Netherlands first giving assistance in 1962. This occurred as follows: "In 1961 India had a clear lack of foreign exchange. It could barely import products out of countries which were not providing loans to India. As a result, Dutch exporters and contacting firms suffered increasing difficulties in receiving orders from India. This led to increased pressure from the Dutch business community on the Dutch government to render aid to India. Particularly in the second half of 1961, the pressure from the Dutch business community increased considerably. And not without success." See Fons van der Velden, Ontwikkelingssamenwerking vanuit West-Europa met India: Drie Case-Studies (Nijmegen: Derde Wereld Centrum, 1980), p. 47 & p. 53.
48. van der Velden, p. 9.
49. Dick Bol, "Ontwikkelingssamenwerking: Wie Helpt Wie?," in Nederland en de Derde Wereld: Basisvragen over Ontwikkelingssamenwerking, ed. Gerrit Huizer (Alphen a/d Rijn: Samsom, 1978), p. 70.
50. Beerends, p.47.
51. Although it was desired to increase the volume of assistance at that time, no direct link existed with the creation of a minister without portfolio responsible for the help to the developing countries. This portfolio was created because of internal cabinet complications. It is thus claimed that, "[t]he creation of a minister without portfolio for the help to the developing countries occurred primarily as a result of political and personal reasons. The KVA [Catholic People's Party] desired compensation for the overrepresentation of the Labour Party in the financial-economic sector and Cals [the prime minister] did not want to just let Bot fall. If Bot did not have an 'international' but more economic qualifications, then he probably would have become minister without portfolio under the Ministry of



Economic Affairs." See Dr. P. F. Maas, "kabinetsformaties en Ontwikkelingssamenwerking, 1965-1982," in De Volgende Minister: Ontwikkelingssamenwerking Binnen het Kabinet 1965-tot ?, ed. A. Melkert (Den Haag: NOVIB, 1986), p. 35.

52. Hoebink, p. 235.
53. The Netherlands, Ministerie van Buitenlandse Zaken, Nota Hulpverlening aan Minder-ontwikkelde Landen (Den Haag: Staatsuitgeverij, 1966), p. 53.
54. Ibid., p. 22.
55. Ibid., p. 114. One observer has questioned the principles of Dutch aid (peace, international co-operation, harmony) when the bulk of the aid was tied and bilateral during this period. Although he forgets to mention that the motive of economic self-interest was publicly mentioned in the 1966 Policy Document, his conclusions may still be considered as valid. See Dick van Geet, "Netherlands Aid Performance and Development Policy," in Aid Performance and Development Policies of Western Countries: Studies in US, UK, EEC and Dutch Programs, ed. Bruce Dinwiddy (New York: Praeger Publishers, 1973), p. 85.
56. Ministerie van Buitenlandse Zaken, Nota Hulpverlening aan Minder-ontwikkelde Landen (1966), p. 115.
57. Hoebink, p. 53.
58. Ministerie van Buitenlandse Zaken, Nota Hulpverlening aan Minder-ontwikkelde Landen (1966), pp. 55-56.
59. Werkgroep Evaluatie Nederlandse Ontwikkelingshulp, pp. 147-152.
60. Ministerie van Buitenlandse Zaken, Nota Hulpverlening aan Minder-ontwikkelde Landen (1966), pp. 64-65.
61. Of the fifteen approved projects up until 1968 with a value of Dfl. 15 million, eleven would have taken place without Dutch governmental subsidy (a precondition for the assistance was that the investment would not occur without governmental funding) and in two cases the existence of a threshold was not likely. See Werkgroep Evaluatie Nederlandse Ontwikkelingshulp, Evaluatie van de Nederlandse Ontwikkelingshulp, p. 228.
62. Ministerie van Buitenlandse Zaken, Nota Hulpverlening aan Minder-ontwikkelde Landen (1966), pp. 49-50.
63. Rostow was one of the main proponents of the modernising paradigm. He suggested that it was possible, "...to identify all societies, in their economic dimensions, as lying within one of five categories: the traditional society, the pre-



conditions for take-off, the take-off, the drive to maturity, and the age of high mass-consumption." All societies, whether in the industrialised world, or the developing countries, uniformly were meant to follow/have followed these five stages of growth.

See W.W. Rostow, The Stages of Economic Growth: A Non-Communist Manifesto (London: Cambridge University Press, 1960), p. 4.

64. Ministerie van Buitenlandse Zaken, Nota Hulpverlening aan Minder-ontwikkelde Landen (1966), pp. 62-63.
65. This opinion of the evaluative commission was shared by two other observers in their statement that the mere historical fact that countries had already received a great deal of assistance led to the concentration country status. See B.J.S. Hoetjes and M. Rozendaal, "De Nederlandse Ontwikkelingshulp: Feiten en Doeleinden," Intermediair, 25 maart 1977/1 april 1977, p. 1.
66. Werkgroep Evaluatie Nederlandse Ontwikkelingshulp, p. 7. See annex II for a listing of the Dutch concentration countries over the years.
67. The Netherlands, Ministerie van Buitenlandse Zaken, Nota Bilaterale Ontwikkelingssamenwerking - Om de Kwaliteit van de Nederlandse Hulp, Rijksbegroting 1977 Buitenlandse Zaken, Hoofdstuk V, Bijlage 4, september 1976, p. 4 & p. 8.
68. Beerends, p. 32.
69. This was even admitted by Beerends himself creating a contradiction in his own thinking. See Beerends, p. 52.
70. Ministerie van Buitenlandse Zaken, Nota Bilaterale Ontwikkelingssamenwerking, pp. 5-7.
71. Huub Coppens, "Vier Jaar Ontwikkelingshulp Onder Pronk," Internationale Spectator (september 1977):539.
72. Ministerie van Buitenlandse Zaken, Nota Bilaterale Ontwikkelingssamenwerking - Om de Kwaliteit van de Nederlandse Hulp, p. 14.
73. Doubt was expressed as to whether concentration countries such as India, Pakistan, Indonesia, Bangladesh and Kenya, could be said to have fulfilled the third criterion (i.e. having a social and political structure that makes it truly possible that a policy can exist which is aimed at improving the situation in the country and ensures that the assistance helps the entire society). See Beerends, p. 182. Another observer also suggested that Indonesia, Colombia and Kenya, did not fulfil all three criteria, and that India, Pakistan, Bangladesh and Tunisia, were also not happy reminders of past choices. See Dick Bol, "Minister Pronk en de Doos van Pandora; Commentaar op de Nota Bilaterale



Ontwikkelingssamenwerking," Internationale Spectator
(september 1976):504.

74. Hoebink, p. 59. The criticism of the assistance to Indonesia because of human rights violations remains a difficult item even today. See De Volkskrant, 10 maart 1990.
75. Ministerie van Buitenlandse Zaken, Nota Bilaterale Ontwikkelingssamenwerking - Om de Kwaliteit van de Nederlandse Hulp, p. 31.
76. *Ibid.*, p. 25.
77. After these annual allocation discussions, the agreed minutes are used as the basis for the information bulletins which D.G.I.S. since 1976 sends to the Economic Information Service of the Ministry of Economic Affairs. These information bulletins inform the Dutch business community about the upcoming projects and programmes for which they may offer a tender. See Ministerie van Buitenlandse Zaken, Nota Bilaterale Ontwikkelingssamenwerking - Om de Kwaliteit van de Nederlandse Hulp, p. 56.
78. *Ibid.*, p. 25.
79. *Ibid.*, p. 58.
80. *Ibid.*, p. 57.
81. *Ibid.*, p. 29.
82. "No single bilateral donor chooses for a 100 per cent formula of total self-management or total delegation. There are donors which have a stated preference for self-management (Denmark and Norway), others prefer delegation (United States, Canada, Switzerland), and a third group uses both methods of execution (United Kingdom, Sweden, West Germany, Japan)...Most donors regularly employ commercial consultants in the project execution. 'Software projects' (in which community participation and training are essential elements) are on the whole not delegated to commercial consultants by the aforementioned countries. Few donor organisations have explicitly pinned down a preference for the delegation of project execution to the private sector, such as is the case with the Netherlands."
See The Netherlands, Ministerie van Buitenlandse Zaken, Inspectie te Velde, Uitbested, Goed Besteed? Een Onderzoek naar het Uitbestedingsbeleid voor Bilaterale Ontwikkelingsactiviteiten met Nadruk op Rurale en Regionale Ontwikkeling No. 245 (Den Haag: D.G.I.S., november 1988), pp. 3-4.



83. The Netherlands, Ministerie van Buitenlandse Zaken, Raakvlakken Ontwikkelingssamenwerking - Bedrijfsleven, 2nd ed. (Den Haag: Ministerie van Buitenlandse Zaken, 1985), p. 20.
84. Ministerie van Buitenlandse Zaken, Nota Bilaterale Ontwikkelingssamenwerking - Om de Kwaliteit van de Hulp, pp. 59-60.
85. Beerends, pp. 52-54.
86. Gerrit Huizer, "Vier Jaar Ontwikkelingsbeleid Onder Pronk," Internationale Spectator (september 1977):550.
87. Hoebink, p. 73.
88. Ibid., p. 235.
89. The Netherlands, Ministerie van Buitenlandse Zaken, Begroting van Uitgaven. Memorie van Toelichting, Rijksbegroting 1979, Buitenlandse Zaken, Hoofdstuk V, september 1978, p. 76.
90. Ibid., p. 77.
91. Jan Breman, "Evaluatie en de Behoeftte Eraan," in Ontwikkelingshulp Getest: Resultaten Onder de Loep, ed. Dirk Kruijt and Menno Vellinga (Muiderberg: Coutinho, 1983), pp. 175-176.
This opinion is also shared by another contributor in the same book. See Philip Quarles van Ufford, "De Opkomst van het Resultaten Onderzoek," p. 43.
92. Breman, "Evaluatie en de Behoeftte Eraan," p. 175.
93. The Netherlands, Ministerie van Buitenlandse Zaken, Nota Herrijking Beleid, Handelingen van de Tweede Kamer, 1983-1984, Bijlagen 18350, nr. 1, pp. 21-22.
94. Hoebink has debated the clarity of the objective 'the structural eradication of poverty' in his statement, "Minister Bukman regularly explains that he wishes to 'eliminate poverty structurally'. Many other people are advocates of 'structurally eliminating poverty'. This is not a word game but represents a great difference in angle. The formulation of Bukman is that of the modernisers and the adjustment programmes: fighting against the structural problems of the economies of the developing countries in the hope that the increased wealth will trickle down to the poorest layers of society. This central objective, which exists since Schoo, lacks not only clarity and a large base of support, but is also a break with the objectives which were valid under Pronk and de Koning." See Paul Hoebink, "Bukmans Tadeloze Testament," Derde Wereld 3 (oktober 1989):4.
95. Hoebink, "Geven is Nemen," p. 67.



96. The Netherlands, Ministerie van Buitenlandse Zaken, Inspectie te Velde, Globale Evaluatie van de Nederlandse Bilaterale Ontwikkelingssamenwerking No. 168/A-4 (Den Haag: D.G.I.S., januari-april 1984), p. 4.
97. Ibid., p. 26.
98. For example, one of the many instruments for industrial development is the Restructuring Fund. Although this fund was initially meant to subsidise product adjustment in the Netherlands and the building up of production capacity in the Third World, this programme has gradually altered, and now primarily subsidises the preparations before the actual investments by Dutch companies in the Third World. The reasons for the transfer of production activities to the Third World are also spelt out by the Dutch government as the following: 1) to gain entry to special markets; 2) to take advantage of cheaper labour power; and 3) to gain access to certain natural resources. According to me, a clear contradiction exists here, between the financing of studies to take advantage of cheaper labour power in the Third World, and the 'structural eradication of poverty'. See Ministerie van Buitenlandse Zaken, Raakvlakken Ontwikkelingssamenwerking - Bedrijfsleven, p. 22.
99. The Netherlands, Ministerie van Buitenlandse Zaken, Kwaliteit, een Voorzet voor de Jaren '90, Handelingen van de Tweede Kamer 1988-1989, Bijlagen 20800, nr.154, p. 4.
100. Ibid., p. 12.
101. Hoebink, "Bukmans Tandeloze Testament," p. 4.
102. The planned removal of Colombia from the concentration country list in 1979 was delayed by the Dutch Third World movement. In 1982 it was eventually removed from the list. See Hoebink, Geven is Nemen, p. 63.
103. Ministerie van Buitenlandse Zaken, Rijksbegroting 1979, pp. 76-77.
104. Hoebink, Geven is Nemen, p. 63.
105. Ministerie van Buitenlandse Zaken, Nota Herrijking Beleid, p. 26.
106. Ministerie van Buitenlandse Zaken, Raakvlakken Ontwikkelingssamenwerking - Bedrijfsleven, p. 10.
107. Ministerie van Buitenlandse Zaken, Rijksbegroting 1980, p. 81.



108. The Netherlands, Ministerie van Buitenlandse Zaken, Samenwerking Bedrijfsleven - Ontwikkelingssamenwerking, Handelingen van de Tweede Kamer 1984-1985, Bijlagen 19072, nr.2, p. 3. The execution phase occurs on the basis of a document in which the method of execution is laid out based on an agreement between the donor and the recipient.
109. Ministerie van Buitenlandse Zaken, Nota Herrijking Bilateraal Beleid, p. 5.
110. The Netherlands, Ministerie van Buitenlandse Zaken, Nota Ontwikkelingssamenwerking en Werkgelegenheid, Handelingen van de Tweede Kamer, 1983-1984, Bijlagen 18503, nr. 2, p. 7.
111. Ibid., pp. 9-11.
112. Ibid., pp. 44-45.
113. J.M.

The widening exercise also entailed that a percentage of the Indian allocations would be provided to the Mixed Commission for the execution of this programme. The Mixed Commission under leadership of the Ministry for Economic Affairs had as members, representatives from that ministry, the Ministry for Development Co-operation, the Ministry of Finance, and the Ministry of Agriculture and Fisheries. An initial agreement was made in which the Ministry for Development Co-operation would provide 10 per cent of the total allocations. This agreement was, however, quickly disputed because of differing opinions concerning such a commercialisation of the help. Quite soon afterwards, the 10 per cent agreement completely disappeared. See Anne van de Graaf and Hans Holthuizen, Noodzaak tot Herstructurering, Onderzoeksverslag van een stage bij Bureau India (Den Haag: D.G.I.S., maart 1990), p.10 & p. 14. But in the year in which the 10 per cent was specially allocated I was told that the Indian delegation was not particularly pleased, arguing that it was narrowing instead of a widening of Dutch policy. This was unfortunate because the Indians had always held up the Netherlands and the Scandinavian countries as progressive examples for the other donors.

114. Ministerie van Buitenlandse Zaken, Raakvlakken en Ontwikkelingssamenwerking, pp. 24-25.
115. Inspectie te Velde, Report No.168/A-1, p. 25.
116. P. Bukman, Reële Behoeften van Ontwikkelingslanden Staan Voorop, Toespraak voor de NCW/FENEDEX, 26 januari 1987 (Den Haag: Informatie Ontwikkelingssamenwerking no.2, 26 januari 1987), pp. 4-5.



117. The Netherlands, Ministerie van Buitenlandse Zaken, Inspectie te Velde, Hulp of Handel (Den Haag: D.G.I.S., februari 1990).
118. Ministerie van Buitenlandse Zaken, Kwaliteit, een Voorzet voor de Jaren '90, p. 13.
119. Hoebink, "Bukmans Tandeloze Testament", p. 4.
120. The Netherlands, Ministerie van Buitenlandse Zaken, F.M.O. - An Assessment, Handelingen van de Tweede Kamer, 1986-1987, Bijlagen 19700, nr. 116, pp. 2-4 & p. 11. The author is J.M. Kearns, who was a previous vice-president of the International Finance Corporation of the World Bank.
121. Ministerie van Buitenlandse Zaken, Nota Herrijking Bilateraal Beleid, p. 46.
122. Ministerie van Buitenlandse Zaken, Nota Ontwikkelingssamenwerking en Werkgelegenheid, p. 21.
123. Ministerie van Buitenlandse Zaken, Raakvlakken Ontwikkelingssamenwerking - Bedrijfsleven, pp. 12-13.
124. The selection panel is made up of the director general of the Ministry for Development Co-operation, the director of the regional bureau and two members of DST (the technical sector support unit). When the contract is valued at less than Dfl. 400,000 (it was Dfl. 1,000,000) the selection panel is not called in and the country bureau can grant contracts without open tendering. When the contract is valued at higher than Dfl. 400,000, open tendering is in principle required, yet a waiver to be decided upon by the selection panel can be asked for by the country bureau. Waivers are often asked to ensure the effective continuity of the Dutch assisted programmes. See Instructiebundel Ontwikkelingssamenwerking Instructie no.18, 1 januari 1988, pp. 16-19.
125. P. Bukman, Uitbesteding Ontwikkelingsactiviteiten, Toespraak voor de Orde van Nederlandse Raadgevende Ingenieurs, 14 april 1987 (Den Haag: Informatie Ontwikkelingssamenwerking nr. 7, 14 april 1987), p. 5.
126. Plv. D.G.I.S., Onderwerp 13: Korte Missies, Sent to all regional programme units, country bureaux and embassies. 21 november 1983.
127. Inspectie te Velde, Uitbested, Goed Besteed?, p. 2.
128. Jan Pronk, "De Linker- en Rechterhand in de Nederlandse Ontwikkelingshulp," Derde Wereld 3 (oktober 1989):33.



129. Sixten Heppling, "The Very First Years: Memories of an Insider," in Swedish Development Aid in Perspective: Politics, Problems and Results Since 1952, ed. Pierre Frühling (Stockholm: Almqvist & Wiksell International, 1986), p. 14.
130. Ibid., pp. 15-16.
131. Ibid., p.20.
132. Börje Ljunggren, "Swedish Goals and Priorities," in Swedish Development Aid in Perspective: Politics, Problems and Results Since 1952, ed. Pierre Frühling (Stockholm: Almqvist & Wiksell International, 1986), p. 66.
133. Sweden, Ministry of Finance and the Ministry for Foreign Affairs, Swedish Development Assistance (Stockholm: Iduns Tryckeriaktiebolag Fsselte AB, 1962), pp. 16-18.
134. Ibid., p. 27.
135. Heppling, p. 20.
136. Ljunggren, pp. 67-70. See annex III for a listing of the Swedish concentration countries over the years.
137. Ljunggren, pp. 71-74.
138. Bo Söderston, "Sweden: Towards a Realistic Internationalism," in Internationalism Under Strain: The North-South Policies of Canada, the Netherlands, Norway and Sweden, ed. Cranford Pratt (Toronto: University of Toronto Press, 1989), p. 159.
139. S.I.D.A., Swedish Development Aid (Stockholm: S.I.D.A., 1968), p. 5. The bill stated, "It is assumed that by and large receiving countries prefer such aid, given without political and commercial strings. As a small nation pursuing a policy of non-alignment, Sweden sets great store by the U.N....In addition, Sweden with her limited experience of development activities in developing countries - Sweden has no colonial past - believes that the U.N. and its specialised agencies have an advantage in being able to draw on the experiences gained by all nations and thus on a maximum of competent experts."
140. Ibidem.
141. Christian Andersson, "Breaking Through: Politics and Public Opinion in the Period of Rapid Expansion," in Swedish Development Aid in Perspective: Politics, Problems and Results Since 1952, ed. Pierre Frühling (Stockholm: Almqvist & Wiksell International, 1986), p. 27.
142. Göstra Edgren, "Changing Terms: Procedures and Relationships in Swedish Development Assistance," in Swedish Development Aid in Perspective: Politics, Problems and Results Since 1952, ed. Pierre Frühling (Stockholm: Almqvist & Wiksell



International, 1986), p. 49.

143. Andersson, p. 37.

144. Edgren, p. 59.

145. Lembke, p. 10.

146. Ian A. Barnes, "The Changing Nature of the Swedish Aid Relationship During the Social Democratic Period of Government," Co-operation and Conflict 15 (September 1980): p. 148.

147. Söderston, pp. 155-8. Of interest is his belief that although the aid policies may have been quite radical, Sweden's trade policies were much less radical and altruistic.

148. Edgren, p. 59. Swedish import support may comprise one of three types: commodity aid, goods purchased by the donor aid agency, and foreign currency to finance imports procured by the recipient. See Bertil Odén, "Instead of Projects: Advantages and Limitations of Import Support," in Swedish Development Aid, p. 101.

149. Söderston, pp. 163-164.

150. Ibid, p. 162.

151. Edgren, p. 51.

152. Although a change of government had occurred the membership of the 1977 commission was leftist with a social democratic and communist majority. A year later with the publication of a set of guidelines for the assistance this was no longer the case and the authors represented more adequately the centre-right government. Despite this shift in author composition, the document's general position conformed explicitly to that of the 1977 commission and to that of previous social-democratic doctrine. See Bjorn Beckman, "Aid and Foreign Investments: The Swedish Case," Co-operation and Conflict 14 (1979):139. See also S.J.D.A., Guidelines for International Development Co-operation (Stockholm: S.I.D.A., 1978), p. 20.

153. Commission for the Review of Sweden's International Development Co-operation, Sweden's Policy for Co-operation with Developing Countries (Stockholm: unknown publisher, 1977), p. 21 & p. 26.

154. Ibid., p. 26.

155. Ibid., p. 5.

156. Ibid., p. 29.



157. Ibid., p. 33. The Most Seriously Affected countries were those countries classified by the United Nations as most suffering from the energy crisis.
158. Commission for the Review of Sweden's International Development Co-operation, Sweden's Policy for Co-operation with Developing Countries, p. 29.
159. Ibid.
160. Ibid.
161. Bo Kärre and Bengt Svensson, "The Determinants of Swedish Aid Policy," in Western Middle Powers and Global Poverty: The Determinants of the Aid Policies of Canada, Denmark, the Netherlands, Norway and Sweden, ed. Olav Stokke (Uppsala: Scandinavian Institute of African Studies, 1989), pp. 251-253.
They define the socialist states as Angola, Cape Verde, Ethiopia, Guinea Bissau, Laos, Mozambique, Tanzania, Vietnam and Zimbabwe.
162. L. Rudebeck, "Swedish Development Aid in Times of Economic Realities," Scandinavian Review 72 (Winter 1984):51.
163. Commission for the Review of Sweden's International Development Co-operation, Sweden's Policy for Co-operation with Developing Countries, p. 36.
164. Ruth Jacoby, "Idealism versus Economics: Swedish Aid and Commercial Interests," in Swedish Development Aid in Perspective: Politics, Problems and Results Since 1952, ed. Pierre Frühling (Stockholm: Almqvist & Wiksell International, 1986), p. 88.
165. The objective of SWEDFUND, "...is to inform citizens and governments in developing countries about Swedish firms and to inform Swedish industry about the Less Developed Countries. In addition the fund is to help Swedish enterprises to get started in the developing countries and to foster joint ventures between developing country firms and Swedish enterprises." See Bo Söderston, p. 185.
166. Lars Rylander, Sweden as a Partner in Development (Stockholm: S.I.D.A., 1983), p. 27.
167. The Swedish Export Credits Guarantee Board (E.K.N.) and the Agency for International Technical and Economic Co-operation (B.I.T.S.) are jointly responsible for the concessionary credits programme. The E.K.N. administers the finances after approval by the B.I.T.S.
See S.I.D.A., Sweden in Development Co-operation (Stockholm: S.I.D.A., 1986), p. 6.



168. Ibid., p. 14.
169. Lembke, p. 34.
170. Statistics Sweden, Statistical Abstract of Sweden, p. 251.
171. Rudebeck, p. 54.
172. S.I.D.A., How Aid Works: Swedish Aid to Developing Countries (Stockholm: S.I.D.A., 1989), p. 13.
173. Edgren, p. 61.
174. Affärs Världen, "Det Ineffektiva Biståndet," 3 Maj 1990, p. 23.
175. Edgren, p. 61.
176. S.I.D.A., Sweden in Development Co-operation, p. 8.
177. Affärs Världen, "Det Ineffektiva Biståndet," 3 Maj 1990, pp. 21- 23.
178. Lembke, p. 35.
179. Affärs Världen, "Det Ineffektiva Biståndet," 3 Maj 1990, p. 27.
180. Lembke, p. 75.
181. Affärs Världen, "Det Ineffektiva Biståndet," 3 Maj 1990, p. 26.
182. In Sweden a distinction is made between experts and consultants. Experts require a special loyalty for top-level advisory functions and the strengthening of recipient institutions. They are selected by the personnel division within the S.I.D.A. Consultants are selected by the sector department or directly by the Development Co-operation Offices in the developing countries. They are often selected on the basis of long-standing working relationships and usually enjoy a sequence of contracts because of the information advantage that they acquire from their previous contracts. The tasks of consultants can involve planning responsibilities within the S.I.D.A., but also the implementation of an entire project or programme. See Lembke, pp. 75-76.
183. Affärs Världen, "Det Ineffektiva Biståndet," 3 Maj 1990, p. 30.
Product-orientated development assistance implies that the donor strives to realise a physical objective, such as the construction of a power station, a road or a hospital, without determining whether a market or a need exists. Needs orientated development assistance implies that the donor begins with the needs of the target group and adapts the structure and resources to those needs.



184. Affärs Världen, "Det Ineffektiva Biståndet," 3 Maj 1990, p. 30.
185. Lembke, p. 39.
186. S.I.D.A., Development Assistance via S.I.D.A. 1990-91 (Stockholm: S.I.D.A., 1989), p. 33-35.
187. Affärs Världen, "Det Ineffektiva Biståndet," 3 Maj 1990, p. 23.
188. See annex IV for a table of the net O.D.A. as a percentage of G.N.P.
189. See annex V for a table of the multilateral assistance as a percentage of O.D.A.
190. See annex VI for a table of the grant element of the O.D.A.
191. See annex VII. for a table of official tying as a percentage of total O.D.A.
192. See annex VIII for a table of the aid allocated to the low income and LLDC's.
193. Development Assistance Committee, Sustainability in Development Programmes: A Compendium of Evaluation Experience, (Paris: OECD, 1988), p.7.
194. G.E. Frerks, "De Rol van Institutionele Ontwikkeling in het Nederlands Beleid," in De Lange Adem: Slagen en Falen in de Praktijk van Ontwikkelingssamenwerking, ed. W.A. Erath and L. de Hoog (Den Haag: Ministerie van Buitenlandse Zaken, 1989), p.135.
195. Norman Uphoff, Local Institutional Development: An Analytical Sourcebook with Cases (West Hartford, Conn.: Kumarian Press, 1986), pp.8-9. My underlining.
196. Peter Stern, "Appropriate Technology for Water," in Community Water Development, ed. Charles Kerr (London: Intermediate Technology Publications, 1989), p. 6.
197. The Intermediate Technology Development Group is a London-based group, set up in 1965, to collect information on appropriate technology and to help introduce appropriate technology to rural areas in the Third World. Charles Kerr, ed., Community Water Development (London: Intermediate Technology Publications, 1989), p. 1.
198. The JTDC Water Panel, "Guidelines on Planning and Management of Rural Water Supplies in Developing Countries," in Community Water Development, ed. Charles Kerr (London: Intermediate Technology Publications, 1989), p. 240.



199. Saul Arlosoroff et al., Community Water Supply: The Handpump Option, (Washington: The World Bank/UNDP, 1987), p. 1.
200. John Pickford, "People and the Decade - Technology and Community," in Community Water Development, ed. Charles Kerr (London: Intermediate Technology Publications, 1989); p. 6.
201. C.K. Stapleton, "Tube-Wells and Their Construction," in Community Water Development, ed. Charles Kerr (London: Intermediate Technology Publications, 1989), p. 47.
202. Simon Watt and Bill Wood, "Hand-Dug Wells Lined with Reinforced Concrete," in Community Water Development, ed. Charles Kerr (London: Intermediate Technology Publications, 1989), p. 29.
203. Stapleton, p. 48.
204. Watt and Wood, p. 30.
205. Robert Frietsch, "Shallow Wells for Low-Cost Water Supply in Tanzania," in Community Water Supply, ed. Charles Kerr (London: Intermediate Technology Publications, 1989), p. 36.
206. Arlosoroff, p. ix. One of the activities of the International Drinking Water Supply and Sanitation Decade was this global project for the laboratory- and fieldtesting, and technological development, of community water supply handpumps.
207. Ibid., p. 3.
208. Ibid., p. 4.
209. George Baldwin, "The India Mark II Handpump and Its Three-Tier Maintenance System," in Community Water Development, ed. Charles Kerr (London: Intermediate Technology Publications, 1989), p. 174.
Interview with John-Olaf Johansson, Senior Project Officer Rural Water Supply Projects SJDA, Stockholm, 17 May 1990. In fact, a Swedish missionary working in India was very much involved in the designing of the India Mark II pump.
210. Arlosoroff, pp. 114-115.
211. Arlosoroff, p. 115.
212. The Village Level Operation and Maintenance Concept developed in the 1980's after disappointments with the centralised three-tier maintenance system developed in the 1970's. See also VI.1.6.
213. Arlosoroff, p. 117.
214. Interview with John-Olaf Johansson, 17 May 1990.
215. Stern, p. 6.



216. Arlosoroff, pp.2-3.
217. Pickford, p. 10.
218. Ibidem.
219. DAC, Sustainability in Development Programmes, p.10.
220. The International Water and Sanitation Centre (I.A.C.) is an independent non-profit organisation, established in 1968 in the Hague and supported financially by the Dutch government. It is linked with UNDP, UNICEF, the World Bank and WHO for which it acts as a collaborating centre. It is specialised in information, training, research, evaluation and advice on water supply and sanitation.
221. I.A.C., Community Participation and Women's Involvement in Water Supply and Sanitation Projects Occasional Paper Series no.12 (The Hague: IAC, August 1988), p. 5.
222. Ibid., p. 7.
223. H.E.J. Jorritsma and A.C.A. van der Wiel, "Participatie: Wens of Werkelijkheid?", in Van Theorie tot Toepassing in de Ontwikkelingssociologie, ed. L. Box and D.A. Paposek (Deventer: van Loghum Slaterus, 1981), p.89.
224. Ibid., pp.90-91.
225. I.A.C., Community Participation and Women's Involvement, pp. 11-15.
226. Ibid., p.21.
227. IAC, Hygiene Education in Water Supply and Sanitation Programmes Technical Paper Series no.27 (The Hague: IAC, 1988), p.x.
228. Ibid., p.xii.
229. E.W. Lindeyer and N. Bhimaro, How to Pay for Rural Water, Both a Government's and a Beneficiary Concern Paper presented at the IWWA convention (Baroda, India, 23 January 1984), p.18. Quoted in Christine van Wijk, What Price Water? User Participation in Paying for Community-Based Water Supply (The Hague: IAC, March 1987), p.3.
230. van Wijk, What Price Water?, p. 12.
231. The recurrent annual costs of a centralised handpump maintenance system are US\$0.50-US\$2.00 per capita and for a community level handpump maintenance system, as low as US\$0.05 per capita. A centralised public standpipe maintenance system costs between US\$2.00 and US\$4.00 per capita to operate and maintain. The similar figure for a centralised yardtap maintenance system is US\$4.00-US\$6.00 per capita. Arlosoroff, p.2.



232. van Wijk, pp.20-21. It may not be necessary to collect regular funds in this case, but I disagree with the statement that a volunteer should be responsible for the maintenance task. By paying the caretaker clearer lines of accountability and responsibility are drawn. In this case regular collections would have to be paid by the users.
233. Ibid., p.31.
234. IRC, Community Participation, p. 4.
235. van Wijk, p. 38.
236. IRC, Community Participation, p.4.
237. Interview with Jan Teun Visscher, I.R.C., 12 December 1990.
238. van Wijk, p. 51.
239. Ibid., p. 9.
240. IRC, Community Participation, p.8.
241. Arlosoroff, p.15.
242. See paragraph VI.1.1.
243. DANIDA/UNICEF, National Workshop on Village Level Maintenance of Handpumps (New Delhi: DANIDA/UNICEF, May 1988), pp. 82-84.
244. Teun Bastemeyer and Jan Teun Visscher, Maintenance Systems for Rural Water Supplies (The Hague: I.R.C., 1987), p. 12.
245. Sanjit Roy, "A One-Tier System: The Tilonia Approach to Handpump Maintenance," in Community Water Development (London: Intermediate Technology Publications, 1989), p. 180.
246. Ibid., p.183.
247. Arlosoroff, p.74.
248. Bastemeyer and Visscher, p. 6.
249. Ibid., p. 32.
250. See paragraph VI.1.3.
251. DANIDA/UNICEF, p. 4.
252. The Netherlands, Ministry of Foreign Affairs, Country Policy Paper for India 1989-1992 (The Hague: Ministry of Foreign Affairs, 1989), p. 19.



253. Ibid., p. 8. Thus no new assistance to Himachal Pradesh shall be forthcoming after the present projects in execution are completed.
254. A. Braken, Institutionele Ontwikkeling in de Drinkwater en Sanitatiesector: De Case van Uttar Pradesh, (Den Haag: Onderzoeksverslag van een Stage bij de IOV, december 1989).
255. mr. W.C.J. Passtoors and mr. A.L. D'Souza, Evaluation of the Advisory Structure for the Indo-Dutch Water Supply and Sanitation Programme, (New Delhi/The Hague: D.G.I.S., November 1988), p. 3.
256. The Netherlands, Ministry of Foreign Affairs, Country Policy Paper for India 1989-1992, p. 19.
257. I.M.
258. Backstopping occurs when a consultant has contact with the responsible implementing agency through reports, consultation, supervision and support, so as to ensure that the project continues to be carried out in accordance with the project's objectives. See The Netherlands, Ministry of Foreign Affairs, Operations Review Unit, Report and Recommendations on Domestic Water Activities Undertaken by the Netherlands 1975-1980 No.154/S-1 (The Hague: Ministry of Foreign Affairs, June 1983), p.57.
259. Passtoors, p. 38.
260. Ibid., p.50.
261. Braken, Institutionele Ontwikkeling, p. 62.
262. This Women's Co-ordinator is the Dutch representative at the 'Interagency Meeting Group on Women, Water and Sanitation', where representatives of other donors function as a sounding board for the Indian National Drinking Water Mission which had to form the 'Action Plan on Women, Water and Sanitation'. The Dutch Women's Co-ordinator thus enjoys indirect influence. Braken, Institutionele Ontwikkeling, p.63.
263. Ibid., p.62.
264. Ibid., p.63.
265. Passtoors, p.4.
266. Ibidem.
267. Braken, Institutionele Ontwikkeling, p.64.
268. Passtoors, p.9.
269. I.M.



270. Passtoors, p.52.
271. I.M.
272. I.M.
273. I.M.
274. I.M.
275. Passtoors, p.18.
276. Ibid., p. 8.
277. Ibid., p. 16.
278. Ibid., pp.38-39.
279. Ibid., p.9.
280. Ministerie van Buitenlandse Zaken, Drinkwatervoorziening, p. 16.
281. Operations Review Unit, Report No. 154/S-1, p. 3.
282. I.M.
283. J.M.
284. I.M.
Dental fluorosis sets in at a concentration higher than 1,5 ppm (parts per million) and skeletal fluorosis at a concentration higher than 4 ppm. People first complain of vague pains in the joints of their hands and feet, knees and spine. These joints gradually stiffen and deformities of the bone tissue become visible. The stiffness and the restricted angle of motion in the affected joints makes walking increasingly difficult. Deformities in the arches of the vertebrae can press on the spinal cord, possibly causing paralysis. At more than 8 ppm cattle are affected with fatal skeletal effects. Joints become steadily stiffer until the animal can no longer get on its feet from a resting position. Its milk yield decreases rapidly and it eventually dies from lack of bodily movement.
285. I.M.
286. I.M.
287. I.M.
288. I.M.
289. I.M.



290. I.M.

291. I.M.

292. I.M.

Commitments are financial amounts which have been formally agreed upon by the Governments of India and the Netherlands on the basis of side letters. See annex IX for a listing of the commitments to the different projects in Andhra Pradesh and Kerala. Loans to the federal government of India are given on D.A.C. agreed soft terms (i.e. 30 years, first 8 years no repayment, against an interest rate of 2.5 per cent).

293. I.M.

294. I.M.

The Dutch government does not sign the side letters with the respective recipient states but with the federal government of India. The federal government, to prevent discrimination of the states, adopted a policy of additionality to donor financed projects in specific states. Additionality was set at 70 per cent in 1981 which implied that 30 per cent of the Dutch commitment had to be paid by the state government to the central government which in this way became budgetary support. Thus, the actual foreign contribution to drinking water projects of foreign financed schemes in the states was $100\% \times 85\%$ (taking into account local taxes) $\times 70\%$ (the additionality) = 59.5%.

295. I.M.

296. I.M. and van de Graaf, p. 24.

The Dutch company which provided the drilling rigs was Conrad-Stork in Haarlem. The fact that the Netherlands never or rarely won international tenders because of Dutch business' uncompetitive rates was already mentioned in 1978.

297. I.M.

298. The Netherlands, Ministry of Foreign Affairs, Country Policy Paper for India 1989-1992 (The Hague: Ministry of Foreign Affairs, 1989), p. 10.

299. The Netherlands, Ministry of Foreign Affairs, Country Policy Paper for India 1989-1992 (The Hague: Ministry of Foreign Affairs, 1989), p. 7. In a policy document in 1979 it was said that assistance to the drinking water sector may be classified as programme support. See Ministerie van Buitenlandse Zaken, Nota Inzake Verbetering van de Kwaliteit van de Hulp, p. 181.
See also footnote 34 for a definition of programme versus



project aid.

300. Ministerie van Buitenlandse Zaken, Drinkwatervoorziening, p.15.
301. I.M.
302. I.M.
303. I.M.
304. This aspect will be further researched below in paragraph VI.2.7.
305. The Netherlands, Ministerie van Buitenlandse Zaken, De Werkwijze en het Functioneren van de Inspectie Ontwikkelings-samenwerking te Valde, Handelingen van de Tweede Kamer 1985-1986, Bijlagen 19475 nr.1 en nr.2 en nr.3, p. 7.
306. D.G.I.S., Landenbeleidsplan India, januari 1986, p. 2.
307. I.M.
308. I.M.
309. I.M.
In this way the local cost financing element for that year was reduced to below the 30 per cent, reaching 26 per cent.
310. I.M.
311. I.M.
312. I.M.
313. I.M.
314. D.G.J.S., Jaarplan India 1988, oktober 1987, p.1.
315. Interview with Jan Teun Visscher, I.R.C., 12 December 1990.
316. I.M.
317. J.M.
318. I.M.
319. J.M.
320. I.M.
321. I.M.
322. I.M.



323. Operations Review Unit, Report No.154/S-1, p. 41.
324. Ibid.
325. Ministerie van Buitenlandse Zaken, Drinkwatervoorziening, p. 17.
326. Ministerie van Buitenlandse Zaken, De Werkwijze, p. 6.
327. Braken, Institutionele Ontwikkeling, p. 68.
328. Ibid., p.89 & p.103.
329. I.M.
330. I.M.
331. I.M.
332. I.M.
333. I.M.
334. I.M.
335. I.M.
336. As the CHAAP does not have the capacity to handle software issues in all districts, the APVHA (which another year later appeared to have solved its internal problems) was asked to elaborate on a proposal to introduce community participation and hygiene education in the remaining districts. ;
I.M.
337. I.M.
338. I.M.
339. I.M.
340. I.M.
341. I.M.
Kerala has a different planological structure from most of the states in India as the villages are not circularly grouped about the village centre but instead spread out in a narrow strip along the main roads.
342. Passtoors, p.49.
343. I.M.
344. I.M.



345. In a 1986 federal government document the Indian authorities expressed the importance of paying special attention to women in all aspects of the drinking water sector. See Braken, Institutionele Ontwikkeling, p. 68.
346. J.M.
347. The Netherlands, Ministry of Foreign Affairs, Women, Water and Sanitation: Policy on an Operational Footing: Main Points and Checklist. Sector Papers Women and Development No.2 (The Hague: Ministry of Foreign Affairs, March 1989), p. 5.
348. Ibid., p. 7.
349. I.M.
350. I.M.
351. I.M.
352. I.M.
The financing of the purchase of milch cattle was initially as follows; bank loan (nihil), loan from revolving fund (50 per cent), and project subsidy (50 per cent). This arrangement was altered whereby the respective percentages became 50, 16.7 and 33.3. Concern was voiced by the IRC that this might negatively affect the participation of the poorest women. Yet, this worry was deemed unfounded because the loans were soft and by using bank loans, the number of poorest women that could be assisted could be more than doubled.
353. I.M.
354. I.M.
355. J.M.
356. Passtoors, p. 49.
357. I.M.
358. I.M.
359. Ministerie van Buitenlandse Zaken, Drinkwatervoorziening, pp. 12-13.
360. Operations Review Unit, Report No.154/S-1, p. 28 & p. 34.
361. J.M.
362. I.M.
363. J.M.



364. I.M.
365. I.M.
366. I.M.
367. I.M.
368. I.M.
369. I.M.
370. I.M.
371. I.M.
372. I.M.
373. I.M.
374. I.M.
375. I.M.
376. Ministerie van Buitenlandse Zaken, Drinkwatervoorziening,
p. 17.
377. Ministry of Foreign Affairs, Women, Water and Sanitation,
p. 10.
378. I.M.
379. I.M.
380. I.M.
381. I.M.
382. I.M.
383. I.M.
384. I.M.
385. I.M.
386. I.M.
387. I.M.
388. Passtoors, p. 49.
389. I.M.
390. Ministerie van Buitenlandse Zaken, Drinkwatervoorziening,
p. 12.



391. Ibid., p. 17.
392. Operations Review Unit, Report No.154/S-1, p. 48.
Not only the construction and installation costs, but also the costs for the administration and controllers, are part of the costs for the installation of water meters. See Braken, Institutionele Ontwikkeling, p. 50.
393. Ministerie van Buitenlandse Zaken, De Werkwijze, p. 1.
394. I.M.
395. I.M.
396. I.M.
397. I.M.
398. I.M.
399. I.M.
400. I.M.
401. I.M.
402. I.M.
403. I.M.
404. I.M.
405. I.M.
406. I.M.
407. I.M.
408. I.M.
The K.W.A. charges a rate of Rs. 0.50 per m³ in rural areas with private businesses and institutions paying Rs. 1.25 per m³. The World Bank estimates that the following tariffs are necessary for operations and maintenance costs in 1990:
- | | |
|--|--------------------------------|
| domestic users - under 5m ³ per month | Rs. 1 per m ³ |
| 5m ³ - 15m ³ " " | Rs. 1.5 - 2 per m ³ |
| over 15m ³ " " | Rs. 2 - 2.5 per m ³ |
| commercial users | Rs. 2 - 2.5 per m ³ |
| industrial users | Rs. 3 per m ³ |
- public standpost per month costs Rs. 1 per capita per month.
409. J.M.
410. I.M.
411. Ministerie van Buitenlandse Zaken, Drinkwatervoorziening, p. 9.



412. Braken, Institutionele Ontwikkeling, p. 43.
413. Ministry of Foreign Affairs, Women, Water and Sanitation, p. 10.
414. I.M.
415. I.M.
Charges for rural water supply schemes were reduced from Rs. 0.48 per kWh to Rs. 0.16 per kWh which is at par with the charges for the agricultural water supply. Half of the difference is paid directly by the state government, whereas the other half will be deducted 'at source', i.e. subtracted from funds due to the respective panchayats. In addition it was agreed that no rural water supply schemes will have their electricity supply cut off, even when bills remain unpaid for a considerable time.
416. I.M.
417. J.M.
418. I.M.
419. I.M.
420. I.M.
421. I.M.
422. Passtoors, p. 49.
423. I.M.
424. I.M.
425. I.M.
426. I.M.
427. I.M.
428. I.M.
429. Passtoors, p. 17.
430. I.M.
431. Breman, "Evaluatie en de Behoeftte Eræn", p. 171.
432. Interview with John-Olaf Johansson, 8 May 1990.
433. Interview with John-Olaf Johansson, 8 May 1990.
SWACH also means clean in Hindi.
434. PEDO, Integrated Rural Water Supply, Health Education and Environmental Sanitation in Bicchiwara Block - District Durgapur: Pilot Project (Mada: PEDO, 1988), p. 3.



435. Interview with John-Olaf Johansson, 17 May 1990.
436. See annex XII for an overview of the allocations to the Swedish assisted programmes.
437. SIDA, Report Mid-Term Review: Rural Water Supply General Programme India (Stockholm: SIDA, May 1988), p. 16.
438. Interview with John-Olaf Johansson, 8 May 1990.
439. Interview with John-Olaf Johansson, 17 May 1990.
440. Ibid.
441. SIDA/UNICEF, Joint SIDA/UNICEF Annual Review of the SIDA-Supported Programmes for Rural Water Supply in India (Draft Report) (Stockholm: SIDA/UNICEF, March 1990), p. 15.
442. Ibid.
443. SIDA, Infrastructure in Rural Development (Stockholm: SIDA, 1990), p.23.
444. SIDA, Water Strategy - Water Supply Programmes for Rural Areas: Domestic Water Supply, Health Education, Environmental Hygiene, 2nd ed. (Stockholm: SIDA, January 1987), p. 1.
445. Guineaworms are parasites causing fever, diarrhoea and considerable pain, and may cause permanent disability. The infection is transmitted through drinking water drawn from open sources such as stepwells and ponds. By improving the quality of the water (closing stepwells, treating the water and gradually changing people's habits to use handpump water), the chain of infection can be broken. See UNICEF/Government of Rajasthan, The Integrated Sanitation, Water, Guineaworm Control and Community Health Project (SWACH) Udaipur District, Rajasthan Plan of Action 1987/'88 - 1991/'92 (n.p.:UNICEF/Government of Rajasthan, 1987), Annex 1.
446. SIDA, UNICEF General Water Supply and Environmental Sanitation: Report from the Annual Review of SIDA Supported Water Supply and Environmental Sanitation Projects in India (Stockholm: SIDA, February 1987), pp. 16-17.
447. SIDA, Guidelines for SIDA - Supported Activities in International Water Resources Development. Part I: General Overview (Stockholm: SIDA, 1980), p. 23.
448. Interview with John-Olaf Johansson, 17 May 1990.
449. Interview with John-Olaf Johansson, 8 May 1990.
450. Interview with John-Olaf Johansson, 17 May 1990.



451. SIDA, Report Mid-Term Review 1988, p. 16.
452. SIDA, Water Strategy, p. 9 & p. 19.
453. Hydraulic drilling rigs are classified as the 'new generation' rigs and were purchased after 1979. Before 1979 use was made of pneumatic drilling rigs, the 'old generation' rigs. In 1987, four all terrain rigs were purchased to reach remote and difficult to reach locations. See UNICEF, Water Supply and Sanitation: Second Progress Report Covering the Period July 1986 till June 1987 (New Delhi: UNICEF, September 1987), p. 15.
454. Interview with John-Olaf Johansson, 17 May 1990.
455. SIDA, Infrastructure in Rural Development, p. 24.
456. Interview with John-Olaf Johansson, 17 May 1990.
457. Appropriate technology does not seem to extend to rainwater catchment schemes. As with the Netherlands, the Swedish government does not believe in rainwater catchment schemes as a feasible option.
458. SIDA, Water Strategy, pp. 22-23.
459. For example, the Swedish multinational, Atlas Copco, has a subsidiary in India. Since July 1988 it manufactures the Rotamec-50 (a two truck system). Three drilling rigs of the type CP-700 that were imported in the UNICEF General Programme from a United States company in the late seventies would now be manufactured by an Atlas Copco owned subsidiary in India. The TH-55 drilling rig is now also manufactured by an American owned subsidiary of Ingersoll-Rand in India. Another drilling rig, the TH-10 - a two truck arrangement, is manufactured by the same subsidiary and is procured for UNICEF and the government of India on a large scale. This drilling rig is exported to many countries including Sweden! Regarding the British companies, HALCO has an affiliated company (Killick-Nixon) in India.
Interview with John-Olaf Johansson, 17 May 1990.
460. Klas Markenstein, Foreign Investment and Development; Swedish Companies in India (Lund: Studentlitteratur, 1972), p. 85. Atlas Copco occupies an unusual position in the group of subsidiaries operating in India because of its 100 per cent foreign ownership. As this study was conducted in 1972, it would be interesting to see whether or not the positive image of Atlas Copco at that time needs revision.
461. Interview with John-Olaf Johansson, 17 May 1990.
462. SIDA, Infrastructure in Rural Development, p. 24.



463. SIDA, Water Strategy, p. 16.
464. SIDA, Guidelines for SIDA --Supported Activities in International Water Resources Development. Part 2: Rural Drinking Water Supplies (Stockholm: SIDA, 1980), p. 48.
465. UNICEF - Water and Environmental Sanitation Section, Rural Water Supply and Environmental Sanitation Programme: Third Progress Report on the Utilisation of SIDA 'noted' Funds P/L 2086 - India (New Delhi: UNICEF, April 1984), p. 5.
466. SIDA, Annual Review 1987, pp. 8-9.
467. SIDA/UNICEF, Joint SIDA/UNICEF Annual Review 1990, pp. 8-9.
468. Ibid., p. 20.
469. Ibidem.
470. UNICEF, The Integrated Sanitation, Water, Guinea worm Control and Community Health Project - Rajasthan (SWACH): First Progress Report Covering the Period July 1988 till June 1989 (New Delhi: UNICEF, 1989), p. 35.
471. UNICEF, SWACH First Progress Report, p. 77.
472. UNICEF/Government of Rajasthan, Plan of Action, p. 10.
473. SIDA, The Integrated Rural Water Supply, Health Education, Environmental Sanitation and Guinea Worm Control Project in Banswara and Dungarpur Districts, Rajasthan (UNICEF): Report from the Annual Review of SIDA Supported Water Supply and Environmental Sanitation Projects in India (Stockholm: SIDA, February 1987), pp. 16-17.
474. SIDA/UNICEF, Joint SIDA/UNICEF Annual Review, p. 20.
475. SIDA, The Integrated Rural Water Supply, Health Education, Environmental Sanitation and Guinea worm Control Project Rajasthan (India): Proposed Extension to Udaipur District - Report from the SIDA Appraisal Mission (Stockholm: SIDA, April 1987), p. 15.
476. PEDO, Rural Water Supply, Health Education and Environmental Sanitation in Bicchiwara Block: Third Progress Report (Period Covering July 1988 to June 1989) (Mada: PEDO, 1989), p. 16.
477. PEDO/SIDA, Report from Joint Review of the PEDO Programme Bicchiwara Block, Rajasthan (Stockholm: SIDA, 1988), p. 4.
478. SIDA/UNICEF, Joint SIDA/UNICEF Annual Review, p. 9.
479. Ibid., pp. 10-11 & pp. 21-22.



480. Ibid., pp. 12-13.
481. Ibid., p. 23.
482. Ibid., p. 14.
483. SIDA, Water Strategy, p. 17.
484. SIDA, Infrastructure, pp. 25-26.
485. Runeborg, Anne. Report from the National Workshop on Village Level Maintenance of Handpumps, 6-8 April 1988 at NEERI, Nagpur (New Delhi: SIDA, 27 April 1988), pp. 2-3.
486. SIDA/UNICEF, Joint SIDA/UNICEF Annual Review, p. 12.
487. SJDA, Report Mid-Term Review, pp. 9-10.
488. SJDA, Report from the Annual Review (SWACH) 1987, Appendix 1.
489. UNICEF/Government of Rajasthan, Plan of Action, p. 9.
490. SIDA/UNICEF, Joint SIDA/UNICEF Annual Review, p. 23.
491. UNICEF, Second Progress Report July 1986 till June 1987, p. 34.
492. Knutsson, Karl-Eric, Report on Visit to Udaipur and Banswara Districts in Rajasthan, 12-15 September 1989 (New Delhi: SIDA, 21 September 1989), p. 7.
493. PEDD/SIDA, Report 1988, p. 7.
494. PEDD, Third Progress Report, pp. 16-18.
495. PEDD/SIDA, Report 1988, p. 7.
496. Chandrika Sharma, Mada Mahila Mela (Mada: PEDD, April 1988), p. 17.
497. PEDD/SJDA, Report 1988, p. 4.
498. Sharma, p. 19.
499. SIDA, Water Strategy, pp. 4-5.
500. SIDA/UNICEF, Joint SIDA/UNICEF Annual Review, pp. 5-8.
501. UNICEF, Second Progress Report July 1986 till June 1987, p. 3.
502. UNICEF, Water Supply and Sanitation: Fourth Progress Report Covering the Period July 1988 till June 1989 (New Delhi: UNICEF, August 1989), p. 20.
503. UNICEF, Third Progress Report July 1987 till June 1988, p. 33 & p. 39.



504. UNICEF, Fourth Progress Report 1989, p. 28.
505. SIDA/UNICEF, Joint SIDA/UNICEF Annual Review, p. 18.
506. SIDA, Report from the Annual Review (SWACH) 1987, p. 10.
507. SIDA/UNICEF, Joint SIDA/UNICEF Annual Review, pp. 18-19.
508. PEDD/SIDA, Report 1988, p. 5.
509. SIDA/UNICEF, Joint SIDA/UNICEF Annual Review, pp. 8-9.
510. SIDA/UNICEF, Joint SIDA/UNICEF Annual Review, pp. 8-9.
511. Stepwells are open wells of considerable depth and size which are provided with steps to allow the users to enter them for fetching water, washing clothes or having a bath. The openness and multiple usage makes them extremely unsafe for drinking water. Stepwell conversion implies making the well directly inaccessible by destroying the steps and introducing buckets and ropes. The stepwell may also be sealed off and fitted with a handpump. See UNICEF, SWACH First Progress Report, p. 23.
512. SJDA/UNICEF, Joint SIDA/UNICEF Annual Review, p. 16.
513. SJDA, Report from the Annual Review (SWACH), p. 9.
514. UNICEF, The Integrated Sanitation, Water, Guinea worm Control and Community Health Project - Rajasthan (SWACH): Second Progress Report Covering the Period July 1987 - June 1988 (New Delhi: UNICEF, 1988), p. 3.
515. PEDD, Third Progress Report, p. 16.
516. SIDA, Infrastructure, p. 27.
517. SIDA, Water Strategy, p. 18.
518. SIDA, Water Strategy, p. 3.
519. SIDA, Part 2: Rural Drinking Water Supplies, p. 69.
520. Interview with John-Olaf Johansson, 17 May 1990.
521. A KAP (Knowledge, Attitudes and Practices) survey showed that 67 per cent of the respondents would be willing to pay maintenance costs of Rs. 4 per month if without such a contribution the pump would fail. 41 per cent of the respondents were willing to pay up to 62 Rs. per month for a handpump if installation was conditional on user contribution. See UNICEF, Fourth Progress Report 1989, p. 26.
522. UNICEF, Second Progress Report July 1986 till June 1987, pp. 11-12.
523. SIDA, Infrastructure, p. 26.



524. SIDA, Water Strategy, p. 18.
525. UNICEF, First Progress Report 1983, p. 4.
526. SIDA/UNICEF, Joint SIDA/UNICEF Annual Review, p. iv.
527. UNICEF, Third Progress Report 1988, p. 50.
528. UNICEF, SWACH Second Progress Report, pp. 32-33.
529. UNICEF, First Progress Report SWACH 1989, p. 53.
530. SIDA/UNICEF, Joint SIDA/UNICEF Annual Review, p. 18.
531. UNICEF, First Progress Report SWACH 1989, pp. 54-55.
532. PEDO, Pilot Project, p. 13.
533. Interview with John-Olaf Johansson, 17 May 1990.
534. SIDA, Infrastructure, p. 28.
535. Ministry of Foreign Affairs, Country Policy Paper for India 1989-1992, p. 4.
536. Pratt, p. 194.
537. See annex XIII for the Dutch and Swedish exports and imports as percentages of gross domestic product.
538. In 1985 Belgium's exports and imports comprised respectively 70.8 and 73.9 per cent of its gross domestic product. See UNCTAD, Handbook of International Trade and Development Statistics (Geneva: UNCTAD, 1985).
539. See annex XII for the Dutch and Swedish trade percentages with the Third World.
540. Bukman, Reële Behoeften van Ontwikkelingslanden Staan Voorop, p. 1.
541. J. Verloren van Themaat, "Waarom Geven Landen Hulp?," Economisch-Statistische Berichten (20 januari 1982):64.
542. Ministerie van Buitenlandse Zaken, Nota Ontwikkelingssamenwerking en Werkgelegenheid, p. 25. This is a 1979 figure.
543. Lembke, p. 1.
544. Lembke, p. 9.
545. Dirk Kruijt and Menno Vellinga, ed., Ontwikkelingshulp Getest: Resultaten Onder de Loep (Muiderberg: Coutinho, 1983), p. 8.
546. J. Verloren van Themaat, "Waarom Geven Landen Hulp?," p. 64.



547. See annex XIV for the Dutch and Swedish balance of payments figures.
548. J.P. Pronk, "Naschrift bij Vier Jaar Ontwikkelingsbeleid Onder Pronk," Internationale Spectator (september 1977): 569.
549. Jacoby, p. 88.
The balance of payments argument used at that time is, however, somewhat inconsistent if one notes the positive balance of payments figures of the year before. On the other hand, before 1971, the Swedish balance of payments figures did show a six year continuous negative current account balance. See annex XIV.
550. Rylander, p. 32.
551. The Swedish Institute, Fact Sheets on Sweden: The Swedish Economy (Stockholm: The Swedish Institute, July 1989), p. 1.
552. Söderston, p. 175.
553. See annex XV for the Dutch and Swedish government budgetary figures.
554. Mats Dlofsson, Economic Policy and the Election (Stockholm: The Swedish Institute, June 1988), p. 1.
555. Söderston, p. 175.
556. Söderston, p. 186.
557. See annex XVI for a table of the unemployment percentages as a percentage of the total labour force.
558. Pronk, "Naschrift bij Vier Jaar Ontwikkelingsbeleid Onder Pronk," p. 571.
559. Ministerie van Buitenlandse Zaken, Nota Bilaterale Ontwikkelingssamenwerking - Om de Kwaliteit van de Hulp, p. 57.
560. Ministerie van Buitenlandse Zaken, Nota Ontwikkelingssamenwerking en Werkgelegenheid, p. 1.
561. Dirk Kruijt and Kees Koonings, ed., Ontwikkelingsvraagstukken: Theorie, Beleid en Methoden (Muiderberg: Dick Coutinho, 1988), p. 19.
562. Jacoby, p. 88.
563. Karre, p. 249.
564. Soderston, p. 186.
565. S.I.D.A., Sweden in Development Co-operation, p. 2.
566. Jacoby, p. 86.



567. Stokke, p. 308.
568. Kruijt and Vellinga, Ontwikkelingshulp Getest: Resultaten Onder de Loep, p. 7.
569. Poats, p. 133.
570. Poats, p. 133.
571. Lowe Hedman, Swedish Public Opinion on Development Aid: A Study of the Swedish Public, Local Opinion Makers and Journalists (Uppsala: Almqvist & Wiksell International, 1978), pp. 200-201 & p. 210.
572. S.I.D.A., Sweden in Development Co-operation, pp. 4-6.
573. Kärre, p. 260.
574. Lembke, p. 22.
575. Lembke, p. 9. This opinion was also shared by Rudebeck. See Rudebeck, p. 52.
576. Kruijt and Vellinga, pp. 7-8.
577. John Mittenburg, "De Derde Wereldbeweging in Nederland: Van Morele Verontwaardiging tot Anti-Imperialisme," in Nederland en de Derde Wereld: Basisvragen over Ontwikkelingssamenwerking, ed. Gerrit Huizer (Alphen a/d Rijn: Samsom, 1978), p. 150.
578. B. Schennink, "Is Ontwikkelingssamenwerking Een Probleem voor Ons?," Internationale Spectator (maart 1979):146.
Thus, whereas at the most 47 per cent of the Dutch population was in favour of increasing the aid in 1971, 70 per cent of the parliamentarians of the Labour Party, D'66, ARP, KVP and CHU favoured an increase. Within DS'70 and the VVD, the respective percentages were 14 and 13 per cent.
579. Charles Cooper and Joan Verloren van Themaat, "Dutch Aid Determinants, 1973-1985: Continuity and Change," in Western Middle Powers and Global Poverty: The Determinants of the Aid Policies of Canada, Denmark, the Netherlands, Norway and Sweden, ed. Olov Stokke (Uppsala: Scandinavian Institute of African Studies, 1989), p. 143.
580. Cooper and Verloren van Themaat, Dutch Aid Determinants, pp. 145-146.
581. Jonas Pontusson, "Radicalization and Retreat in Swedish Social Democracy," New Left Review 165 (September/October 1987):5-6.
582. Rylander, p. 16.
583. Rylander, p. 16.



584. J. Voorhoeve, Peace, Profits and Principles: A Study of Dutch Foreign Policy (Leiden: Martinus Nijhoff, 1985), pp. 60-61.
585. Hoebink, pp. 62-66.
586. Barnes, p. 141 & p. 149.
587. Beckman, p. 144.
588. Söderston, p. 173. My underlining.
589. Söderston, p. 156.
590. Beckman, p. 144.
591. Rudebeck, p. 53.
592. Jacoby, p. 100.
593. Kärre, p. 232.
594. Söderston, p. 186.
595. Kärre, p. 239.
596. Kärre, p. 258.
597. Kärre, p. 263.
598. Kärre, p. 252.
599. Andersson, pp. 31-32.
600. Rylander, pp. 14-16.
601. Kärre, p. 263.
602. Hedman, p. 207.
603. Cooper and Verloren van Themaat, p. 88.
604. Cooper and Verloren van Themaat, pp. 84-85.
605. Stokke, p. 15.
606. S.I.D.A., Guidelines for International Development Co-operation, p. 20.
607. The Netherlands, Ministerie van Buitenlandse Zaken, Nederland en de Derde Wereld: Een Kwestie van Verdeling, (Den Haag: Voorlichtingsdienst Ontwikkelingssamenwerking, 198?), p. 8.
608. Poats, p. 133.



609. D.A.C., Development Co-operation: Efforts and Policies of the Development Assistance Committee (Paris: G.E.C.D., aid reviews 1963-1989). For example, in 1987 the Dutch and Swedish governments had a current general government expenditure as a percentage of gross domestic product of 60.1 and 59.9 per cent respectively. The respective figure for the average D.A.C. member was a much lower 41.1 per cent.
610. The regression coefficient was $R^2=0.88$ with t-values of -4 and 7.5.
See J. Verloren van Themaat, "Waarom Geven Landen Hulp?," p. 65.
611. Joan Verloren van Themaat, "Een Rijksdienst voor Ontwikkelingssamenwerking?," Internationale Spectator (maart 1986):184.
612. J. Pronk, "Opinie," in De Volgende Minister: Ontwikkelingssamenwerking Binnen het Kabinet 1965 tot ?, ed. A. Meikert (Den Haag: NOVJA, 1986), p. 106.
613. Bol, "Minister Pronk en de Doos van Pandora," p. 513.
614. Verloren van Themaat, "Een Rijksdienst voor Ontwikkelingssamenwerking?," pp. 185-186.
615. Wouter Tims, "Organisatie en Doeltreffendheid van de Nederlandse Ontwikkelingssamenwerking," Internationale Spectator (december 1985):761.
616. Cooper and Verloren van Themaat, "Dutch Aid Determinants," pp. 141-142.
617. Pronk, "Naschrift bij Vier Jaar Ontwikkelingsbeleid Onder Pronk," p. 575.
618. I.M.
619. Frank and van der Molen, p. 174.
620. Frank and van der Molen, p. 11.
621. Frank and van der Molen, pp. 14-16.
622. I.M.
623. van de Graaf, p. 24.
624. van de Graaf, p. 24. Retroactive financing implied that India could first purchase goods in the Netherlands and afterwards ask for a financial reimbursement. The problem with this procedure was that a transaction was rarely cancelled even if the development relevance of the transaction was later questioned. The use of counter value funds implied that the funds which the Indian states paid to the central government would be utilised to finance the local cost financing projects which the Netherlands



supported. The funds reserved for the local cost financing projects could then be utilised for the 10 per cent 'widening' exercise. This was suggested by the Ministry of Economic Affairs because the funds received by the central government were an automatic addition to the Dutch help and were simply used to solve the Indian balance of payments problem (see footnote 294).

This idea was not supported, and therefore it was not carried out.

625. H.A.J. Kruijssen, "Ontwikkelingssamenwerking als Rijksoverheidsdienst," in De Volgende Minister: Ontwikkelingssamenwerking Binnen het Kabinet 1965 tot ? (Den Haag: NOVIB, 1986), p. 20.
626. van Geet, p. 86.
627. George Cunningham, The Management of Aid Agencies; Donor Structures and Procedures for the Administration of Aid to Developing Countries (London: Croom Helm Ltd., The Overseas Development Institute, 1974), p. 33.
628. De Volkskrant, 10 maart 1990.
629. Verloren van Themaat, "Een Rijksdienst voor Ontwikkelingssamenwerking?," p. 185.
630. Kees Waagmeester, "S.I.D.A.: Het Zweedse Model," Onze Wereld, maart 1986, p. 27.
631. Lembke, p. 44.
632. S.I.D.A., Swedish Development Co-operation: Visual Aids (Stockholm: S.I.D.A., 1989), p. 16.
633. Lembke, p. 46.
634. Waagmeester, p. 27.
635. S.I.D.A., Sweden in Development Co-operation, p. 37. The only political party not on the board is the Swedish Communist Party.
636. S.I.D.A., How Aid Works?, p. 12.
637. Karre, p. 265.
638. Karre, p. 252.
639. Lembke, pp. 46-47.
640. Breman, "Evaluatie en de Behoeftte Eraan," p. 171.
641. Ministerie van Buitenlandse Zaken, Uitbesteed, Goed Besteed? p. 3.



642. Hoebink, "Bukmans Tandeloze Testament," pp. 6-7.
643. Ministerie van Buitenlandse Zaken, Kwaliteit, Een Voorzet voor de Jaren '90, p. 19.
644. Hoebink, "Bukmans Tandeloze Testament," p. 6. My underlining. See Ministerie van Buitenlandse Zaken, Kwaliteit, Een Voorzet voor de Jaren '90, p. 19. for the passage in which Hoebink sets out his arguments against the setting up of a central agency.
645. Hoebink, "Bukmans Tandeloze Testament," pp. 6-7.
646. Tims, p. 760.
647. Interview with John-Olaf Johansson, 17 May 1990.
648. Cunningham, p. 161.
649. Kruijt, Koonings and Vellinga, "De Nederlandse Ontwikkelings-gemeenschap," p. 19.
650. See annex XVIIJ for the personnel statistics of the Dutch and Swedish aid administrations, the value of total O.D.A. administered by D.G.I.S. and the S.I.D.A., and the corresponding calculated spending amount per civil servant.
651. Interview with John-Olof Johansson, 17 May 1990.
652. D.G.I.S., Aspecten van Internationale Samenwerking (september 1980):341.
653. Ministerie van Buitenlandse Zaken, Nota Ontwikkelingssamenwerking en Werkgelegenheid, pp. 39-40. See also Ministerie van Buitenlandse Zaken, Reakvlakken Ontwikkelingssamenwerking - Bedrijfsleven, p. 9.
654. Lembkè, p. 34.
655. Operations Review Unit, Report No.168/A-1, p. 2.
656. For another study of the relative paucity of Dutch aid personnel see J. Verloren van Themaat, "Loopt Nederland Achter met de Organisatie van Zijn Ontwikkelingshulp?," Internationale Spectator (september 1978):535. He calculated that in 1975 the spending pressure in the Netherlands (Dfl. 4.4 million per civil servant) was higher than at all the other researched aid administrations. The other figures, all in Dfl. millions, were, West-Germany (3.66), the World Bank (3.78), Canada (2.58) and the United Kingdom (2.45).
657. See annex XVIIJ.
658. At the Dutch embassy in New Delhi a necessary increase in the number of staff involved in development co-operation has taken place during the last few years. Thus, whereas, in 1978, because of the transfer of another expert, only one



person was responsible for development co-operation (in addition to his other tasks!), this situation had changed by 1990 and at the moment the development co-operation team numbers seven people. See D.G.I.S., Jaarplan India, oktober 1989,

At the Swedish Development Co-operation Office in New Delhi staff levels have remained very stable. Development Co-operation specialists number seven people (a head; a financial expert/import support; a water specialist; someone for research (SAREC), health and economic matters; a forestry expert; an expert dealing with Swedish NGO's in India; and an Indian expert dealing with Indian NGO's and women's issues). From Interview at Personnel Department, S.I.D.A., Stockholm, 31 May 1990.

659. See annex XVIII for a table of the total Dutch and Swedish O.D.A. appropriations and the 'spending dams'.

660. I.M.

661. Interview with John-Olaf Johansson, 17 May 1990.

662. Stokke, p. 10.

663. Charles Cooper and Joan Verloren van Themaat, "Dutch Aid Determinants, 1973-1985: Continuity and Change," in Western Middle Powers and Global Poverty: The Determinants of the Aid Policies of Canada, Denmark, the Netherlands, Norway and Sweden ed. Olav Stokke (Uppsala: Scandinavian Institute of African Studies, 1989), pp. 152-153.

Another reason he gives for the relatively small role played by economic interests in Dutch aid policies is the small economic role of the state in domestic affairs. This may, however, be disputed if one acknowledges the role of the Dutch state in infrastructural development and the various investment subsidies provided to the Dutch business community.

664. Stokke, pp. 308-309.



ANNEX I:
MAP OF INDIA





ANNEX II:
LIST OF DUTCH CONCENTRATION COUNTRIES

THE NETHERLANDS

1968-1973	1973-1977	1977-1982	1982-1986	1986-present
India	India	India	India	India
Pakistan	Pakistan	Pakistan	Pakistan	Pakistan
Indonesia	Indonesia	Indonesia	Indonesia	Indonesia
Bangladesh+	Bangladesh	Bangladesh	Bangladesh	Bangladesh
	Sri Lanka	Sri Lanka	Sri Lanka	Sri Lanka
Tunisia	Tunisia*			
Nigeria	Nigeria**			
Uganda				
Kenya	Kenya	Kenya	Kenya	Kenya
Tanzania	Tanzania	Tanzania	Tanzania	Tanzania
	Burkina Faso	Burkina Faso		
	Sudan	Sudan	Sudan	Sudan
	Zambia*	Zambia		
Colombia	Colombia*	Colombia		
Peru	Peru			
Chile+				
Cuba*				
	Jamaica*			
Turkey++	Turkey**			
	Egypt*	Egypt	Egypt	Egypt
	North Yemen	North Yemen	North Yemen	North Yemen
total	13	11 + 8	13	10

+ concentration country in 1971

++ " " " 1972

* special concentration country

" " " " " ended in 1976

After 1982 the concentration countries (programme countries) were supplemented with assistance to three regions (Southern Africa, Sahel and Central America). Later, the Andes region was added to this list.

Source: Paul Hoebink, Geven is Nemen: De Nederlandse Ontwikkelingshulp aan Tanzania en Sri Lanka (Nijmegen: Derde Wereld Centrum, 1988), p. 60 and D.G.J.S., Kwestie van Verdeling (Den Haag: Voorlichtingsdienst Ministerie van Buitenlandse Zaken, 1989), pp. 28-29.

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ANNEX III:
LIST OF SWEDISH CONCENTRATION COUNTRIES

<u>SWEDEN</u>			
1967-1973	1973-1976	1976-1982	1982-present
		Angola	Angola
Bangladesh	Bangladesh	Bangladesh	Bangladesh
	Botswana	Botswana	Botswana
		Cape Verde	Cape Verde
Chile			
Cuba	Cuba*		
Ethiopia	Ethiopia	Ethiopia	Ethiopia
	Guinea-	Guinea	Guinea
	Bissau+	Bissau	Bissau
India	India	India	India
Kenya	Kenya	Kenya	Kenya
		Laos	Laos
	Lesotho+	Lesotho	Lesotho
	Mozambique+	Mozambique	Mozambique
		Nicaragua^	Nicaragua
Pakistan#	Pakistan+	Pakistan	
		Portugal	
		Somalia	
Sri Lanka	Sri Lanka	Sri Lanka	Sri Lanka
	Swaziland+	Swaziland	Swaziland++
Tanzania	Tanzania	Tanzania^	Tanzania
Tunisia	Tunisia	Tunisia	
	Vietnam	Vietnam	Vietnam
	Zambia	Zambia	Zambia
			Zimbabwe
Total 9	16	22	18

+ started or restarted as programme country in 1975/1976

^ started as concentration country in 1980/1981

stopped in 1971

* stopped in 1980

++ stopped in late eighties

Source: Pierre Frühling, ed., Swedish Development Aid in Perspective: Policies, Problems and Results Since 1952 (Stockholm: Almquist & Wiksell International, 1986), p. 294. and S.I.D.A., Development Assistance via S.I.D.A. 1990-91 (Stockholm: S.I.D.A., 1989), p. 16.



ANNEX IV:
NET OFFICIAL DEVELOPMENT ASSISTANCE
AS PERCENTAGE OF G.N.P. TO THE DEVELOPING COUNTRIES

<u>Year</u>	<u>The Netherlands</u>	<u>Sweden</u>	<u>D.A.C.</u>
1960	0.31	0.05	0.52
1961	0.45	0.06	0.54
1962	0.48	0.12	0.53
1963	0.26	0.14	0.51
1964	0.29	0.18	0.48
1965	0.36	0.19	0.44
1966	0.45	0.25	0.41
1967	0.49	0.25	0.42
1968	0.49	0.28	0.37
1969	0.50	0.43	0.36
1970	0.61	0.38	0.34
1971	0.58	0.44	0.35
1972	0.67	0.48	0.34
1973	0.54	0.56	0.30
1974	0.63	0.72	0.33
1975	0.75	0.82	0.35
1976	0.82	0.82	0.33
1977	0.85	0.99	0.31
1978	0.82	0.90	0.35
1979	0.98	0.97	0.35
1980	1.03	0.79	0.38
1981	1.08	0.83	0.35
1982	1.08	1.02	0.38
1983	0.91	0.85	0.36
1984	1.02	0.80	0.36
1985	0.91	0.85	0.35
1986	1.01	0.85	0.35
1987	0.98	0.88	0.34
1988	0.98	0.87	0.36

Source: Development Assistance Committee, Development Co-
operation: Efforts and Policies of the Development Assistance
Committee (Paris: O.E.C.D., aid reviews 1963-1989).



ANNEX V:
MULTILATERAL ASSISTANCE AS PERCENTAGE OF
OFFICIAL DEVELOPMENT ASSISTANCE

<u>Year</u>	<u>The Netherlands</u>	<u>Sweden</u>	<u>D.A.C.</u>
1963	52.6	68.6	6.3
1964	32.9	58.2	6.8
1965	32.5	55.3	7.6
1966	45.1	58.3	7.9
1967	35.0	56.4	11.3
1968	18.0	41.6	10.8
1969	26.8	54.5	15.8
1970	21.3	46.1	16.5
1971	29.5	57.4	16.7
1972	37.1	46.0	21.9
1973	28.6	44.4	24.2
1974	30.5	41.9	27.0
1975	39.5	34.1	27.7
1976	29.1	33.9	26.7
1977	25.3	31.7	29.7
1978	23.5	36.7	28.4
1979	24.9	30.3	27.5
1980	30.3	34.2	34.2
1981	24.3	34.4	28.8
1982	27.7	40.6	33.5
1983	32.1	30.2	32.5
1984	29.7	27.2	26.6
1985	23.2 (31.7)	30.1	23.5 (28.5)
1986	24.3 (32.5)	29.7	22.5 (27.2)
1987	24.0 (32.0)	32.0	23.6 (28.1)
1988	23.0 (31.0)	33.0	24.6 (29.5)

N.B. (figures) equals multilateral aid as % G.N.P. including assistance via the European Economic Community.

Source: Development Assistance Committee, Development Co-operation: Efforts and Policies of the Development Assistance Committee (Paris: O.E.C.D., aid reviews 1963-1989).



ANNEX VI:
GRANT ELEMENT OF TOTAL OFFICIAL DEVELOPMENT ASSISTANCE

<u>Year</u>	<u>The Netherlands</u>	<u>Sweden</u>	<u>D.A.C.</u>
1970	84.6	95.1	84.1
1971	87.2	96.4	82.2
1972	85.2	95.2	84.8
1973	88.4	98.6	87.5
1974	87.4	99.3	86.0
1975	93.9	99.2	88.6
1976	87.0	99.9	88.5
1977	91.1	99.8	89.3
1978	93.3	99.9	89.9
1979	92.5	100.0	90.8
1980	91.6	99.0	89.9
1981	95.1	99.9	89.6
1982	94.6	99.8	90.2
1983	94.5	99.8	90.9
1984	-	-	-
1985	94.9	100.0	90.8
1986	97.2	99.7	92.5
1987	96.1	99.9	87.0
1988	94.1	100.0	90.4

N.B. For a definition of the grant element please see footnote 1.

Source: Development Assistance Committee, Development Co-operation: Efforts and Policies of the Development Assistance Committee (Paris: O.E.C.D., aid reviews 1963-1989).



ANNEX VIJ:
TYING OF TOTAL OFFICIAL DEVELOPMENT ASSISTANCE

<u>Year</u>	<u>The Netherlands</u>	<u>Sweden</u>	<u>D.A.C.</u>
1973	56.3	13.3	55.3
1974	-	-	-
1975	39.7	21.4	44.8
1976	30.3	21.4	39.2
1977	34.2	17.5	39.0
1978	29.9	12.2	33.9
1979	4.0	17.2	34.6
1980	9.6	15.6	31.8
1981	16.4	13.8	37.1
1982	12.9	13.3	-
1983	11.3	15.3	-
1984	-	-	-
1985	7.8	19.4	36.2
1986	8.2	15.3	-

N.B. These figures represent 100 per cent tied aid. If partially tied aid (i.e. assistance may be spent in either the donor country or the developing countries) is included these figures will increase.

For the Netherlands, this would imply an increase in the percentages by 10.9, 20.5, 18.0, 17.8, 17.4, 27.1, 24.2, 16.6, 19.8, 16.3, 19.6 and 21.2 per cent respectively. Partially tied contributions to the E.E.C. (procurement restricted to E.E.C. countries and the Lomé countries) would further increase these percentages for 1982, 1983, 1985 and 1986 by 7.4, 8.3, 8.6 and 7.6 per cent respectively.

For Sweden, partially tied aid would increase the percentages for the years 1975-1978 by 1.6, 1.5 and 1.7 per cent respectively.

Source: Olav Stokke, ed., Western Middle Powers and Global Poverty: The Determinants of the Aid Policies of Canada, Denmark, the Netherlands, Norway and Sweden (Uppsala: Scandinavian Institute of African Studies, 1989), p. 30.



ANNEX VJJI:
AID TO LOW INCOME AND LEAST LESS DEVELOPED COUNTRIES
AS A PERCENTAGE OF OFFICIAL DEVELOPMENT ASSISTANCE

AID TO LOW INCOME COUNTRIES (per capita income in 1987 < US\$ 700)

<u>Year</u>	<u>The Netherlands</u>	<u>Sweden</u>	<u>D.A.C.</u>
1981	66.2	73.1	56.7
1982	-	-	-
1983	64.3	73.5	57.0
1984	64.9	70.8	56.3
1985	62.8	65.5	54.3
1986	79.8	73.3	57.6
1987	64.4	61.2	53.9
1988	68.5	61.2	57.7

N.B. the figures include imputed multilateral O.D.A.

AID TO LEAST LESS DEVELOPED COUNTRIES (on current U.N. list)

<u>Year</u>	<u>The Netherlands</u>	<u>Sweden</u>	<u>D.A.C.</u>
1970	0.6	30.8	5.4
1971	1.1	6.7	6.3
1972	3.8	16.9	-
1973	5.6	14.9	12.0
1974	8.2	18.6	12.0
1975	16.6	27.2	8.9
1976	-	-	-
1977	-	-	-
1978	-	-	-
1979	-	-	-
1980	-	-	-
1981	27.2	30.4	21.6
1982	-	-	-
1983	27.8	30.4	21.8
1984	28.8	27.2	21.5
1985	28.6	26.3	22.2
1986	35.5	32.1	24.4
1987	28.4	28.7	23.4
1988	31.6	34.0	25.3

N.B. the figures include imputed multilateral O.D.A.

An original U.N. list of 29 least less developed countries has been expanded to a current list of 42. Least less developed countries are chosen on the basis of a low G.N.P. per capita, more than an 80 per cent illiteracy rate, and a low level of industrial production (less than 10 per cent of the national income).

Source: Development Assistance Committee, Development Co-operation: Efforts and Policies of the Development Assistance Committee (Paris: D.E.C.D., aid reviews 1963-1989).



ANNEX IX:
TOTAL DUTCH COMMITMENTS TO THE DRINKING WATER AND SANITATION
SECTOR IN ANDRA PRADESH AND KERALA

ANDRA PRADESH

<u>Project Name</u>	<u>Total commitments in Dfl.</u>
Andra Pradesh Rural Water Supply Scheme I	- Loan 23,101,000 - Grant 5,331,000
Andra Pradesh Darsi Extension Scheme	7,200,000
Pre-appraisal Andra Pradesh (Sept. 1984)	39,000
Appraisal AP-9	163,000
Baseline Survey (Institute of Preventive Medicine)	200,000
Andra Pradesh Rural Water Supply Scheme II	
- Prakasem	11,000,000
- Kurnool	11,000,000
- Medak	9,500,000
- Mahaburhagar	11,300,000
Form Mission Andra Pradesh	87,000
Andra Pradesh Income Generating Activities	2,920,000
Netherlands Assisted Programme Office (N.A.P. cell)	988,000
Andra Pradesh Water Quality Monitoring	1,030,000
Andra Pradesh Sanitation	3,694,000
Andra Pradesh Health Education (CHAAP)	873,000
	<hr/> 88,426,000

KERALA

<u>Project Name</u>	<u>Total commitments in Dfl.</u>
Kerala Water Supply Scheme I - Nattika Firka and Vakkom Anjengo	38,730,000
Kerala Water Supply Scheme II - Mala, Kundara, Koipuran, Thrikkunapuzha, Cheriyana	24,200,000
Kerala Water Supply Scheme II - Kundara	Loan 5,500,000
Kerala Water Supply Scheme III - Pavaratty	44,500,000
Technical Liaison Officer	1,050,000
Socio-economic Units	<hr/> 2,500,000
Source: I.M.	116,480,000



ANNEX X:
LIST OF MISSION REPORTS FOR KERALA AND RETURN FLOWS
TO COMMERCIAL CONSULTANCY BUREAUX IN THE NETHERLANDS

<u>Report</u>	<u>Dated</u>	<u>Author/ Consultant</u>	<u>Return Flow in Dfl. (1000)</u>
KE-1, Appraisal Mission	December 1980	DHV	22.4
KE-2, Progress Report	April 1981	Water- Co-ordinator	n.a.
KE-3, Progress Report	January 1982	Water- Co-ordinator	n.a.
KE-4, Pre-appraisal Mission KE RWS II & III	September 1982	Water- Co-ordinator/ DHV	28.3
KE-5, Comprehensive Appraisal Mission	November 1982	DHV	85.8
KE-6, Socio-economic Units	December 1984	D.G.I.S.	n.a.
KE-7, Price Escalation Study, Nattika Firka	September 1986	ORG (Indian Consultant)	n.a.
KE-8, Policy Frame- work Proposal and Medium-term Plan of Action	July 1989	Netherlands Economic Inst./ IWACO	n.a.
		total	136.5

The return flow is measured as the claimed labour costs for time worked in the Netherlands. Labour costs claimed when in India, and other costs in India (hotel, travel, etc.) are not included.

Source: I.M.



ANNEX XI:
LIST OF MISSION REPORTS FOR ANDRA PRADESH AND RETURN FLOWS
*TO COMMERCIAL CONSULTANCY BUREAUX IN THE NETHERLANDE

<u>Report</u>	<u>Dated</u>	<u>Author/ Consultant</u>	<u>Return Flow in Dfl. (1000)</u>
AP-1, Project Evaluation	January 1978	DHV	8.4
AP-2, Planning and Cash Flow	August 1978	DHV	7.9
AP-3, Technical Evaluation	November 1978	DHV	20.2
AP-4, - Appraisal	April 1981	DHV	38.0
- Darsi Dam	December 1981	"	24.0
- surprise visits	1980	"	47.5
AP-5, Progress Evaluation	November 1982	DHV	23.2
AP-6, Progress Evaluation	October 1983	DHV	no contract found
AP-7, Identification Mission	March 1984	Water Co-ordinator/ DHV	no contract found
AP-8, AP-9 Mission Preparation	undated	ETC	18.5
AP-9, Comprehensive Mission	March 1985	ETC	41.5
AP-10, Technical Appraisal	July 1985	Naram (Indian consultant)	n.a.
AP-11, Progress Evaluation	October 1985	DHV	16.3
AP-12, General Workplan	November- December 1985	D.G.I.S.	n.a.
AP-13, Plan of Operations, Prakasam	February 1986	DHV/ETC	25.2
AP-14, Progress Evaluation	April 1986	DHV	25.3
AP-15, Review and Support Mission	November- December 1986	ETC	32.6
AP-16, Review and Support Mission	April- May 1987	ETC	32.6
AP-17, Review and Support Mission	September 1987	ETC	32.6
AP-18, Additional Technical Mission	January 1988	ETC	32.6
AP-19, Review and Support Mission	April 1988	ETC	32.6
AP-20, Review and Support Mission	September 1988	ETC	32.6
AP-21, Review and Support Mission	March 1989	ETC	23.9
AP-22, Review and Support Mission	November 1989	ETC	66.7

contract up
to next 4 missions

Source: I.M.

602.7



ANNEX XII:
TOTAL SWEDISH COMMITMENTS TO THE DRINKING WATER
AND SANITATION SECTOR IN INDIA

<u>Project Name</u>	<u>Total commitments in Skr.</u>
UNICEF General Programme	
- RWS I : 1979-1981	33,000,000
- RWS II : 1982/'83 - 1984/'85	110,000,000
- handpump project	6,250,000
- RWS III : 1/7/1985 - 30/6/1988	115,000,000
- missions/consultancy	1,000,000
- RWS IIIa : 1/1/1990 - 30/6/1991	30,000,000
UNICEF SWACH Programme	
- First Year : 1985-1986	17,000,000
- Banswara & : 1/7/1986 - 30/6/1990	42,000,000
Dungarpur	
- missions/consultancy	1,000,000
- Udaipur : 19/8/1988 - 31/12/1992	54,000,000
- missions/consultancy	1,000,000
PEDO Programme	
- First Year : 1985/'86 - 1986/'87	3,000,000
- 2nd Period : 1/7/1987 - 30/6/1990	3,900,000
- missions/consultancy	100,000
	417,250,000

Source: Interview with John-Olof Johansson, Senior Project Officer, Rural Water Supply Projects, SIDA Stockholm, 8 May 1990.



ANNEX XJII:
TRADE STATISTICS OF THE NETHERLANDS AND SWEDEN

EXPORTS AND IMPORTS AS PERCENTAGE OF GROSS DOMESTIC PRODUCT

Year	The Netherlands		Sweden		United States	
	Export	Import	Export	Import	Export	Import
1965	34.1	39.8	19.2	21.2	-	-
1970	45.0	47.0	24.0	25.0	6.0	5.0
1975	43.2	42.6	25.2	25.8	7.0	6.8
1980	53.0	53.0	30.0	32.0	10.0	11.0
1985	55.6	53.1	30.3	27.8	-	-

EXPORTS AND IMPORTS TO THIRD WORLD AS A PERCENTAGE OF TOTAL EXPORTS AND IMPORTS

Year	The Netherlands		Sweden	
	Export	Import	Export	Import
1965	11.2	16.0	8.2	11.3
1970	10.5	16.1	8.9	9.8
1975	13.4	22.3	16.6	14.0
1980	13.6	24.5	17.5	18.5
1985	12.1	20.5	14.5	10.8
1988	11.9	16.0	13.4	11.6

EXPORTS AND IMPORTS TO THIRD WORLD OIL PRODUCERS AS A PERCENTAGE OF TOTAL EXPORTS AND IMPORTS

Year	The Netherlands		Sweden	
	Export	Import	Export	Import
1965	1.9	4.7	1.0	3.5
1970	1.9	6.9	1.2	2.6
1975	3.9	13.9	4.2	6.2
1980	5.5	14.5	5.1	10.8
1985	3.2	8.5	3.5	1.9
1988	2.4	4.7	2.4	1.0

EXPORTS AND IMPORTS TO NON-OIL PRODUCING THIRD WORLD COUNTRIES AS A PERCENTAGE OF TOTAL EXPORTS AND IMPORTS

Year	The Netherlands		Sweden	
	Export	Import	Export	Import
1965	9.4	11.2	7.3	7.8
1970	8.6	9.2	7.7	7.2
1975	9.5	8.4	12.4	7.8
1980	8.1	10.0	12.4	7.7
1985	8.9	11.8	10.9	8.8
1988	9.4	11.3	11.0	10.5

Source: I.M.F., Direction of Trade Statistics (Washington: I.M.F., 1965-'88); I.M.F., International Financial Statistics (Washington: I.M.F., 1965-'88); UNCTAD, Handbook of International Trade and Development Statistics (Geneva: UNCTAD, 1965-'88).



ANNEX XIV:
THE BALANCE OF PAYMENTS SITUATION OF THE NETHERLANDS
AND SWEDEN (BALANCE ON CURRENT ACCOUNT)

<u>Year</u>	<u>The Netherlands</u> (in US\$ millions)	<u>Sweden</u> (in US\$ millions)
1960	347	-85
1961	181	43
1962	141	6
1963	119	-26
1964	-154	16
1965	49	-185
1966	-214	-161
1967	-80	-47
1968	65	-116
1969	-23	-197
1970	-588	-265
1971	-230	352
1972	1184	567
1973	2419	1429
1974	3039	-552
1975	2373	-342
1976	3450	-1648
1977	1231	-2181
1978	-1208	-251
1979	215	-2414
1980	-1036	-4404
1981	3696	-2847
1982	4487	-3440
1983	4969	-1034
1984	6571	246
1985	4057	-1608
1986	3513	65
1987	4020	-1202
1988	5343	-2549

Source: I.M.F., International Financial Statistics Yearbook
(Washington: I.M.F., 1989).



ANNEX XV:
THE BUDGETARY DEFICIT/SURPLUS OF THE DUTCH AND SWEDISH GOVERNMENT

<u>Year</u>	<u>The Netherlands</u> <u>(in Dfl. millions)</u>	<u>Sweden</u> <u>(in Skr. millions)</u>
1963	-73	327
1964	-471	-87
1965	-115	-166
1966	-803	-355
1967	-1117	-1632
1968	-1678	-2931
1969	-2124	-2648
1970	-2161	-3818
1971	-2311	-2631
1972	-1314	-3667
1973	-1651	-6205
1974	-92	-9393
1975	-40	-10697
1976	-40	-3724
1977	-6350	-10484
1978	-6120	-25179
1979	-8360	-38678
1980	-9210	-49984
1981	-14440	-59951
1982	-15570	-68033
1983	-23060	-86599
1984	-28020	-78518
1985	-29120	-67298
1986	-29220	-46802
1987	-22770	-15162
1988	-7220	8394
1989	-13770	-7675

N.B. 1 Dfl. equals approximately 3 Skr.

Source: I.M.F., International Financial Statistics Yearbook
(Washington: I.M.F., 1989).



ANNEX XVI:
DUTCH AND SWEDISH UNEMPLOYMENT LEVELS

Year	<u>The Netherlands</u>	<u>Sweden</u>	<u>O.E.C.D.</u>
1964	0.5	1.6	3.0
1965	0.5	1.2	2.9
1966	0.8	1.6	2.7
1967	1.6	2.1	3.1
1968	1.4	2.2	3.1
1969	1.0	1.9	2.9
1970	1.0	1.5	3.4
1971	1.3	2.5	3.8
1972	2.2	2.7	3.9
1973	2.2	2.5	3.5
1974	2.7	2.0	3.9
1975	5.2	1.6	5.4
1976	5.5	1.6	5.5
1977	5.3	1.8	5.5
1978	5.3	2.2	5.4
1979	5.4	2.1	5.4
1980	6.0	2.0	6.0
1981	8.5	2.5	6.9
1982	11.3	3.1	8.3
1983	11.8	3.5	8.8
1984	11.9	3.2	8.4
1985	10.9	2.9	8.3
1986	10.3	2.7	8.2
1987	9.8	1.9	7.8

N.B. Unemployment as percentage of total labour force.

Source: O.E.C.D., Department of Economics and Statistics, Labour Force Statistics 1967-1987 (Paris: O.E.C.D., 1989), pp. 30-31.



ANNEX XVII:
DEVELOPMENT CO-OPERATION PERSONNEL LEVELS AND
SPENDING PRESSURE PER CIVIL SERVANT IN
THE NETHERLANDS AND SWEDEN

Year	<u>The Netherlands</u>					<u>Sweden</u>				
	(1)	(2)	(3)	(4)	(5)	(1)	(2)	(3)	(4)	(5)
1973	1150	343	208	551	2.1	1563	297	292	589	2.7
1983	4401	470	193	663	6.6	6740	365	381	746	9.0

The Netherlands

- (1) Total allocated O.D.A. in Dfl. millions.
 (2) Personnel at D.G.I.S. in Den Haag.
 (3) Field personnel (bilateral experts) abroad.
 (4) Total of (2) and (3)
 (5) Spending pressure per civil servant/contract employee in Dfl. millions.

Sweden

- (1) Total allocated O.D.A. in Skr. millions.
 (2) Personnel at S.I.D.A. headquarters in Stockholm.
 (3) Field personnel (bilateral and associate experts - no consultants) including the staff at the Development Co-operation Offices in the programme countries.
 (4) Total of (2) and (3)
 (5) Spending pressure per civil servant/contract employee in Skr. millions.

N.B. 1 Dfl. equals approximately 3 Skr.

N.B. Caution should be used in interpreting these statistics for the following two reasons: 1) the figures for the Netherlands include the staff involved in the multilateral assistance programmes. They are not included in the Swedish figures (in 1989, 56 people were working at the Office for International Development Co-operation); and 2) The Swedish figures also do not include those personnel working for the B.I.T.S. (12 people - 1985 figures), whereas the Dutch personnel responsible for the concessionary credits programme are included in the Dutch figures. These differences suggest that the actual spending pressure per civil servant in Sweden will be slightly lower than the calculated figures in the table.

Source: Calculations are based on statistics acquired from Paul Hoebink, Geven is Nemen: De Nederlandse Ontwikkelingshulp aan Tanzania en Sri Lanka (Nijmegen: Derde Wereld Centrum, 1989); Ministerie van Buitenlandse Zaken, Rijksbegroting, various years; Statistical Abstract of Sweden, various years; The Netherlands, Ministerie van Buitenlandse Zaken, Inspectie te Velde, Globale Evaluatie van de Nederlandse Bilaterale Ontwikkelingssamenwerking No. 168/A-1 (Den Haag: D.G.I.S., januari-april 1984), p. 21; Hans Lembke, Sweden's Development Co-operation Policy (Berlin: German Development Institute, 1986), p. 63.



ANNEX XVIII:
THE TOTAL DUTCH AND SWEDISH O.D.A. AND THE 'SPENDING DAMS'

Year	The Netherlands			Sweden		
	(1)	(2)	(3)	(1)	(2)	(3)
1967	450	520	116	405	259	64
1968	-	-	-	504	327	65
1969	-	-	-	634	330	52
1970	-	-	-	801	381	48
1971	970	1042	107	1000	460	46
1972	1050	1075	102	1250	723	58
1973	1150	1112	97	1563	1061	68
1974	1430	1240	87	2100	1314	63
1975	1855	1285	69	2860	1221	43
1976	2342	1743	74	3122	1605	51
1977	3060	2040	67	3550	1816	51
1978	3374	2268	67	3870	1918	50
1979	3639	2515	69	4415	2189	50
1980	3983	2787	70	5015	2539	51
1981	4048	2561	63	5720	3238	57
1982	4458	2313	52	6228	3947	63
1983	4401	2642	60	6740	4458	66
1984	4365	2600	60	7101	4870	69
1985	4619	-	-	8060	5679	70
1986	5123	-	-	8940	5479	61
1987	5166	-	-	9870	6947	70
1988	4200	-	-	10350	7528	72

(1) Total allocated official development assistance in Dfl. millions and Skr. millions.

(2) Total 'spending dam' - the spending dam is the cumulative amount allocated in past years which has not as of yet been committed to particular projects or programmes. Also in Dfl. millions and Skr. millions.

(3) The 'spending dam' as a percentage of total allocated official development assistance.

N.B. 1 Dfl. equals approximately 3 Skr.

Source: D.G.I.S., Aspecten van Internationale Samenwerking, various years; Paul Hoebink, Geven is Nemen: De Nederlandse Ontwikkelingshulp aan Tanzania en Sri Lanka (Nijmegen: Derde Wereld Centrum, 1988); S.I.D.A., Bistand i Siffer och Diagram (Stockholm: S.I.D.A., 1989).



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