

d·i·e

Deutsches Institut für
Entwicklungspolitik



Years | 1964–2014

German Development
Institute

Over 60 years of German development policy: no sign of retiring yet

By Guido Ashoff,
*German Development Institute /
Deutsches Institut für Entwicklungspolitik (DIE)*

The Current Column

of 4 September 2014

Over 60 years of German development policy: no sign of retiring yet

Bonn, 4 September 2014. German development policy has already marked its 60th birthday two years ago. As is the case in life, it took around 20 years to become fully grown. It began in 1952 with financial involvement in an aid programme of the United Nations in support of the economic development of countries of what was then referred to as the Third World, whilst 1956 saw the establishment of a "50 million 'Deutsche Mark' fund" by the Foreign Office for bilateral aid. At the end of the 1950s the German *Bundestag* began to actively support north-south policies. The growing financial volumes of aid, managed by various federal ministries, and coalition policy considerations resulted in the founding of the Federal Ministry for Economic Cooperation (BMZ) in 1961. In 1993 the suffix "and Development" was added. The BMZ was initially a co-ordination ministry. In 1964 it was granted responsibility for principles and programmes of development policy, as well as technical co-operation and, in 1972, for financial and multilateral co-operation. Following German reunification a number of the development cooperation projects of the former German Democratic Republic (GDR) were continued. In 1998 the BMZ received responsibility within the Federal Government for the development co-operation of the European Union.

Despite numerous changes, German development policy displays a range of constants. It was and is part of the overall policy of the Federal Government. Its goals have always lain between international solidarity and self-interests of varying degrees. It enjoys no priority in domestic politics and public perception, but is able to lean upon a basic political consensus amongst the parties represented in the Federal Parliament. In contrast to many other donor countries, Germany has no law covering development policy, but instead an own ministry and a strong organisational structure. A further constant is the fact that Germany conducts development co-operation at bilateral, European and multilateral levels and that, in spite of declared intentions to the contrary, has never attained the international target of 0.7 % of gross national product for official development assistance (ODA) (2013: 0.38 %). The changes first of all concern the overall political framework. At the beginning, two motives were paramount: firstly, international solidarity as an obligation of the increasingly economically strong Federal Republic, which had itself benefited from the Marshall Plan aid, and secondly, the efforts to achieve worldwide recognition for the Federal Republic in the bipolar world. The latter led to the extension of development cooperation to cover well over 100 countries (referred

to by critics as the "watering can approach") and culminated in the Hallstein Doctrine, which linked development aid to non-recognition of the GDR. The context altered during the course of the policy of détente. German development policy was then viewed as part of peacemaking policy and, with the end of the East-West conflict and growing awareness of the risks of globalisation, increasingly as an element of global structural policy. Below this level there were varying degrees of influence from other interests on development policy, such as export and employment interests. German development policy has always followed the international paradigm shifts from the promotion of economic growth to satisfying basic needs, supporting structural adjustment, promotion of good governance and on to the millennium development goals and future sustainable development goals. It has considerable conceptual competence in numerous areas, as well as internationally-recognised expertise and professionalism in implementation. Both of these aspects have contributed to development policy acquiring a distinct profile within the Federal Government over the course of time. This is not only important for development policy to play its own role, but also to demand and promote the joint responsibility of all policies for global development (policy coherence for development). Competency disputes with the Foreign Office have also occurred, but have mostly been overcome in the form of pragmatic solutions. For a number of years now several other federal ministries have increasingly been applying their own funds to development cooperation. It is to be hoped that these ministries do not repeat the mistakes of previous decades, but instead use the experience of the BMZ and observe the international agreements on aid effectiveness.

Will German development policy be able to enter well-deserved retirement in the near future? Unlikely. Despite the fact that some contemporaries regard development policy as obsolescent. What is true is that the dynamics of international development have changed. There are fewer developing countries, rising powers are increasingly acting as new donors, the significance of ODA compared to other sources of financing is diminishing. Nevertheless, in 2014 there are still over one billion people worldwide living in extreme poverty, 48 least developed countries and 45 fragile or failed states, to say nothing of numerous global development challenges. Germany has a major responsibility here. With its development policy it has key experience and potential.