

THE NETHERLANDS DEVELOPMENT COOPERATION WITH AFRICA 1960 - 2009

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Preface

Modern development cooperation began in the late 1940s at the end of the Second World War, out of the need by Western Countries to empower developing countries in order to promote world peace and also check the spread of communism. Due to its experiences during the War, the Netherlands adopted a policy of alignment after the war and so became an active participant in promoting world peace. Therefore, it contributed to the formation of major International institutions such as the United Nations, the European Union and the Bretton Wood Institutions (The World Bank and the International Monetary Fund) to advance development cooperation.

Furthermore, as a result of the loss of her East Indies colonies, the continent of Africa became a focus area for the Netherlands development cooperation. This study is focused on the dynamics of this relationship, to ascertain how and why development cooperation between both parties changed during the period of this study, from 1960 to 2009.

This research will begin with an introduction of the context of Dutch development cooperation, the theoretical approaches, empirical focus and research objective. Including, the research question, methodology and its relevance to development studies, as well as outline of the various chapters.

Furthermore, I chose this research area due to my interest in development cooperation and in order to gain in-depth knowledge in development studies so I can pursue my dream of contributing to the development of Africa and the world in general.

Moreover, undertaking a research in the field of development cooperation is not an easy task, and one of the major problems I faced during this research was the unavailability of funds which hindered me from carrying out more interviews. In addition, my inability to gain access to available materials due to censorship of data belonging to Stichting Nederlandse Vrijwilligers, also constituted a problem for me, as I was left without materials to work with. In addition to this, the few materials I found were written in Dutch, and so I had to spend weeks translating them to English. Nevertheless, I was given a lot of assistance by staff of the Ministry of Foreign Affairs who provided me with oral and written materials that were vital to this research.

Chapter One: Introduction

1.1. Background

Dutch development cooperation with African countries began as a result of the need to provide jobs for Dutch colonial officials who were returning from Indonesia at the end of colonial rule in the country. In addition, this relationship was also facilitated by the growing trend of using development cooperation as a geopolitical strategy to check the spread of communism during the Cold War by Western nations.

Moreover, the Dutch private sector, missionaries, non-governmental organizations and politicians also contributed to the beginning of development cooperation between the Netherlands and African countries, through their calls for bilateral diplomacy to replace multilateral diplomacy relations with developing countries, in order to promote their interests in these countries. Therefore, one can assume that development cooperation between both parties began out of economical, ethical and political considerations.

1.2. Theoretical Approaches

In this research I used development and modernization theory in the analysis of the text to explain the origin of the concept of development aid and later development cooperation, and the dynamics of this concept in Dutch bilateral relationship with Tanzania and Mali. These theories are important in this context as they serve as the background upon which modern development cooperation was built.

Moreover, a better understanding of the changes that occurred in the International

context of development cooperation and Dutch development strategy during the period of this study, can only be achieved from a clear perspective of the different development and modernization theories introduced over the years.

1.3. Empirical Focus

The topic of this research is "The Netherlands Development cooperation with Africa from 1960 to 2009, and I chose this period because the 1960s saw the beginning of a new era in Dutch development cooperation. In addition, development aid expanded during this period into development cooperation, due to the involvement of the private sector, non-governmental organizations and Church organizations in the Dutch development aid program.

Furthermore, I decided to end this research in the year 2009, because I do not want to delve into the new development discourse which began after this period and is still unfolding in the Netherlands.

The focus of this research is on development and modernization theory and how the Internationalization of development cooperation coupled with the domestication of Dutch foreign policy shaped Dutch bilateral development relationship with Africa during the period of this study. An analysis of these factors formed the chapter two and three of this text. In addition, for a proper analysis of this topic, I will discuss Dutch bilateral development relationship with Tanzania and Mali, using Stichting Nederlandse Vrijwilligers (SNV) the Inter-Church Committee for Development Cooperation (ICCO) as a case study. These will form the chapters four and five.

While in chapter six I will discuss the role of International and regional institutions such as the United Nations, European Union and Bretton Wood Institutions (the World Bank and the International Monetary Fund) in shaping Dutch development strategy, which consequently influenced her development cooperation with African countries. In the final analysis I will give an overview of the analysis in the various chapters.

1.4. Research Objective and Research Question

Research Objectives

With the ever growing debate on aid effectiveness, it is important for policy makers, students, academics and the general public to have an in-depth knowledge of the different phase's Dutch development cooperation have undergone over the years. The aim of this research was to provide a clear analysis of the different changes that occurred in Dutch development cooperation with Africa between 1960 and 2009.

Research Questions

Therefore, I formulated the following research questions in order to arrive at a proper conclusion. To this end, the main proposed research question was:

"How and why the Netherlands development cooperation with Africa changed between 1960 and 2009".

The main research question will be analyzed in the following order:

- a. In chapter one I will analyze the historiographical debate on development cooperation by focusing on the formulation of different development and modernization theories. In addition, I will discuss the various debates surrounding development cooperation in the Netherlands.
- b. While in chapter two, I will discuss how the domestication of foreign policy influenced Dutch development strategy.
- c. Chapter three and four will be focused on how the international context of development cooperation and the domestication of Dutch foreign policy influenced Dutch development strategy in Tanzania and Mali. In addition, I will discuss the role of Dutch organizations in this bilateral relationship.
- d. In chapter six I will analyze how the internationalization of development cooperation influenced Dutch development strategy, by discussing the role played by the

international and regional institutions. Such as the United Nations, the European Union and the Bretton Wood Institutions, (The World Bank and the International Monetary Fund).

e. After which I will write the conclusion in chapter seven as a summary of my findings during the research.

1.5. Methodology

In this research I used both quantitative and qualitative methods for information gathering, and relied on secondary, primary and oral sources for information. To this end, information was gathered from text books, journals, and internet websites, as well as from annual reports of the focus organizations and other related organizations, such as the Organization for Economic Co-operation and Development (OECD). Additionally, I used questionnaires, conducted interviews by telephone and visited the Netherlands Ministry of Foreign Affairs and the Institute of Social Studies in The Hague where I conducted interviews with past and present officials of the Netherlands Ministry of Foreign Affairs / Development Cooperation. Prominent among who was Professor Jan Pronk a two time former Dutch Minister for Development Cooperation, who is currently a Professor in Theory and Practice of International Development at the Institute of Social Studies (ISS) in The Hague.

1.6. Relevance to Development Studies

With the ever growing debate on aid effectiveness were opinion differs on the best approach to development cooperation, this research will contribute positively to this debate. This research will give contributors to these debates and other stakeholders, such as students, academics and policy makers, as well as non-governmental

organizations and the private sector a concrete analysis of the dynamics of development cooperation during the period of this study. Which will enable them develop an effective future strategy for poverty eradication and sustainable development.

Chapter Two: Historiographical debate

2.1. Introduction

In this historiographical debate on Dutch development cooperation, I am going to analyze the reasons why the Netherlands got involved in development cooperation, beginning from the Colonial period when ethical or moral reasons were the overriding factor for its emergence. After which I will then discuss how economic and political factors influenced development cooperation after the Second World War in the Post-Colonial Era. In addition, I will discuss the role of politicians, scholars and writers, as well as the different economic theorists, and their various development theories which have dominated development cooperation since the cold war era. In the final analysis I will analyze the good governance discourse in the Post-Cold war era.

2.2. Development cooperation in the colonial period

Development cooperation according to a former Dutch Minister Jan Pronk, "is a cooperation between developed and developing countries for the special purpose of promoting development in the developing countries, while 'development aid,' is the financial dimension of this cooperation". According to a report of the Organization for Economic Cooperation and Development, "the historical beginnings of official development assistance are the development activities of the colonial powers in their territories". In the course of my research I traced the earliest historical writings on development cooperation between the Netherlands and developing countries to the

¹ Interview with Jan Pronk at the Institute of Social Studies, Den Hague, April 20th, 2011.

² H. Fuhrer, A history of the Development Assistance committee and the development cooperation directorate in dates, names and figures (Organization for Economic Cooperation and Development, Paris 1996).

nineteenth century during the colonial era. The text in question that sparked off a development discourse in the Netherlands was written in 1899 by C.T Deventer; titled 'Een Eereschuld' (A debt of Honour), and was published in the Dutch review 'De Gids'.³ In this article, Deventer called for the payment of reparation by the Dutch Colonial Government to the Indonesians on moral grounds, as a result of years of exploitation that has impoverished the colony and benefited the colonizer. The consequent political debate that arose as a result of this article, led to the decision by the Dutch Government to carry out development activities in her East Indies colonies of Indonesia and New Guinea.

To this end, in 1891 the 'ethische politiek' (Ethical policy) of material and intellectual development of Indonesia was launched, with the aim of transforming the people and infrastructure to meet Western standard. This led to the establishment of schools, provision of health care and other basic amenities. Therefore, one can postulate that early Dutch development cooperation was based on ethical or moral considerations. This view was also expressed by Deventer when he stated that, it is the moral duty of the Dutch Government to compensate the people of Indonesia for years of exploitation under Dutch rule. Nevertheless, in the twentieth century other political and economic considerations overshadowed the ethical basis of Dutch involvement in development cooperation which will be the focus of this text in the Post-Colonial period.

2.3.Post-Colonial period 1944-1960

The emergence of development theories such as, Rosenstein-Rodan's 'big –push theory', Arthur Lewis and his 'development models', Regnar Nurkse with 'Balanced growth', and Francois Perroux 'Growth Poles'. Including, Albert Hirschman's 'Unbalanced growth', W. W. Rostow's 'Take off' / 'Stages of growth' and the 'Centre and Periphery' theory of Raul Prebisch, had profound influence on development cooperation

³ M. Kuitenbrouwer, *The Never-ending Debt of Honour: The Dutch in the Post-Colonial World,* In: Intinerario, Vol. 20, 1996, 20.

⁴lbidem.

during this period, and even till date. These theorists had different and at times similar ideas for economic development, which led to different approaches and policy framework for development cooperation. For instance, Rosenstein-Rodan's 'Big push' theory of 1944 was supported by Regnar Nurkse in his work in the 1950's. According to Rodan, countries needed a big push in the form of capital investment, in order to be able to develop economically. In his work titled, 'The International Development of Economically Backward Areas,' he stated that, "If large scale resettlement and emigration are not feasible, international capital must be made available to the poorer countries to help them to reach a level from which onwards they can grow richer 'on their own'".⁵

He also emphasized on the need for developed nations to assist the less developed countries in order to maintain world peace. According to him, "If we want to ensure a stable and prosperous peace, we have to provide for some international action to improve the living conditions of those peoples who missed the Industrialization "bus" in the nineteenth century". His theory influenced post World War Two reconstruction efforts in Europe and subsequently other parts of the World, as government and non-governmental agencies adopted his ideas in drawing up a framework for their development policies and programmes.

One of such development policy framework that was influenced by the big push theory was the Marshall plan, introduced by President Truman of the United States of America at the end of the Second World War. Through the Marshall plan, the United States provided funds for the economic and infrastructural development of Europe to check the spread of communism, while Truman doctrine emphasized the need to extend this policy towards developing countries to reach this same goal.

According to a report of the Organization for Economic Co-operation and Development, "the success of the Marshall Plan created considerable and perhaps excessive optimism about the prospects for helping poorer countries in quite different

⁶Idem, 158.

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⁵ P. N. Rosenstein-Rodan, *The international development of economically backward areas*, in: International Affairs Vol. 20, No. 2 (Royal Institute of International Affairs- April, 1944), 159.

circumstances through external assistance". Therefore, Western nations developed the idea of using development cooperation as an economic and political tool in checking the spread of communism in the World.

Furthermore, during this period, Rostow and Prebisch also came up with new ideas which played a very important role in economic development policies. Rostow introduced the take-off model of economic growth, in which he claimed that all societies have a take-off period from where they can modernize. According to this model "the process of economic growth can usefully be regarded as centering on a relatively brief time interval of two or three decades when the economy and the society of which it is part of transform themselves in such ways that economic growth is subsequently, more or less automatic".8 In addition, he stated that "the society must be prepared to respond actively to new possibilities for productive enterprises; and it is likely to require political, social and institutional changes which will both perpetuate an initial increase in the scale of investment and result in the regular acceptance and absorption of innovations".9 His ideas and that of Prebisch contributed to different development policy frameworks. Prebish on the other hand introduced a general concept of economic development known as the 'The Centre-Periphery system'. 10

In his view, developed nations with advanced technologies were the center, while the underdeveloped nations with low technology were the periphery. This center controls the mechanism for development, and until there is a change in this pattern of control which only benefits the center, only then can the periphery develop. He therefore called for a change through the establishment of a "new international economic order in which reordering of the functions of its components and the corresponding modifications in the domestic productive structures would make it possible to achieve a more equitable distribution of power and income among nations". 11 In addition, he claimed that for

¹¹Idem, 392.

⁷ H. Fuhrer, The story of official development assistance: A history of the Development Assistance Committee and the Development Cooperation Directorate in dates, names and figures, (Organization for Economic Co-operation and Development, Paris 1996), 4.

⁸ W.W. Rostow, *The Process of Economic Growth* (New York 1952), 102-105.

⁹ W.W. Rostow, *The Take-off into self- sustained growth*, In: The Economic Journal, Vol. 66, No. 261 (March 1956),

¹⁰ A. Gurrieri, *Technical Progress and its Fruits: The Idea of Development in the Works of Raul Prebisch,* In: Journal of Economic Issues, Vol. 17, No. 2 (June 1983), 389-396.

nations to develop, they must come up with adequate development policies which will promote development.

Moreover, the idea of assisting other countries develop economically was also shared by Arthur Lewis. His works titled 'Development with Unlimited Supplies of Labor' 1954, and 'Theory of Economic Growth' 1955, revolutionized contemporary thinking on development. ¹² In his description of the development process he uses the interaction between the Capitalist and non-Capitalist segment of a nation, where the latter supply labor to the former at very low wages and the former reinvest accumulated capitals to eventually attain development, and incorporate the non-capitalist sector. This idea became known as the 'two sector–model' which Western nations adopted in their development approach to Third World countries.

Like Rosenstein-Rodan, Lewis believed in assisting countries develop economically, however he took a step further to call for the use of international agencies in carrying out this agenda. According to him "the fear of political domination and of exploitation, account for the opposition to foreign private capital in underdeveloped countries, and for the restrictions to the movement of foreigners. That if these countries can obtain grants or subsidized loans from international agencies they will prefer that source to borrowing on commercial terms". ¹³

Another theory that was similar to the two sector models of Lewis was the 'Growth Poles' theory of Perroux in 1958, as both of them believed in the interaction of two sectors of the economy for growth. These two sectors are economic units, the urban and the rural, or the developed and the underdeveloped. However, Perroux differ with Lewis in his view that the development in one area should similarly spread to the surrounding areas, and that both have equal importance as they are interconnected and one cannot do without the other. He further defines the growth pole as "centers (poles or foci) from which centrifugal forces emanate and to which forces are attracted. Each

 $^{^{12}}$ R. Gustav, Discussion paper on 'Arthur Lewis contribution to development thinking and policy' at Yale University, August 2004.

¹³ P.T. Bauer, *Lewis' Theory of Economic Growth*, In: The American Economic Review, Vol. 46, No. 4 (Sep., 1956), 632-641.

center, being a center of attraction and repulsion has its proper field, which is set in the field of all other centers" ¹⁴

In the same year Perroux developed his Growth Poles theory, Albert Hirschman also came up with a totally different idea from earlier development theories and models. He criticized these earlier development theories and models which were on balanced growth and introduced the 'unbalanced growth theory'. In his work titled 'The Strategy of Economic Development', he claims that underdevelopment in developing countries was not as a result of the unavailability of capital, which can be solved according to Rodan's big-push theory or Lewis two-sector model, but rather their inability to formulate adequate policies to support development. He then emphasized that attention and development should be focused on a particular sector which will eventually spread to other sectors, ¹⁵ like the growth poles model of Perroux. Another unique aspect of his idea, was his believe in the experimental approach to project formulation and policymaking, including the backward and forward linkages were one is supposed to learn from past mistakes to make progress in development .¹⁶ His ideas, although very influential in the 1950's, lost much of their appeal in later decades.¹⁷

Additionally, during this period, Rostow published 'The Stages of Economic Growth: A non-Communist Manifesto'. In his view, societies have to pass through several stages to attain modernization such as the traditional society, preconditions for take-off, the take-off, the drive to maturity, and the age of high mass consumption. ¹⁸ In these different stages of development, only the advance nations particularly in the Western countries have been able to attain the last stage of mass consumption, while developing countries were still in the first stage of traditional society, and those

For development strategists, these stages of growth theory were very important for their development plans. As they were of the view that going by the different stages of growth

countries still on the first stage will later reach the last stage of development.

¹⁴ M, Monsted, *Francois Perroux's Theory of "Growth Pole" and "Development Pole": A critique*, Vol. 6 (July 1974) 106-113.

¹⁵ K. Krishna and C. A. Perez, *Unbalanced Growth*, In: The Canadian Journal of Economics (Aug. 2005), 832-851.

¹⁶ G. Rosen, Rethinking the Development Experience: Essays Provoked by the Work of Albert O. Hirschman, In: Journal of Economic Issues (Dec. 1995).

¹⁷ K. Krishna and C. A. Perez, *Unbalanced Growth*, 832-851.

¹⁸W.W. Rostow, *The Stages of Economic Growth: A Non-Communist* Manifesto (New York 1990), 4.

according to Rostow, "proper investment in developing countries will push these countries to reach the last stage of economic growth". 19

Furthermore, these theories had huge influences on development cooperation between developed and developing countries. In the Netherlands for example, these development theories influenced development discourse and strategy.

During the Cold war, development cooperation was largely influenced by economic and

political factors as a result of its use by Western nations to check the spread of

2.4. Dutch development cooperation during the Cold War era

communism and promote world peace as claimed by Rodan. To ensure world peace developed nations should assist developing countries develop and stop communism. However, moral or ethical reasons still had a huge influence too. In the various debates on development and how to stop communism, the economic benefits for engaging in this task was strongly emphasized and gained prominence. This is evident in Dutch Policy documents and parliamentary debates during this period. According to J.J.P de Jong, "a proposed policy document in 1950 by Prof. Egbert de Vries on behalf of the 'Working Committee on Technical Assistance to Low Developed Countries' (Withall) in January 1950, stated four basic principles: (1) Development aid was of economic importance, as it would make Dutch Science and businesses better known and could help promote exports; (2) it offered the Netherlands an opportunity to enhance its international prestige now that it was no longer a major colonial power; (3) the UN technical assistance programme would, it was hoped, enable the Netherlands to

get back into its former colony Indonesia 'by the back door'; and (4) the programme was

an excellent source of employment for the many tropical experts who risked losing their

jobs as a result of decolonization". 20 In addition, Kuitenbrouwer in his book 'The Never-

ending Debt of Honour: The Dutch in the Post-Colonial World, agreed with this view

point, as he claimed that "Dutch Policies towards developing countries alternated

¹⁹Idem. 181.

²⁰ A. Nekkers and P.A.M. Malcontent, eds., *Fifty Years of Dutch Development Cooperation 1949-1999*, (2000) 12.

between progressive and conservative, showing the impact of changing economic, political and cultural factors". ²¹In addition, he also admitted that anti-communism was a prominent motive for Dutch Development aid. ²²

Moreover, Dirk Stikker, who was the Minister of Foreign Affairs in 1950, expressed this economic motive when he stated, "that Indonesia can no longer provide the outlet it once did for Dutch talent, and new fields of activity will have to be sought in other parts of the world such as Africa, Latin America and Asia".²³

In addition, proposed policy documents by Dutch minister Mansholt in 1954 and Joseph Luns in 1956, were geared towards checking the spread of communism. According to Mansholt's proposal which was later rejected by the cabinet, he clearly stated that "if the non-communist countries do not do something soon to reduce underdevelopment in a large number of Asian, African and Latin American countries, communist countries with rapidly increasing productivity, especially Russia, will find it easy to satisfy the less developed countries".²⁴

While Luns stated in his proposed policy document that, "the Western world was facing 'great new responsibilities at a time when the British, French and Dutch 'colonial empires' are shrinking and the flow of capital which enabled all those regions to blossom under the flags of European nations are drying up". Furthermore, another Dutch official Meijer, was of the view that development aid should not be seen in terms of charity²⁶, meaning it should be used as a political weapon to fight the growing influence of communism among developing countries.

However, Queen Juliana held a completely different view from those of the above mentioned politicians. In a speech in 1955, the queen endorsed development aid as a humanitarian duty of the rich Western World towards developing countries.²⁷
Although it is overwhelmingly clear that the motivation for the Netherlands official development cooperation with developing countries during the cold war was driven by

²¹ M. Kuitenbrouwer, *The Never-ending Debt of Honour,* 21.

²²Idem, 24.

²³Nekkers and Malcontent, eds., 12-13.

²⁴Ibidem.

²⁵Ibidem.

²⁶Idem, 14.

²⁷ M. Kuitenbrouwer, *The Never-ending Debt of Honour, 24*.

economic, political and moral factors, Dutch writers still share different views on this issue. Jan Pronk, a former Dutch Minister of Development Cooperation, admitted that the motivation for the Netherlands development cooperation "to a considerable extent was guilt feelings about the Colonial past, coupled with 'moral indignation' about contemporary Western imperialism in developing countries". ²⁸While a sociologist, A. Lijphart, is of the opinion that the motivation for Dutch development cooperation was a means to shape a new profile, after committing atrocities in her East Indies Colony of Indonesia. ²⁹

However, Hoebink and Everts, agreed with all the different viewpoints, as according to Hoebink, the motivation was a combination of political, strategic and commercial, as well as ethical and humanitarian reasons on the one hand, and economic and commercial reasons on the other. This led to coining of the slogan of a development policy 'of merchants and ministers'.³⁰

According to Everts, in his work 'Public Opinion, The Churches and Foreign Policy: Studies of domestic factors in the making of Dutch foreign policy', Dutch foreign policy on development cooperation was based on a strong mixture of internationalist ideology, worldwide commercial interests, trade and investments overseas and missionary zeal.³¹ On the other hand, Nekkers and Malcontent are of the opinion that "the early years of Dutch development cooperation were characterized as much by the pursuit of self-interest as by an international, idealistic tradition".³²

2.4.1.1960 - 1970

In 1962 there was a growing debate on whether the Netherlands should adopt a multilateral or bilateral development approach. In this debate, the Dutch newspaper

²⁸ E. H. Arens, *Multilateral Institution-Building and National Interest: Dutch Development Policy in the 1960s,* In: Contemporary European History, Vol. 12, No. 4 (2003), 457-472.

²⁹Ibidem.

³⁰ Ibidem.

³¹ PH. P. Everts, *Public Opinion the Church and Foreign Policy: Studies of domestic factors in the making of Dutch foreign policy* (Leiden, 1983), 34.

³²Nekkers and Malcontent eds., 21.

NRC led the vanguard of those in support of a bilateral approach, while H. Linneman of the weekly Economimisch Statistische Berichten (ESB) and F.A. Lensing, championed the cause of those in support of a multilateral approach.

According to Posthumus, "the NRC newspaper was among the vanguard of those with the opinion that bilateral approach should be adopted by the Netherlands, as other countries have since adopted bilateral development approach towards developing countries. The newspaper proposed for a separate organization to coordinate development aid activities and if necessary appointing a state secretary for development aid directly responsible to the prime minister".³³

While H. Lensing was of the opinion that a bilateral approach would be advantageous to the Dutch economy and will also increase awareness within the Dutch society. According to Posthumus, Lensing's view acknowledged or laid the foundation for the tying of aid to Dutch exports.³⁴

The Cultural Revolution that swept through Europe in the 1960s reinvigorated the ethical or moral basis for Dutch development aid to developing countries. According to Kuitenbrouwer, "there was a strong radical reaction against Western colonialism in general and Dutch colonialism in particular, and the traditional ethical theme of a debt of honour was now mainly expressed in progressive, or even radical terms, extending Dutch compassion to the suffering poor and the struggling masses of the whole developing world". ³⁵

In addition, the Vietnam War also contributed to the changes in development cooperation, as it triggered a public and parliamentary debate of Dutch war crimes in Indonesia between 1945 and 1949.³⁶ However, Nekkers and Malcontent attributed the Dutch development strategy during this period to her supposed moral superiority over other countries due to her Calvinist history.³⁷

Moreover from this period onwards the scope of Dutch development cooperation took another dimension, and the debates became more centered on how to make development cooperation more effective. In the 'Fifty Years of Dutch Development

³³Idem, 144.

³⁴Ibidem.

³⁵ M. Kuitenbrouwer, *The Never-ending Debt of Honour,* 24.

³⁰Ibidem.

³⁷Nekkers and Malcontent (Eds), 21.

Cooperation 1949-1999', Malcontent and Nekkers stated, "that in an attempt to carry out a more effective approach, the focus of 'Development Aid' shifted to 'Development Cooperation', or from just technical and financial assistance towards trade and financial structures. This led to proposals for increase in the aid budget, changes and expansion of government agencies, and the establishment of non-governmental agencies. Such as the Directorate General for International Cooperation (DGIS) in 1964, the Protestant Inter-Church Coordination Committee for Development Projects (ICCO) and the government subsidized Stichting Netherlands Volunteers (SNV) in 1965.³⁸ To implement these changes, different reports and proposals were written and policy documents were approved after often rigorous parliamentary debates. Although similar proposals were made in the 1950's they were not approved due to the poor economic situation in the country at that time. According to Nekkers and Malcontent, "the Dutch course of action for development aid was guided first and foremost by its shortage of funds. Due to the post war reconstruction, the government was willing and able to make only limited funds available" To this end, the government vetoed proposals calling for an increase in aid funds, and decided to adopt a multilateral approach unlike the United

However, with the economic boom in the 1960's, there was tremendous increase in aid fund from 200 million guilders in 1961 to almost a billion guilders in 1971 which was about 1.5% of the country's national income, making the Netherlands proportionally the world's biggest donor of aid. 41 This increase in aid was as a result of the agitations of different interest groups in the Netherlands. In addition, this increase can also be linked to the Cultural Revolution which I earlier mentioned that evoked moral indignation among Dutch citizens during this period, and consequently influenced domestic policies, bringing about a desire to assist developing countries whom were in need of aid. This process has been described as the domestication of foreign policy. 42

States bilateral approach to development aid. 40

³⁸Idem, 27.

³⁹Idem, 15.

⁴⁰Idem, 16.

⁴¹Idem, 18-19.

⁴²Idem, 21.

With the increase in aid, Dutch business and religious communities became keen on using the expanding development budget for their own activities in developing countries, and pressed for more Dutch bilateral aid relationship with developing countries.⁴³

2.4.2.1970 - 1980

In the 1970's, a renowned Dutch economist Jan Tinbergen proposed new development strategies in order to close the economic imbalances between the developed and developing countries, with the introduction of trade policies favorable to developing countries. ⁴⁴ In partnership with the 'Group of 77' developing countries, whom called for a change in development approach, and open markets for trade instead of aid a New International Economic Order (NIEO) came into being. ⁴⁵

Furthermore, the desire to make development cooperation more effective gained momentum and led to the diversification of development aid to include social considerations such as education, health water, and sanitation, including 'good governance;' such as democracy, human rights and freedom. ⁴⁶This is evident from policy documents on bilateral development cooperation published by Pronk in 1976. In this document, he proposed that development aid should not just be focused on governments, but rather to also emancipate the poorest groups in those states. ⁴⁷ To this end "the 'third criterion' was introduced to include not just a country's poverty and its actual need for aid but the extent to which the prevailing sociopolitical structure allows the adoption of a policy truly aimed at improving the situation in the country and ensure that rapid aid benefits society as a whole; in this connection, particular attention shall be paid to human rights policy". ⁴⁸

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⁴³Idem, 22-23.

⁴⁴ Idem, 26-28.

⁴⁵ Idem, 26-35.

⁴⁶J.P. Pronk, Catalysing Development? A Debate on Aid, (2004).

⁴⁷Nekkers and Malcontent, eds., 32.

⁴⁸Idem, 33.

Moreover, as a consequence of the monetary and oil crisis of the 1970s which led to adverse economic hardship on both developed and developing countries, in 1980 new market oriented policies were introduced to help Latin American countries come out of the debt crisis. These policies were later referred to by John Williamson as the Washington.⁴⁹

2.4.3.1980-1989

This idea of adoption and implementation of market oriented policies was promoted by the Bretton Woods institutions, the International Monetary Fund (IMF) and the World Bank. According to the policy, countries were to implement market oriented policies such as fiscal discipline, tax reform, and financial liberalization, as well as trade liberalization, privatization and deregulation.⁵⁰ This idea became very popular in development circles and developing countries adopted these policies as part of their development plans. It became a norm during this period that the adoption and implementation of these market oriented reforms by developing countries would lead to their development.

During this period in the Netherlands, there was a raging debate on the role of the government and the private sector in development cooperation. While the Minister of Development Cooperation Jan de Koning supported private sector participation, there was also a different school of thought which was against it. According to Baneke and Jepma, "in the policy document introduced by de Koning in 1980, the government's job is limited to creating a framework within which firms can operate, for example by defining trade policy and taking action to stimulate trade and provide export credit guarantees. The only direct action taken autonomously by the government in relation to dealings with developing countries will be the provision of aid".⁵¹ In addition, the opposing viewpoint after a research, concluded that "Dutch firms have used

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⁴⁹ R. Kanbur, The Co-Evolution of the Washington Consensus and the Economic Development Discourse, August 14, 2008. http://www.arts.cornell.edu/poverty/kanbur/Co-EvolutionWashingtonConsensus.pdf

⁵⁰ W. Hout, Good Governance and the Political Economy of Selectivity, working paper 100, January 2004.

⁵¹Nekkers and Malcontent, 255.

development funds and the spending conditions imposed by the Dutch government to turn the growth of certain developing countries to their own advantage. (...) development aid would appear to be an ideal instrument for promoting the interests of large firms and for forcing developing countries to undertake the process of international restructuring advocated by these firms".⁵²

2.5. Post-Cold War era

With the collapse of the Soviet Union in 1989, the cold war ended, ushering in a new era for development cooperation. Development debates were now on aid effectiveness, conditionality, selectivity and good governance. In addition, Dutch aid during this period was characterized by humanitarian assistance, rehabilitation of war torn countries and aid for human development. As well as aid to prevent violent conflicts and to foster democratic good governance.⁵³

The desire to make development cooperation more effective led to several development debates as mentioned above, and according to World Bank reports there was a conviction that aid worked better in countries with good governance.⁵⁴ Thus, good governance became a dominant factor and basis for the selection of countries and conditions for development assistance. Although the issue of good governance was alien in development circles before this period, the end of the cold war led to a new world order where alliances between Western nations and dictators in Third World countries were no longer important. Western nations were now able to freely promote their democratic principles among developing countries.⁵⁵

A prominent advocate of good governance as a criterion for selecting countries for development assistance was the World Bank. According to its President Barber Conable, "If we are to achieve development, we must aim for growth that cannot be

⁵²Ibidem.

⁵³J.P. Pronk, *Catalysing Development?A Debate on Aid*, 2.

⁵⁴ W. Hout, Good Governance and the Political Economy of Selectivity, working paper 100, January 2004

⁵⁵ N. Hermes and R. Lensink, (eds), *Changing the Conditions for Development aid: A New Paradigm*? (2001), 97.

easily reversed through the political process of imperfect governance". ⁵⁶ As stability and continuity was important for development. However, some writers are against the idea of using good governance as criterion for selecting countries by donors, as it puts the overall aim of aid into jeopardy. Jan Pronk is one of those who strongly oppose this view, as he holds the idea that if the countries had good governments and policies in the first place they will be able to develop without outside interference.

He insisted that good governance should instead be a goal of development assistance. As he puts it, "Policy improvement and better governance should not be seen as preconditions for development aid, but also as development objectives themselves". 57 The Dutch Scientific Council for Government Policy supports the view of Pronk, however they still insist on using good governance as a criterion for selecting countries for development assistance. In the Councils 2001 report it supported good governance "as a criterion for the selection of countries and as an independent objective". 58 However, Geske Dijkstra disapproves of the views as expressed by Pronk and the Dutch Scientific Council for Government Policy (WRR). In her opinion, "in both cases this practice denies the country the right to design its own policies and find its own ways. Instead of buying reform, donors should give advice and promote debate on policies rather than prescribe the one and only recipe". 59

In 1998, the Dutch government used good governance as one of its primary criteria for the selection of countries to receive Dutch development assistance, which led to the pruning down of the numbers of recipient countries from one hundred and twenty to nineteen structural and three temporary countries,⁶⁰ and this good governance criterion has continued to dominate development discourse till date.

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⁵⁶ Idam 08

⁵⁷J.P. Pronk, *Catalysing Development?A Debate on Aid,* 17.

⁵⁸ Dutch Scientific Council Report No. 58 (Den Haag 2001), 31.

⁵⁹ A.G. Dijkstra, The Effectiveness of Policy Conditionality: Eight Country Experiences (Dec. 2002), 332.

⁶⁰ W. Hout, Good Governance and the Political Economy of Selectivity, working paper 100, January 2004.

2.6. Conclusion

From the analysis of this historiographical debate on development Cooperation, it is clear that the Netherlands Development aid began out of ethical or moral motivations. While in subsequent years political, economic and other social considerations influenced Dutch strategy on development cooperation. In addition, it is also clear from the analysis given in this chapter that the different development theories and debates by economic theorists, scholars and politicians influenced the international context of development cooperation, as well as Dutch development cooperation. As evident in the expansion of the Netherlands development aid project, that metamorphosed from development aid to development cooperation.

Additionally, as I earlier explained, this expansion was also necessitated by the need to make development cooperation more effective. Moreover, the drive for a more effective development programme also led to shifts in development strategy and consequently the integration of both political and social issues into development strategy in later years.

In the final analysis it is imperative to conclude that the factors that influenced Dutch development cooperation can be classified into two main categories. These are domestic and International factors, and to understand how these factors influenced Dutch development cooperation with Africa and the different changes that occurred in this bilateral relationship, it is important to look into Dutch development policy during the period of this study. Therefore in the next chapter I will discuss Dutch foreign policy on development cooperation.

Chapter Three: Dutch Foreign Policy on development cooperation, 1960-2009.

3.1. Introduction

Dutch development cooperation has been largely influenced by both domestic and international factors as I discussed in the previous chapter. These domestic and international factors continued to dominate development cooperation in the 1960s and throughout the period of this study. Like in previous decades, Dutch development policy from the 1960s was geared towards promoting global peace, making profits and spreading her principles. Hoebink summed this up when he restated Voorhoeve's claim that, "Dutch Foreign policy can generally be described under the rubric of Peace, Profits and Principles".61

Internationally, the cold war which began at the end of the Second World War in 1945 until 1989 politically influenced Dutch foreign policy and consequently dictated the direction of her development strategy during this period. While in the domestic front, the agitations of different interest groups such as the employers union, Church organizations and political parties, as well as Dutch experts and non-governmental Organizations influenced the economic and socio-cultural aspect of Dutch development policy. In this chapter, I intend to first of all give an analysis of the method of Policy formulation, after which I will look into how development policy shifted from a more multilateral to bilateral diplomacy. In addition, I will give an analysis of the different phases and changes that occurred during this period, and to this end I have divided the phases into four different parts namely; beginning of development cooperation, cultural bilateral diplomacy, a new phase, and international cooperation.

⁶¹ P. Hoebink, Administration and Policy development of the Foreign Aid programme of the Netherlands (Nijmegen 1996) 1.

3.2. Method of policy formulation

The Minister of Development Cooperation is in charge of development cooperation in the Netherlands, and also has a seat in the cabinet comprising of all ministers and state secretaries in the government. To formulate development policies, the minister sends a policy proposal to the Second Chamber of parliament (Tweede Kamer). This proposal is then scrutinized in the special commission for development cooperation, in the Parliament, or in an open parliamentary debate. The parliamentarians have the right to amend the proposals, but the right of final approval rests with the First Chamber (Eerste Kamer), the Senators. However, prior to, and in the early years of the 1960's, the Dutch Foreign Minister was in charge of development cooperation, and exercised enormous power on the goal of Dutch development strategy. According to J.J.C. Voorhoeve, Foreign policy is primarily the task of the Foreign Minister, although the Minister without portfolio and other Ministers are also involved. Nevertheless, in successive years the authority of the Foreign affairs minister began to dwindle, as a result of intrigues and power play from outside and within the government

dwindle, as a result of intrigues and power play from outside and within the government circle. The outside forces were the trade unions, political parties and Christian groups, as well as non-governmental organizations (NGOs) and Dutch experts, who called for increase in Dutch development aid funding to developing countries.

As a result of their call for a new development strategy, the Ministry of Foreign Affairs was reorganized in order to be able to effectively manage the new development strategy. To this end, a meeting was held on the 10th of January 1961, where the Prime Minister, Mr. Jan de Quay of the Catholic People's Party (KVP), and the ministers of Foreign Affairs, Economic Affairs, Finance, and Agriculture and Fisheries, agreed that all the above mentioned ministries should improve the coordination of aid, and in drafting development plans.⁶⁴In addition, "it was also agreed in the meeting that a common vision must be developed, a philosophy to be embraced by all ministries. They

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⁶²F.H. Peters, *Making a virtue of necessity: Technical assistance following decolonization*, in Nekkers and Malcontent (eds.) Fifty Years of Dutch Development Cooperation 1949-1999, 79.

⁶³ J.J.C. Voorhoeve, *Peace, Profits and Principles: A study of Dutch Foreign* Policy, (Den Haag 1979) 56.

⁶⁴ D.A. Hellema, *Shameful situations: The appointment of the first state secretary and the establishment of DGIS*, in Nekkers and Malcontent (eds.) 121-122.

decided to appoint a committee to advise the government, and the Ministry of Foreign Affairs was given the job of setting up this committee, on which all the relevant ministries would be represented". 65

Prior to and until this time, the Ministry of Economic affairs was responsible for trade policy and drafted plans in the 1960s for a United Nations Conference on Trade and Development (UNCTAD), while the Ministry of Finance, was responsible for formulating policy relating to the Bretton Woods institutions, (International Monetary Fund (IMF) and the World Bank) and international donor consortia. In addition, the Ministry of Agriculture and Fisheries was in charge of policy relating to the Food and Agriculture Organization (FAO), while the Ministries of Social Affairs and Health were in charge of policy concerning the World Health Organization (WHO).

Furthermore, in order to ensure proper coordination of development policy among the various ministries as mentioned above, the coordinating role was given to Van Ittersum, the Director General for Economic Cooperation (DGES) a department within the Ministry of Foreign Affairs, which was responsible for policy relating to European Institutions. According to Hellema, "this was an unexpected move, as the International Organizations Department used to be responsible for Dutch multilateral aid policy, and that this decision was taken by the then Foreign Affairs Minister Luns of the Catholic People's Party (KVP), due to the increasing important role being played by the European Economic Community (EEC) and the Organization for Economic Cooperation and Development (OECD) in development issues". 67

Due to internal rivalry between Meijer, the Director of the International Organization in the Ministry of Foreign Affairs and Van Ittersum, the Director General for Economic Cooperation, responsibility for development aid policy was later transferred back to the International Organizations Department, and the Director of the department was given the task to chair the interdepartmental consultation of aid policy.⁶⁸

Moreover, the appointment of I.N.T Diepenhorst of the Anti-Revolutionary Party (ARP) in 1963, as a separate State Secretary in charge of development cooperation, led to

⁶⁶ Idem, 121.

⁶⁵ Idem, 122.

⁶⁷ Idem. 122.

⁶⁸ Idem, 124.

further reduction of the influence of the Minister of Foreign Affairs over development cooperation.⁶⁹ By his appointment, development cooperation issues were then handled by an independent part of the ministry,⁷⁰ and he was delegated with the responsibility of coordinating development cooperation issues among the various ministries, asi earlier mentioned.

In addition, he also chaired the 'Coordinatie commissie inzake Hulpverlening aan Minder Ontwikkelde Landen' (Coordination committee on the provision of aid to less developed countries) that was established in October 1964. This committee comprised of three sub-committees namely: Committee for Technical Assistance, Financial and Economic Aid, and the United Nations (UN) and its specialized Agencies. Additionally, as part of the new development strategy, advisory groups were formed to advise the ministry on good policies. For example, the Council of Dutch Employers Federation was set up by the Developing Countries Committee to liaise on their behalf with the ministry, and a National Advisory Council was also established in January of 1964. The council was headed by Jan Tinbergen a renowned Dutch economist, and a separate secretariat was given to the council under the Ministry of Foreign Affairs as a way of boosting public support for development aid policy.

Furthermore, in that same year the Directorate-General for International Cooperation (DGIS) was established with Meijer as the Director-General. This Directorate comprised of the Policy and Planning Section, Department of International Organization, (DIO) and the International Technical Assistance Department (DTH), including the Financial Aid Department.

Not too long afterwards, in 1965, total control over the affairs of development cooperation was taken away from the foreign minister with the creation of the position of Minister without portfolio for development Cooperation, to replace the state

⁶⁹ Idem, 119.

⁷⁰ J.J.P. De Jong, *Flying the ethical flag: The origins of Dutch development cooperation,* in Nekkers and Malcontent (eds.) 76.

⁷¹Hellema, Shameful situations: The appointment of the first state secretary and the establishment of DGIS, in Nekkers and Malcontent (eds.) 128.

⁷²Idem, 131.

⁷³Idem, 130.

⁷⁴Ibidem

secretary.⁷⁵The new and first minister without portfolio for development cooperation was Mr. Theo Bot of the Catholic People's Party (KVP), who was now responsible, "for promoting a strong and cohesive overall aid policy, and will also be answerable to parliament regarding the entire spectrum of aid policy. He was also given the task of coordinating and stimulating policy, and synchronizing the allocation of tasks between ministers on a permanent basis". ⁷⁶ Moreover, the new minister was to be assisted by the Director-General who heads the Directorate for International Cooperation, which is responsible for Dutch policy in the United Nations organization and for cooperation with developing countries (including implementation of the aid program).

In addition, issues regarding financial aid continued to be handled jointly by the Ministry of Finance, Economic Affairs and Foreign Affairs, throughout the 1960's until 1974, when total control was transferred to the Ministry for Development Cooperation. Finally, in 1978, Minister Jan de Koning of the Christian Democratic Appeal (CDA) eliminated the (institutional) distinction between technical and financial assistance, by reorganizing the Directorate-General along regional lines to handle development cooperation with different regions of the World.

3.3. Bilateral and multilateral policies

The Netherlands pursues very active bilateral and multilateral diplomacy as part of her foreign policy on development cooperation. ⁷⁹Prior to the 1960's the country pursued a more multilateral diplomacy, championed by the then Foreign Minister Joseph Luns. ⁸⁰ However, from the 1960's onwards, there was a gradual shift towards a more bilateral approach. According to J.J.P De Jong, "In the early 1960's the image of technical

⁷⁵Voorhoeve, 58.

⁷⁶ D.A. Hellema, *Shameful situations: The appointment of the first state secretary and the establishment of DGIS*, in Nekkers and Malcontent (eds.) 133.

⁷⁷ G.A. Posthumus, *An ideal form of aid: Bilateral financial assistance, the India Consortium and the IGGI*, in Nekkers and Malcontent (eds.) 147.

⁷⁸Ibidem.

⁷⁹J.J.P. De Jong, *Flying the ethical flag: The origins of Dutch development cooperation,* in Nekkers and Malcontent (eds.) 74.

⁸⁰Idem, 76.

assistance began to change, with a growing belief in the importance of development aid as an instrument of foreign policy, which ought to be made more bilateral in character".⁸¹

Although Dutch bilateral aid was targeted at the relatively poor and less developed of the developing countries, ⁸² the gradual shift from multilateral to bilateral diplomacy was driven largely by economic as well humanitarian interests. As according to Hellema, "development cooperation appeared to be fuelled both by social democratic aims and by a desire for Christian solidarity". ⁸³ This is as a result of the combination of the different interest groups such as the employers union, experts (the Netherlands Engineering Development Society and the Royal Netherlands Heath land Reclamations Society), ⁸⁴political parties (the Dutch Labour Party and the Catholic People's Party) and civil society groups, as well as Christian and non-governmental organizations. That called for the adoption of a bilateral development strategy for developing countries, in order to promote their economic, humanitarian and scientific interests in these countries, as was being done by other Western countries. ⁸⁵

As a result of their call for change, an advisory group was set up by the government, and the report of this advisory group and that of the Inter-departmental Committee on International Technical Assistance of December in 1961, were contained in the policy document forwarded by the government to the parliament for approval in 1962. This policy document, "argued for an expansion of Dutch aid policy and named four areas on which Dutch aid activities should focus: (1) technical assistance; (2) the co-financing of activities conducted by Dutch companies and institutions; (3) participation in consortia

⁸¹Ibidem.

⁸² F.A.J. Baneke and C.J. Jepma, *Dutch interests and development interests: The private sector and development cooperation since the 1970s*, in Nekkers and Malcontent (eds.) 257.

⁸³ D.A. Hellema, *Shameful situations: The appointment of the first state secretary and the establishment of DGIS*, in Nekkers and Malcontent (eds.) 121.

⁸⁴F.H. Peters, *Making a virtue of necessity: Technical assistance following decolonization,* in Nekkers and Malcontent (eds.) 95.

⁸⁵Idem, 121-122.

⁸⁶Idem, 103.

supervised by the World Bank; (4) long-term financing loans, which were seen as crucial for the competitiveness of Dutch business industry". 87

With the approval of the proposal by the parliament in 1962, the development aid policy document to expand development aid and the machinery required to carry out this expansion was set in motion, which led to the reorganization of the Foreign affairs ministry as earlier mentioned in the previous section. "This policy document, listed eight categories of programmes, funds and initiatives in which Dutch policy might find expression. One was bilateral financial assistance. The Netherlands was to give bilateral financial aid to any country for which the World Bank established consortium, with the exception of countries to which the Netherlands was already giving aid through bodies like the European Economic Community and those which had not cleared their existing debts or had no arrangements in place regarding nationalization, such as Indonesia". 88

As a result of this new policy the country was able to join the World Bank's India consortium of donor countries, which comprised of the United States, United Kingdom, Canada, and West Germany. Including; Japan, Austria, New Zealand and Russia, and also contributed the sum of 100 NLG million to India's third year development plan. ⁸⁹ In subsequent years the Netherlands also participated in other consultative groups with countries such as Indonesia, Bangladesh and Colombia, as well as Kenya, Nigeria, Peru, Tanzania and Turkey. ⁹⁰

It is pertinent to state here that in the early 1960's, bilateral financial aid was still seen in a more or less strictly multilateral context, and so aid was channeled to developing countries through the World Bank organized consortiums.⁹¹

Furthermore, during this period there was an in development bilateral aid funding for experts and fellowships from NLG 2 million to NLG 3 million, and the bilateral aid

⁸⁷ D.A. Hellema, *Shameful situations: The appointment of the first state secretary and the establishment of DGIS*, in Nekkers and Malcontent (eds.) 123.

⁸⁸ G.A. Posthumus, *An ideal form of aid: Bilateral financial assistance, the India Consortium and the IGGI,* in Nekkers and Malcontent (eds.) 145.

⁸⁹ Idem, 139-140.

⁹⁰Idem, 147.

⁹¹Idem, 146.

programme gained momentum. In addition, between 1964 and 1965 bilateral aid funds rose from NLG 12.5 million to NLG 48.175 million. 92

In May 1963, the Tesch commission recommended the creation of a Medical Centre in Africa, where Dutch experts could practice and carry out scientific research. As there was urgent need for a permanent base in the tropics for scientific research and training for Dutch experts, due to the loss of her East Indies Colonies. To this end, the Royal Tropical Institute in the Netherlands signed an agreement with the Kenyan government in 1964, to collaborate with the Nairobi Medical Centre for research on Dutch tropical medicine and health care. According to F.H. Peters, "the collaboration proved highly beneficial for the East African region. Joint scientific research projects were launched at the request of the governments of Kenya, Uganda and Tanzania.

The Medical Centre also assisted with education, training and increasingly acted as a coordination center for Dutch medical development assistance in East Africa. In addition, it advised the Dutch embassy and the authorities in The Hague on projects, represented the doctors to Developing Countries Organization and assisted the Netherlands Leprosy Foundation in preparing and implementation of projects.

The Centre also collaborated with the Nairobi Medical School on a programme to train future Kenyan doctors in district-based preventive health care. Over the years, many Dutch doctors and other experts served as the Centre's staff or were attached to the Medical Centre as 'visiting experts'. Tropical medicine and health care in the Netherlands benefited greatly from this Dutch outpost and from its varied and valuable contacts".93

Apart from participating in consultative groups, in 1964 the Netherlands signed an agreement for technical assistance and cooperation with Indonesia, to "promote technical cooperation between the two countries within the framework of the available financial, manpower and material resources". 94 In September 1966 another bilateral aid

⁹² F.H. Peters, *Making a virtue of necessity: Technical assistance following decolonization,* in Nekkers and Malcontent (eds.) 104-105.

⁹⁴ S. Legene and E. Postel-Coster, *Isn't it all culture? Culture and Dutch development policy in the post*colonialperiod, in Nekkers and Malcontent (eds.) 275.

agreement was also signed by both countries, ⁹⁵ and two years later in 1968 the first cultural agreement between both countries was signed, to transfer Indonesian art collections from the Netherlands back to Indonesia.

3.4. Beginning of development cooperation

The involvement of the private sector and Church organizations in the Dutch development aid project in the 1960s was a turning point in the Dutch development assistance programme, as it changed the scope and manner the programme was being pursued. It metamorphosed from just development assistance driven solely by the government into development cooperation involving both the public and private sector. comprising of Church organizations, private sector businesses and non-governmental organizations. By the late 1960's their role in development cooperation had been consolidated, and subsequent ministers of development cooperation encourage their participation in the implementation of development initiatives in developing countries. The inclusion of the private sector into development cooperation, also led to new developments, such as 'tied aid' and the selection of 'concentration countries'. Whereby recipient countries of Dutch aid were required to spend their funds with Dutch companies in the Netherland, and loans and subsidies were also provided for Dutch companies doing business in developing countries. In addition, specific countries were to be selected to receive Dutch development aid. This was because of the economic and humanitarian interests of the private sector and the huge financial burden of the entire project on the government. In 1967, Udink a conservative of the Christian Historical Union (CHU) became the Minister of Development Cooperation after succeeding Bot. As an economist he was inclined to encourage the involvement of the private sector in development cooperation. To this end he implemented favorable policies in accordance with their demands.

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⁹⁵ G.A. Posthumus, An ideal form of aid: Bilateral financial assistance, the India Consortium and the IGGI, in Nekkers and Malcontent (eds.) 148.

According to Voorhoeve, the term 'development cooperation' was introduced by Udink in 1969, ⁹⁶ and in an attempt to make development cooperation more effective, he adopted the 'concentration policy' by focusing on 'concentration countries'. He also "introduced in his Four-Year-Plan (1968-1971) a new form of multi-year aid planning by earmarking funds three to four years in advance". ⁹⁷ In addition, he also adopted earlier bilateral policy of 'tied aid'.

Furthermore, in 1970, in order to boost private sector involvement in development cooperation, the Netherlands Development Finance Company (FMO) was founded by the Dutch Government in collaboration with the employers and employee organizations, with the aim of promoting development in less developed countries through public and private investment.⁹⁸

Moreover, it is important to state here that support was also given to the Churches and other secular organizations to carry out their own initiatives in developing countries. According to an Operations Review Unit report, "Since 1968 Netherlands government support for non-governmental activities in developing countries has primarily been channeled through so-called co-financing organizations. ICCO (the Inter-Church Coordination Committee for Development Projects) coordinates aid from protestant churches, while CEBEMO (the Central Agency for Joint Financing of Development Programmes) plays the same role for the Catholic Church. NOVIB (the Netherlands Organization for International Development Cooperation), and since 1978 HIVOS (the Humanist Institute for Cooperation with Developing Countries), deal with activities which are independent of the Churches". 99

3.4.1.1970 - 1979

In 1973when a member of the Dutch Social Democratic Party (PVDA)Jan Pronk became the Minister of Development Cooperation, Dutch development cooperation took

⁹⁶Voorhoeve, 256.

⁹⁷Ibidem.

⁹⁸ F.A.J. Baneke and C.J. Jepma, *Dutch interests and development interests: The private sector and development cooperation since the 1970s*, in Nekkers and Malcontent (eds.) 262.

⁹⁹Evaluation of Netherlands Aid to India, Mali and Tanzania, Summary Evaluation Report 1995, 121.

another turn, as he shifted from a system of technical assistance, to programme and project aid. However, financial aid continued to exist, and eventually declined in importance as the overall aid programme expanded. In addition, he continued with earlier policies of encouraging the involvement of the private sector in development cooperation, and focused on concentration countries.

However, he did not support the concessions given to Dutch companies in the form of tied aid, and made efforts to change this trend, as he was of the opinion that aid should only benefit or be directed at the poorest people in developing countries. Two years later,he adopted the 'theory of optimum international redistribution of labor', in which Dutch companies were encouraged to close their locations in the Netherlands and move to developing countries, in order to create jobs over there. To this end a special 'restructuring programme' was launched by the Ministry of Development Cooperation in collaboration with the Ministry of Economic Affairs.¹⁰²

In 1977 Pronk made a bold attempt to transform the whole of Dutch development cooperation through a controversial white paper he sent to parliament. According to Hoebink, "It was only in the white paper, an appendix to the 1977 budget, that the new goals and framework for and of the Netherlands development cooperation policy came to the fore. Development aid was to be for the poor, as much directly as possible...and Dutch aid policy was now finally being explicitly formulated". ¹⁰³Hoebink was also of the opinion that the introduction of this new policy by Pronk, ushered in a new phase in Dutch development cooperation, as in the new policy, the Dutch aid programme was to be implemented based on special emphasis on the need of individual countries. ¹⁰⁴ Moreover, the white paper introduced another phenomenon into Dutch development cooperation circles, that is, the use of human rights as a criterion in the selection of countries to receive Dutch development cooperation, (See table 1. below). As the earlier

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¹⁰⁰ G.A. Posthumus, *An ideal form of aid: Bilateral financial assistance, the India Consortium and the IGGI,* in Nekkers and Malcontent (eds.) 147.

¹⁰¹Ibidem.

¹⁰²Baneke and Jepma, *Dutch interests and development interests: The private sector and development cooperation since the 1970s,* in Nekkers and Malcontent (eds.) 254.

¹⁰³Hoebink, Administration and Policy development of the Foreign Aid programme of the Netherlands, 4.

¹⁰⁴Idem, 15.

criteria used by the Netherlands was based on that of the World Bank and the International Monetary Fund (IMF).

According to the new criteria, countries were to be selected based on their "degree of poverty, the need for additional aid and the presence of social and political structures which would ensure that aid would benefit the population at large. This part of the policy came to be known as the third criterion, "and within this third criterion, particular attention was paid to the policies on human rights". According to Voorhoeve, the proposal as introduced by Pronk was focused on promoting "a more equitable socioeconomic order, to promote a fairer distribution of wealth and income, emancipation of groups suffering from discrimination, and improvement of collective measures for health, nutrition, education, housing and employment". ¹⁰⁶

However, this proposal was not supported by left wing politicians, and Hoebink is of the opinion that the opposition mounted against the proposal was due to Cold War politics. As the human rights criterion would definitely have led to the exclusion of countries like Indonesia and Pakistan, which were vital to Western interest in stopping the spread of communism.¹⁰⁷

Furthermore, during Pronk's tenure, "he tried to convert the Inter-Governmental Group on Indonesia (IGGI) into a normal consortium under the leadership of the World Bank", 108 in order to pursue a full-fledged bilateral relationship between the Netherlands and Indonesia devoid of consultations and contributions by other countries. However, his efforts were thwarted when the Cabinet rejected his proposals. 109

The IGGI "continued to meet and met 34 times under the aegis of successive Dutch Ministers of Development Cooperation" until political disagreements occurred between both countries in 1992. Ironically, this happened during the second tenure of Jan Pronk as Minister of Development Cooperation, and the disagreement was as a result of the human rights issue which Pronk placed as a criterion for the selection of

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¹⁰⁵Posthumus, *An ideal form of aid: Bilateral financial assistance, the India Consortium and the IGGI,* in Nekkers and Malcontent (eds.) 152.

¹⁰⁶Voorhoeve, *Peace, profits and principles, 268.*

¹⁰⁷ P. Hoebink, (ed.), *The Netherlands Year Book on International Cooperation* (Nijmegen, 2007), 10.

¹⁰⁸Posthumus, *An ideal form of aid: Bilateral financial assistance, the India Consortium and the IGGI,* in Nekkers and Malcontent (eds.) 151.

¹⁰⁹ Idem, 150-151.

¹¹⁰Ibidem.

countries to receive Dutch development cooperation. This human rights issue made Indonesia to reject further financial assistance from the Netherlands. 111 Moreover, in the selection of countries to receive Dutch development assistance with the laid down criterion, Dutch former colonies of Suriname and the Netherlands Antilles were not affected. According to Voorhoeve, "these former Dutch colonies occupied a privileged place in the allocation of Dutch aid, and the Netherlands felt a particular responsibility towards both small countries which, in the past were Dutch colonies". 112 Furthermore, in pursuance this bilateral development relationship, the Netherlands and Suriname signed a Treaty on development cooperation on November 25th, 1975, the day it became independent. "This treaty cancelled the over \$192 million debt from past loans which Suriname owed the Netherlands, and according to the agreement it was to give Dfl 2.7 billion in development aid to Suriname over the following ten to fifteen years, in addition to Dfl 350 million in committed but undisbursed aid". 113 During the tenure of Jan de Koning of the Christian Democratic Alliance (CDA) as Minister of Development Cooperation from 1977 to 1981, development policies were influenced by the Washington consensus, which emphasized on the adoption of market oriented policies as a solution to solve underdevelopment in developing countries. Dutch policy during this period, according to Hoebink, "was intended to stimulate political and economic self-reliance, in accordance with the budget proposal of 1979". 114 It was widely believed during this period that the development of developing countries can easily be achieved with the implementation of market oriented policies and through trade and investments in developing countries, particularly through private sector investment and trade.

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¹¹¹Ibidem.

¹¹²Voorhoeve, *Peace, profits and principles,* 270.

¹¹³ Ihidem

¹¹⁴Hoebink, Administration and Policy development of the Foreign Aid Programme of the Netherlands, 4.

Table1. Recipients of Dutch bilateral aid. 115

Recipients:			Some Features, 1975:		Dutch Aid, 1977:	
Second half of 1960's	Mid 1970's	GNP/capita in US \$	Category**	Total aid/capital in US \$***	Dutch bilateral aid in Dfl. Million	Dutch aid per capita in US \$****
ASIA						
Indonesia	Indonesia	170	_	6.2135		.42
India Pakistan Bangladesh	India Pakistan	140 130	MSA MSA	3.4 29.8	190 61	.13 .36
Sri Lanka	(since 1975)	100	MSA/LLDC	11.1	81	.42
SITLATIKA	(since 1975)	130	MSA	10.1	40	1.20
AFRICA AND THE MIDDLE I	EAST					
Kenya Tunisia Uganda(1969-1974)	Kenya+ Tunisia+	200 650	MSA -	20.1 54.8	50 15	1.52 1.10
Tanzania	Tanzania	160	MSA/LLDC	25.7	89	2.47
Nigeria Sudan	Sudan	230	MSA/LLDC	25.5	40	1.05
Turkey(1963-1976)	Zambia+ (since 1975)	520	_	25.5	12	1.00
	Upper Volta (since 1975)	90	MSA/LLDC	19.2	35	2.42
	Egypt+ (since 1975) Yemen Arab Republic	280	MSA	61.7	28	.31
	(since 1975)	180	MSA/LLDC	36.1	33	2.07
SOUTH AND CENTRAL AME	ERICA					
Colombia	Colombia+ Chile 1971-1974	500	_	4.0	22	.38
Peru	Peru	740	_	7.4	35	.93
(Netherlands Antilles)* Antillses)*	(Netherlands 1590 (1974)		_	207.8 (1976)	155	265.82
(Suriname)*	Suriname (since 1976)	1180 (1974)	_	269.3 (1976)	225	237.30
Jamaica+ (since 1975) 1190		_	12.4	17	3.47	
	Cuba+ (since 1975)	710	-	3.5	15	.67

Main concentrations are in italics.

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^{*} Formally not a concentration country at the time, but major recipients of Dutch aid as autonomous parts of the Kingdom. When Surinam became politically independent in 1975, it became a concentration country.

^{**} MSA = most seriously affected by the economic crisis of 1974-1975; LLDC = least developed nation. Both categories are determined by the U.N.

^{***} Official Development Assistance.

^{****} Exchange rate Dfl. 2.45 = \$ 1.00.

⁺ Special: Budget Memoranda, Netherlands Ministry of Foreign Affairs; Organization for Economic Co-operation and Development, Development Assistance Committee; World Bank Atlas, 1976.

¹¹⁵Voorhoeve, 264-265

In furtherance of Dutch development cooperation policy based on public and private sector partnership, in 1978, Jan de Koning, launched a combined VNO (Federation of Netherlands Industry) and NCW (Netherlands Federation of Christian Employers) programme, known as the Netherlands Management Cooperation Programme. ¹¹⁶In this programme, Dutch senior managers were posted to firms in developing countries for a short time, and they gave up their salaries throughout the duration of their postings. In addition, in 1979, he launched the Dutch Mixed Credit Programme, which became later known as the Development-Related Export Transaction Programme with the Ministry of Economic Affairs, to finance Dutch export to developing countries. ¹¹⁷In that same year the policy document he presented to parliament reflected the importance of human rights in Dutch bilateral diplomacy, as it was based on the need to eradicate poverty and promote human rights in developing nations.

3.4.2.1980 - 1990

In a policy document in 1980 titled, 'Development cooperation from global economic perspective'. The minister reiterated the vital role of the private sector in contributing to the development or economic growth of developing countries. According to him "The private sector is the key player in virtually all aspects of the international relations with developing countries discussed in this document. The government's job should be limited to creating a framework within which firms can operate, for example by defining trade policy and taking action to stimulate trade and provide export credit guarantees. The only direct action taken autonomously by the government in relation to dealings with developing countries should be the provision of aid".¹¹⁸

A critical look at the Dutch development policies during this period gives one the impression that Dutch bilateral development cooperation was based on the economic benefits the country stood to gain from trade and investment with developing countries. This point was further buttressed by Hoebink, when he stated that, "relative to Pronk's

¹¹⁶Baneke and Jepma, *Dutch interests and development interests: The private sector and development cooperation since the 1970s*, in Nekkers and Malcontent (eds.) 255.

¹¹⁷ Idem, 256

¹¹⁸Ibidem.

policy, this widening of the policy goals could be termed more in accordance with implemented policy and they also represented a decline in idealism". 119

After the tenure of Koning his predecessor Kees van Dijk (1981-1982) of the Christian Democratic Alliance (CDA), tried to consolidate on the policies of Koning and appointed a Private Sector Coordinator at the Ministry of Development Cooperation. In 1982, Prime Minister Ruud Lubbers, presented a policy document to parliament where he "announced a review of bilateral development policy", 120 and according to the document, "Dutch development cooperation should have to respond to the possibilities and capacities contained in the Dutch economy and society". 121

Furthermore, in May 1984 development cooperation minister Eegje Schoo, presented a policy document to parliament. The policy document "set out the government's plans for overhauling policy on bilateral aid. The aim of the policy review was based on the principle that Dutch development cooperation policy should take account of the potential and capabilities offered by the Dutch economy and Dutch society in both the short and the long term, and that private initiative should be encouraged to operate as a third channel alongside bilateral and multilateral cooperation". ¹²²

In addition, in August of that same year another policy document was published. According to the document "the previous broad analysis of the economic impact of Dutch aid and trading relations with developing countries shows that they should be regarded not so much as a threat to employment in the Netherlands, but rather as helping in the creation of jobs. Employment can benefit substantially from exports to developing countries. Studies show that, whilst development aid has only a relatively limited direct impact on employment, the effect can be greater if more funds are spent in the Netherlands itself. By harmonizing supply and demand (rather than by tying aid), development policy could help reduce the level of unemployment". 123

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¹²³Idem, 259.

¹¹⁹Hoebink, Administration and Policy development of the Foreign Aid programme of the Netherlands, 5

¹²⁰Baneke and Jepma, *Dutch interests and development interests: The private sector and development cooperation since the 1970s*, in Nekkers and Malcontent (eds.) 257.

¹²¹Hoebink, Administration and Policy development of the Foreign Aid programme of the Netherlands, 5

¹²²Baneke and Jepma, *Dutch interests and development interests: The private sector and development cooperation since the 1970s*, in Nekkers and Malcontent (eds.) 258.

Another remarkable feature of this document was that it "proposed the combining of a large number of bilateral activities into two sectoral programmes, one for rural development and another for industrial development". According to Sterkenburg and Wiel, "The focus of this document on poverty alleviation and economic self-reliance was known as the two-track policy". 125

Between 1986 and 1989, 24% of bilateral aid was spent on industrial development in a broad sense, i.e. including infrastructural projects, and the amount involved rose from NLG 394 million in 1986 (18.8% of bilateral aid), to NLG 658 million in 1989(28.3%). An average of 51% was spent on physical infrastructure, 40% on industrial activities in the narrow sense of the word and the remaining 9% on other activities, including institutional facilities. During this period, the average amount spent each year was NLG 117.8 million, as compared with a figure of NLG 73.5 million for the four-year period from 1980 to 1983. 126

Moreover, in 1987, the development cooperation minister, Piet Bukman, took a huge step in trying to make sure the private sector played an important role in development cooperation with developing nations. To this end, several meetings were held by the officials of the Directorate General of International Cooperation (DGIS), the Developing Countries Committee (COL) and the Netherlands Development Finance Company (FMO),on how to improve private and public partnership to the benefit of developing countries. ¹²⁷ Although development policies restated commitment to rural development, politicians were very critical of these policies because of the emphasis on profit and benefit for the private sector and the Dutch economy. ¹²⁸

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¹²⁴ Ibidem

¹²⁵ J. Sterkenburg and A. van der Wiel, eds., *Integrated Area Development: Experiences with Netherlands Aid in Africa* (Ministry of Foreign Affairs-The Hague, February 1999), 30.

¹²⁶Baneke and Jepma, *Dutch interests and development interests: The private sector and development cooperation since the 1970s*, in Nekkers and Malcontent (eds.) 261.

¹²⁷Ibidem.

¹²⁸Hoebink, Administration and Policy development of the Foreign Aid programme of the Netherlands, 5.

3.5. Cultural bilateral diplomacy

In discussing the evolution of Dutch bilateral policy with developing countries, it is pertinent to mention the role of culture in this relationship. The first cultural agreement between Indonesia and the Netherlands was signed in 1968. However, culture as a tool for development cooperation did not gain a foot hold within development circles until 1981, when the National Advisory Council for Development Cooperation (NAR) issued a report on the importance of culture as a tool for promoting development cooperation with developing countries. "One of the council's recommendations was that attention should be devoted to the possible cultural aspects of all bilateral and multilateral programmes and projects". ¹²⁹

This report was followed by a policy document published in that same year by the Ministry of Welfare, Health and Cultural Affairs (WVC). In addition, the Arts Council organized a seminar to discuss the issue of culture in relation to development cooperation, where Prince Claus gave a speech. The prince was one of those who championed the cause that culture can play a vital role in "sustainable development and a potential counterforce against corruption, the abuse of power and economic exploitation".¹³⁰

In his speech during the Seminar in 1984, he stated that "attempts to push economic processes further than a culture can absorb lead at most to the emergence of an elite group, whose partly Western values are at variance with those of the bulk of the population, to the detriment of both". Awareness was thus created on the need to use culture as a tool for development, and there was now a shift from economic to cultural perspective in solving development issues. To this end, in 1986 the first cultural expert was appointed to the Directorate for International Cooperation (DGIS).

These developments led to cultural cooperation between the Netherlands and developing countries, and the Netherlands supported cultural agencies in Africa, and organized training courses for staff of cultural agencies from developing countries in the

¹²⁹Legena and Postel-Coster, Isn't it all culture? *Culture and Dutch development policy in the post-colonial period*, in Nekkers and Malcontent, (eds.) 282.

¹³⁰Idem, 283.

¹³¹Ibidem.

Netherlands.¹³²Nevertheless, although cultural cooperation between the Netherlands and developing countries has existed since the 1960s, Legene and Postel-Coster, claims that "a cultural development policy was first clearly set out in Jan Pronk's 1990 policy document, 'A world of difference'".¹³³

3.6.A new phase

With the breakdown of the Soviet Union, fall of the Berlin wall and end of the Cold War in 1989, Dutch bilateral relationship with developing countries took a new dimension, as it led to a major change in Dutch development policy. According to Hilhorst and Sideri, "the re-discovery of political democracy for economic democracy, the new insights into the relationship between poverty and economic growth, the growing conviction that the international trade policies of rich countries cannot be separated from development cooperation policies, these are among the main factors that have brought new changes in Dutch bilateral aid policy". ¹³⁴

This new phase began during the second tenure of Pronk as Minister of Development Cooperation from 1989 to 1994, and he continued with his earlier programme and project aid. He placed emphasis on bilateral approach to development cooperation with developing countries, like he did during his first tenure as minister. In addition, with the change in World power equation, which favored Western countries, he was able to reintroduce idealism and principles into Dutch development cooperation. According to WilHout, the development policy during this period could be "termed a post-cold war agenda".¹³⁵

To Pronk, the end of the cold war was an avenue to use development cooperation to advance western ideals, as the major stumbling block to this agenda; the Soviet Union, was out of the way. In the international front, there was no more opposition to the spread of Western democratic principles, such as freedom, human rights and self-determination

¹³²Ibidem.

¹³³ Ibidem.

¹³⁴ J. Hilhorst and S. Sideri, *Dutch Bilateral Aid Policies in the Period 1977-1993*, A working paper series No. 189, (ISS, The Hague March 1995), 10.

W. Hout, Good governance and aid, In: Catalysing Development?: A debate on aid (Blackwell 2001), 145.

among developing countries. This factor also quelled opposition among politicians in the local scene who hitherto rejected human rights policies for developing countries, based on the premise that dictatorship regimes may align towards communism when pressured to adopt democratic principles. This was the case during the 1970s, when Pronk's proposal was rejected by the cabinet.

Due to his conviction that Dutch Foreign policy and development cooperation cannot be separated, he therefore used development cooperation as an avenue to promote good governance and human rights, which he presumed will lead to development and eradication of poverty in developing countries. To this end in 1990, a white paper on development Cooperation was forwarded to the Dutch parliament, titled 'A world of difference' ('Eenwereld van verschil'). According to Legene and Postel-Coster, this policy document was "influenced by the euphoria following the fall of the Berlin wall". In addition, humanitarian catastrophe such as the Chernobyl nuclear disaster, natural disasters and civil wars, like the Liberia civil war, were some of the factors that necessitated the release of this new document which became the new policy framework for development cooperation in the 1990s.

The introduction of this policy document according to Hoebink, was a turning point in the history of Dutch development cooperation, as emphasis was focused on issues which in the past were not fundamental to development cooperation policy. Such as human rights, population explosion, natural resources, environmental degradation and effects of world market on policies of developing economies. In addition, it was concluded that sustainable poverty alleviation should be the central goal of Dutch development policy, and three items were thought to be of central importance for poverty alleviation. The first of these was the investment in people and their productive potential; the second was provision of basic needs; and the third was broadening poor people's participation in political decision-making. These elements constituted sustainable

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¹³⁶Posthumus, *An ideal form of aid: Bilateral financial assistance, the India Consortium and the IGGI*, in Nekkers and Malcontent (eds.) 152.

¹³⁷ J. Pronk, A world of Difference (The Hague, March 1991), 3.

¹³⁸Legene and Postel-Coster, *Isn't it all culture? Culture and development policy in the post-colonial period*, in Nekkers and Malcontent (eds.) 285.

¹³⁹ E. Postel-Coster, *From participation to mainstreaming: Dutch policy on women and development,* in Nekkers and Malcontent (eds.) 315.

¹⁴⁰Hoebink, Administration and Policy development of the Foreign Aid Programme of the Netherlands, 5-6.

development: growth of production, equitable distribution and the maintenance of the environmental utilization space" ¹⁴¹

Furthermore, in this new era of development cooperation emphasis shifted from earlier policies of employing Western ideas to solve development problems in developing countries, to the "utilization of local knowledge and expertise." Emphasis was now on policy ownership by the indigenous people as their ideas were thought to be better in solving their own problems, which would enable sustainability of development initiatives. To this end culture was encouraged as a viable tool for promoting development, and cultural programmes were initiated in 1992 with a provisional budget of NLG 1.8 million. "The programme's aim was to enhance the cultural identity and self-aware-ness of communities in developing countries and to promote understanding between different cultures, for instance through individuals or groups playing a role in cultural processes, assistance with the preservation of cultural property, and promotion of cooperation in cultural matters". 143

Additionally, "activities carried out included cooperation with museums, theatres and publishers, and exchange programmes for writers and other artists. In addition, a communications programme was devised to encourage the participation of people in developing countries. Grounded in the tradition of Dutch support for the media in the developing world, the programme was designed not only for newspapers and radio broadcasting but also for activities in the field of information and communication technology (ICT), which –given its applications in distance learning, agricultural extension and support for local emancipation processes-was an increasingly important factor in 'empowerment'". 1444

Moreover, during this period emphasis was also placed on the role of women in development cooperation, and the issue of gender, women empowerment, literacy and hiv/aids gained prominence in development discourse and programmes. Although the Netherlands has been active in UN initiatives on fighting for the rights of women and women empowerment, the 'world of difference' policy framework amplified their role in

¹⁴¹Ibidem.

¹⁴²Legene and Postel-Coster, *Isn't it all culture? Culture and development policy in the post-colonial period,* in Nekkers and Malcontent (eds.) 284.

¹⁴³Ibidem.

¹⁴⁴Ibidem.

development cooperation. In the document "the section on women and development was titled: 'from "integration" to autonomy'. The concept of autonomy was back. It was defined as control of one's own life and body and embraced four main elements: physical autonomy (full control over one's own sexuality and fertility), economic autonomy (equal access to and control over the means of production), political autonomy (control, self-determination and the formulation of pressure groups pursuing their own freely chosen direction), socio cultural autonomy (right to an independent identity and self-respect)". 145

3.7. International Cooperation

Due to "changing international context" ¹⁴⁶ and in order to meet the humanitarian needs caused by wars, for instance the civil wars in Liberia, Sierra Leone, Sudan and Somalia. There was urgent need for a new Dutch development policy to address these precarious situations. According to Hoebink, "one now had to think about establishing collective security prior to poverty alleviation and development". ¹⁴⁷ A new policy framework was thus needed for Dutch development cooperation in order to address the widespread humanitarian needs during this period. To this end, Pronk introduced a new policy document in September 1993 titled, 'A world in dispute', which was followed in November of that same year by another document titled, 'Humanitarian aid between conflict and development'. ¹⁴⁸

This latter document addressed the complex nature of handling humanitarian needs in war torn countries which now required the provision of security in addition to food and medical aid. Peace and security became a prerequisite for giving food and medical aid in war torn countries, as it was important for the aid workers and aid receivers to get protection in order for the humanitarian effort to become effective. In some cases, in

¹⁴⁵ E. Postel-Coster, *From participation to mainstreaming: Dutch policy on women and development,* in Nekkers and Malcontent (eds.), 315.

¹⁴⁶Dutch Humanitarian Assistance: An Evaluation, No. 303, (IOB-Den Haag, July 2006), 54.

¹⁴⁷ P. Hoebink, Administration and Policy Development of the Foreign Aid programme of the Netherlands, 6.

¹⁴⁸ E. Postel-Coster, *From participation to mainstreaming: Dutch policy on women and development,* in Nekkers and Malcontent (eds.) 315.

order to ensure the security of the people in conflict regions, refugees were airlifted to the Netherlands, for rehabilitation pending when the situation in their home country would normalize.

To this end, coordination was required among various Dutch ministries such as the Ministry of Defense, Interior, Foreign Affairs, and Development Cooperation, including Agriculture, nature management and fisheries.¹⁴⁹

At the end of Jan Pronk's tenure in 1998, Eveline Herfkens became the Minister of Development Cooperation, and during her tenure Dutch policy was influenced by the growing trend of globalization. Earlier development and modernizations issues such as poverty alleviation, good governance and human rights, as well as peace and security, environmental and gender issues continued to dominate Dutch development strategy. However, these issues were now of an in international dimension, due to the complexity of solving them and also due to globalization, that had turned the world into a global village where problems in one region can easily affect another region.

Therefore, finding solutions to the problems in developing countries required joint international efforts. For example, the growing debate on aid effectiveness in developing countries played a role in influencing Dutch development policies during this period. This was evident from Herfkens 1998 policy document that emphasized in the use of certain criteria in the selection of countries to receive Dutch development assistance. As it was widely believed that the reduction in the number of countries receiving development assistance from the Netherlands would lead to aid effectiveness. These criteria were, "the developing countries socio-economic and macroeconomic

policies, quality of governance, human rights protection and the level of democratization of society. In addition, the quality of the existing development assistance programme in the country, and the efforts of the potential recipient to strengthen regional order were mentioned. Furthermore, the relative importance of Dutch aid in the light of the presence of other bilateral and multilateral donors, with the countries socio-economic and cultural relations with the Netherlands, and attracting investment from the Dutch

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¹⁴⁹ Dutch Humanitarian Assistance: An Evaluation, No. 303, 55.

private sector in growth industries became a criterion". 150 To this end a list of 22 countries were selected to receive Dutch bilateral assistance. 151

Furthermore, in the year 2000, the United Nations introduced the Millennium Development Goals (MDGs), 152 which member states were supposed to implement as part of their development strategy for developing countries. As a member of the United Nations the Netherlands agreed to the implementation of the Millennium Development Goals, and since this then, they have become a reference point for Dutch development policy till date.

Furthermore, in order for policy coherence with international institutions such as the United Nations, the European Union and the Bretton Wood institutions, and also among Dutch ministries of Foreign Affairs, Agriculture, Development Cooperation and Economic Affairs, in order for aid effectiveness in developing countries, a 'Policy Coherence for Development (PCD) unit was created in 2002, within the Directorate-General for International Cooperation (DGIS). 153

Moreover, the Millennium Development Goals of policy of the United Nations influenced the Dutch development cooperation policy paper of 2003, titled 'Mutual Interests, Mutual responsibilities-Dutch development cooperation en route to 2015'. According to a Peer Review of the Organization for Economic Co-operation and Development (OECD), "this policy framework reaffirms sustainable poverty reduction as the main objective of Dutch development cooperation and the Millennium Development Goals (MDGs) as the basic reference point. In addition, a key principle of the new policy was that Dutch development cooperation was then concentrated on 36 partner countries and in two to three sectors, at most, within each country.

The policy strategy also introduced a number of new spending targets associated with the thematic priorities and emphasized the importance of improving the quality of aid and ensuring a result driven approach. It also called for increased partnerships with civil society and the private sector, and the need for an integrated and coherent policy

¹⁵⁰ J. Pronk, (ed.), Catalysing Development, 146.

¹⁵¹ W. Hout and R. Robinson, eds., *Governance and the Depoliticisation of Development,* (London, 2009) 13. ¹⁵²http://www.minbuza.nl/en/Key Topics/Development_Cooperation/Dutch_development_policy

¹⁵³ J. Klugkist, and O.Th., Genee (eds.) The Dutch Experience: Working on Policy Coherence for Development (Ministry of Foreign Affairs, 2006) 4.

framework for development, combining diplomacy, political dialogue, security, trade, market access and development cooperation". 154

Additionally, the Monterrey Consensus in the year 2002, with emphasis on International trade and investment in developing countries and the Paris declaration of 2005, also reinforced the aims of this policy document, as aid effectiveness was stated as a major agenda in International cooperation. Moreover, the policy document of 2007 titled 'Our Common Concern: Investing in a changing World' also reflected the International influence on Dutch policy, as it emphasized on the need for a more effective development assistance with developing countries in accordance with the Paris declaration.

Furthermore, Dutch development policies until 2009 were influenced by these International declarations, particularly the Millennium Development Goals (MDGs) which is focused on poverty eradication by 2015. This point was emphasized in an explanatory memorandum to the 2008 budget which was sent to the Dutch parliament. According to the letter, the goal during this period will be on "achieving the MDGs and will focus more attention on social and economic development for the poorest section of the world's population". ¹⁵⁵

3.8. Conclusion

In the final analysis it is evident that Dutch Foreign Policy on development cooperation was influenced by both domestic and international factors. These domestic factors were motivated by economic, humanitarian and ideological leanings, which led to a major shift from bilateral to multilateral development approach in Dutch development strategy since 1960.

¹⁵⁴ Organization for Economic Co-operation and Development, The Netherlands (2006) DAC Peer Review: Main Findings, http://www.oecd.org/document/28/0,3746,en_2649_34603_37425308_1_1_1_1,00.html

¹⁵⁵Our Common Concern: Policy note 2007-2011 (Ministry of Foreign Affairs, Den Haag, 2007), 10

Additionally, it is pertinent to mention that local domestic politics played a huge role in shaping Dutch development strategy, as policies were influenced based on the political parties in the helm of affairs.

Furthermore, during the early years of this study, the economic reasons for development cooperation overshadowed the humanitarian and ideological motivations. Thus, from the early 1960's to early 1980sDutch development strategy could be classified under the rubric of profits. Nevertheless, with the beginning of a new era at the end of the cold war, there was a change and Dutch development cooperation leaned more towards spreading peace and principles which was influenced to a large extent by the by the international context of development cooperation.

Although the international context of development cooperation influenced Dutch development strategy during the early years of this study, as evident from the use of the World Bank criteria in the selection of countries to receive Dutch aid, and also in her participation in World Bank organized consortium. From the 1980s, this influence became more pronounced with the introduction of market oriented policies by the World Bank and the International Monetary Fund (IMF). These market oriented policies has been a reference point for Dutch development strategy for developing countries till date. Additionally, international events such as the collapse of the Soviet Union in 1989, which led to the beginning of a new world order, coupled with armed conflicts in parts of Africa, also influenced Dutch development policy. These events led to the adoption of new development strategy, linking relief, rehabilitation and development (LRRD). Furthermore, the International context of development cooperation since the year 2000 such as, the aid effectiveness debate and the introduction of the Millennium Development Goals also played a huge role in shaping Dutch development strategy during this later period.

On the whole, although the different changes in Dutch development strategy since the 1960s were influenced by domestic and international factors, the major drive that led to these shifts still remains the desire to introduce favorable development strategy in order to eradicate poverty in developing countries.

¹⁵⁶ Dutch humanitarian assistance: An evaluation, IOB, No. 303, July 2006, 25.

Chapter Four: Dutch Development Cooperation with Tanzania, 1960 - 2009.

4.1. Introduction

In the previous chapter I discussed how Dutch foreign policies on development cooperation were formulated and how and why there was a shift from multilateral to bilateral policies. In this chapter, I will discuss how these policies influenced Dutch bilateral relationship with Tanzania since the 1960s. In addition, I will also analyze the role of Stichting Nederlandse Vrijwilligers in Dutch bilateral relationship with Tanzania and how Dutch policies influenced their activities in the country.

4.2. Background

Tanganyika which later became Tanzania after merging with Zanzibar in 1964, gained her independence from Britain on the 9th of December 1961. The country is bordered in the East by the Indian Ocean and in the West by Zambia, Congo, Rwanda, and Burundi. While in the North by Uganda and Kenya, and in the South by Malawi and Mozambique. According to a report of the Organization for Economic Cooperation and Development (OECD), the country is one of the poorest countries in the World. However, it serves as a stabilizing influence in the Eastern and Southern African region, due to its role as a safe haven for migrants fleeing from conflicts in the surrounding countries.

This was a result of the peace and tranquility within the country which can be attributed to her enabling democracy and political stability, combined with her efforts in improving the wellbeing of her citizens.¹⁵⁸ Moreover, the mainstay of the economy is agriculture

¹⁵⁷I.N. Kimambo and A.J. Temu, eds., *A History of Tanzania* (East African Publishing House, Kenya 1969), 239. ¹⁵⁸OECD. 2006.

which accounts for 50% of GDP and provides 85% of exports for the country, while industry accounts for 15%, with services accounting for the remaining 35%. Furthermore, the government has continued to strive over the years to improve the economy through investments in other sectors such as mining and tourism. This has led to less attention and investment in other areas, such as infrastructural development and provision of social amenities in rural areas that could alleviate the sufferings of the poorest people and wipe out inequality. These areas with low infrastructural development and less social amenities have been the focus of Dutch development cooperation with Tanzania over the years, in-line with Dutch cardinal development policy on poverty eradication in developing countries.

4.3. Development Cooperation 1960-1970

Dutch bilateral relationship with Tanzania was precipitated by Dutch missionaries who settled in Tangayika in the 1920s, followed by Dutch merchants in the 1950s. 160 According to an Operations Review Unit report, development cooperation between both countries started in the 1960s, when the Dutch consul in Tanzania who also doubled as the Director of the Netherlands-British trading company, made a request to the Dutch government for financial assistance to develop a sugar industry. 161 Thereby, setting the pace for commerce oriented development cooperation between both countries. In addition, the beginning of Dutch development cooperation with Tanzania can be linked to the demands by different interest groups in the Netherlands, for an expansion of development aid that eventually led to the adoption of a bilateral development approach in the early 1960s. As evident in the policy document published in 1962, where priority focus was to be on technical assistance, the co-financing of activities

¹⁵⁹ Ibidem.

¹⁶⁰ IOV Evaluation report 1994, 74-75.

¹⁶¹Ibidem.

conducted by Dutch companies and institutions; participation in consortia supervised by the World Bank, and lastly, long term financing loans.¹⁶²

Moreover, during this period, it was widely believed that underdevelopment can be solved by capital investment and economic growth, as postulated by the different economic theories. In line with this development orientation, the policy document of 1962 gave support to the Dutch private sector businesses in Tanzania, with the intention of promoting development in the country. Thus, it is pertinent to state here that Dutch development cooperation with Tanzania began as a result of the agitations by the private sector for bilateral development cooperation in order to promote their interests in the country.

As a result of this new policy, Dutch companies in Tanzania were able to claim "concessional loans from The International Finance Company, an affiliate of the World Bank, and the Commonwealth Development Cooperation". 163

Additionally, during this period it was widely believed that financial and technical assistance alone could not solve under-development, and that a boost in trade relationship between developed and developing countries was the solution. According to Jan Pronk, during this period, developing countries comprising of the 'group of 77' advocated for 'more trade instead of aid, and this view was supported by the Netherlands, this which eventually led to the formation of the United Nations Conference on Trade and Development (UNCTAD) and the establishment of a New International Economic Order (NIEO). 166

Therefore, commerce was widely seen as a way to promote development in developing countries, which further gave impetus to the desire by the Netherlands to encourage private sector participation in development cooperation with developing countries. This led to the provision of loans and other incentives to Dutch companies in order to boost Dutch owned businesses in developing countries.

¹⁶⁴G. Ringnalda, Expectattions and disappointments: The Netherlands' role in UN development policy 1960-1980, in Nekkers and Malcontent (eds.) 197.

165 Interview with Jan Pronk April 20th, 2011.

¹⁶²D. A. Hellema, *Shameful situations*, in Nekkers and Malcontent (eds.) 123.

¹⁶³IOV 1994, 75.

¹⁶⁶G. Ringnalda, Expectattions and disappointments: The Netherlands' role in UN development policy 1960-1980, in Nekkers and Malcontent (eds.) 198.

To this end in 1965, the Dutch government granted the sum of NLG 1 million for a "reconnaissance study of the Kilombero valley in Tanzania, in order to assess its agricultural potentials." This led to the establishment of the Kilombero sugar estate by Dutch companies. 168

This commercial connotation of development cooperation during the sixties was confirmed by an Operations Review Unit report. According to the report, "development aid during this early period consisted primarily of technical assistance and was closely connected to commercial interests." In addition to the above mentioned areas, the Dutch government also provided financial support for the establishment of a fishery research institute in Mwanza and a fishery training institute at Kunduchi. To Two prominent Dutch policies shaped Dutch bilateral relationship with Tanzania; these are, 'tied aid' and 'concentration policy'. The concentration policy led to the selection of Tanzania as one of the seventeen countries to receive Dutch aid, the fact that the country met the laid down criteria in Dutch policy for the selection of countries. Apart from meeting these laid down requirements, some other factors also facilitated her inclusion as a recipient of Dutch aid.

According to an Operations Review Unit report, these factors were; 173

- 1. Tanzania's development strategy, with emphasis on self-reliance, growth and equity, in-line with Dutch development priorities.
- 2. Tanzania's need for development and humanitarian assistance, being a poor country.
- 3. Influence of pressure groups with strong ties to Tanzania, such as church related non-governmental organizations and the private sector.
- 4. The Netherlands foreign policy considerations and Economic interest

¹⁶⁷IOV 1994, 75.

¹⁶⁸ Ibidem .

¹⁶⁹ Ibidem.

¹⁷⁰lbidem.

¹⁷¹Voorhoeve, *Peace, profits and principles,* 256.

¹⁷²IOV 1994, 75.

¹⁷³ Idem, 75-76.

- 5. Tanzania's stance in the G-77, which placed pressure for increased development funding for developing countries also contributed to the Netherlands to continue her development programmes in the country.
- 6. The inclusion of the private sector-Dutch industries in development cooperation made it expedient for the Netherlands to continue this bilateral aid relationship. As Dutch industries were playing a very vital role in the physical infrastructural development of a modern capital intensive industrial sector.

4.4.1970-1980

In the 1970s, the changes that occurred in Dutch development cooperation with Tanzania were as a result of the international context of development cooperation, which consequently influenced Dutch development policies. One of the reasons development cooperation between both countries changed during this period was due to implementation of pro-poor policies. According to a Policy and Operations Evaluation Department report, "emphasis shifted to the need for direct alleviation of poverty, and it arose as an explicit development aim in response to the modernization theory, in which economic growth through industrialization was emphasized".¹⁷⁴

In addition, there was an expansion in development assistance and a shift from technical assistance to a more programme and project aid in Dutch development cooperation, thich consequently influenced Dutch-Tanzania bilateral relationship. The reasons for the expansion of the Netherlands development assistance to Tanzania was a result of the factors which I earlier mentioned, that led to her selection as a recipient of Dutch aid.

More so "the ideological affinity of the Dutch government with Tanzania's development experiment of 'African Socialism', a strategy which gave priority to rural development and the provision of basic needs, corresponds closely with Dutch aid objectives of poverty alleviation". Including, the effects of the oil crisis on the country's economy, and

¹⁷⁵G.A. Posthumus, *An 'ideal form of aid': Bilateral financial assistance, the India Consortium and the IGGI*, inNekkers and Malcontent (eds.) 152.

¹⁷⁴ Poverty, Policies and Perceptions in Tanzania (IOB-Den Haag, Feb. 2004) 12-18.

her democratic ideals, all contributed to Tanzania becoming one of the largest recipients of Dutch aid. 176

Of all the above mentioned reasons, in my opinion, the most important reason for the expansion of Dutch development cooperation with Tanzania during this period was due to the fact that the country was practicing democracy, which enabled her to retain her status as one of the countries to receive Dutch development assistance. In accordance with Jan Pronk's new policy on human rights as a criterion for selecting countries to receive Dutch aid. 177 To further analyze the dynamics of the bilateral relationship between both countries during this period, I will discuss the role of the private sector.

4.4.1. Role of the Dutch private sector

From the analysis given so far, the Dutch private sector were instrumental to the beginning of Dutch development cooperation with Tanzania, and their role was further consolidated in the early 1970s with the formation of the Netherlands Finance Development Company (FMO). To provide capital or funding to Dutch companies operating in developing countries. However, with the appointment of Jan Pronk as the Minister for Development Cooperation in 1973, he implemented changes in Dutch development strategy, which led to a shift from technical assistance to project and programme aid with emphasis on poverty alleviation.

With these changes, the influence of the private sector in development cooperation was affected, as according to Hoebink, "a significant part of the Netherlands sectoral spending went to basic human needs, the so called social sectors. ¹⁷⁸Development funds were now concentrated on providing basic amenities for the poorest people and to promote anti-poor projects which would provide employment for the people and alleviate poverty.

¹⁷⁶IOV 1994, 76.

177</sup>G.A. Posthumus, *An 'ideal form of aid': Bilateral financial assistance, the India Consortium and the IGGI*, inNekkers and

³ P. Hoebink, Administration and Policy Development of the Foreign Aid Programme of the Netherlands, 3.

According to an Operations Review Unit report, "the Netherlands aid to Tanzania during this period was heavily oriented towards capital investment projects, aimed at increasing production and service capacities. In addition, Dutch bilateral aid to Tanzania in this decade were sugar production and processing (Kilombero, Mtibwa and Kagera), air transport (aircraft, hangar at Kilimajaro), industrial development (Tanga cement, Mbeya farm implements, steel billets plant Aluminium Africa), fisheries (Mwanza), livestock development (dairy farms), agricultural infrastructure (cold storage chain) and rural water supply (Morogoro and Shinyanga)". 179

Furthermore, Pronk's views on development cooperation had significant impact on the role of the private sector, as it differs from those of his predecessors who supported and allocated a vital role to them in development cooperation with developing countries. According to him, "the private sector should focus on their businesses and leave development issues to the government and other relevant agencies, as development cooperation is not in their field. Since the government does not prod into their businesses, they in turn should also not prod into development cooperation". 180 His views influenced development policy during this period, which led to a split between Dutch economic interests and development cooperation interest, as he partially untied Dutch financial aid and introduced a restructuring programme. Dutch companies were thus encouraged to relocate from the Netherlands to developing countries, in order to create employment opportunities for the population in those countries. According to Janeke and Jepma, this new policy was in-line with the 'theory of optimum international distribution of labour. 181 Although Pronk's position seemed antagonizing towards the private sector, however his idea for them according to Janeke and Jepma, was a "twofold task'. They should play the role of carrying out projects set up by the government and other international organizations, and secondly, as a partner in the industrialization of developing countries". 182

¹⁷⁹IOV 1994, 76.

¹⁸⁰ Interview with Jan Pronk April 20th, 2011.
181 F. A. J. Baneke and C. J. Jepma, *Dutch interests and development interests: The private sector and development cooperation* since the 1970s, in Nekkers and Malcontent (eds.) 254.

4.5. 1980-1990

The 1980s has been described as the transition and restructuring phase in the Netherlands development Cooperation with Tanzania, as a result of the changes in Dutch policies and the implementation of the structural adjustment programme introduced by the International Monetary Fund and the World Bank. According to a Policy and Operations Evaluation Department report, "priority in development aid shifted to macro-economic problems (balancing the government budgets, improving the balance of payments and reducing the role of the state in favor of market forces. In addition, two objectives of economic reform and poverty alleviation were combined into the general objective of "structural relief of poverty". 184

These new developments were brought about by the economic and oil crisis in the 1970s, 185 which had severe consequences in the North and South. As it led to widespread recession, unemployment and increased poverty in developing countries, and also made them heavily indebted. The international dimension of these events influenced the 1979 policy document, and led to a continuation of earlier Dutch policy of alignment towards a new International Economic Order to bridge the gap between the rich and poor nations.

According to Malcontent and Nekkers, "Jan de Koning continued with Pronk's antipoverty policy, and the aim of his policies was to promote social, economic and political
self- reliance at both micro and macro level. In this policy document which became
known as the 'two track' policy, the Netherlands was to promote, "a position of equality
for the developing countries in international economic relations' and 'alleviating, as
quickly and directly as possible, the lot of the many hundreds of millions of people who
are currently unable to meet even basic needs'.¹⁸⁶

Furthermore, the Washington consensus of 1980 led to the introduction of macroeconomic policies such as liberalization, fiscal discipline, privatization and

¹⁸³ IOV 1994, 77-78.

¹⁸⁴ IOB, 2004, 12-19.

¹⁸⁵ The history of the Netherlands , part 6. http://www.blikopdewereld.nl/Ontwikkeling/geschiedenis/127-de-geschiedenis-van-nederland/325-part-6-the-history-of-the-netherlands.html

deregulation.¹⁸⁷To this end the Structural Adjustment Programme (SAP) was introduced by the International Monetary Fund (IMF), with "emphasis on the elimination of barriers to the free market and restriction of the role of government".¹⁸⁸

These international developments influenced the Netherlands development cooperation with Tanzania, as the Dutch government adopted the market oriented policies proposed by the International Monetary Fund as part of her criterion for the selection of developing countries to receive Dutch development assistance. Therefore, Dutch officials pressed the Tanzanian government for urgent economic policy reforms, in accordance with the new market oriented policies of the Bretton Institutions. According to Malcontent and Nekkers, "faced with economic stagnation and rising unemployment, the rich countries took an increasingly hard line and began to insist that developing countries should quite simply adapt to the prevailing international economic system". The Tanzanians however disagreed with the Netherlands call for policy reforms which led to disagreements, and consequent "changes in the sector-wise distribution of aid, and a shift from project to programme aid". 190

Due to these changes, Dutch development cooperation was now focused on providing "balance of payments and budgetary support or commodity aid to make available assets more productive, rather than creating new assets," such as in the areas of sugar and cotton production¹⁹¹. In addition, the volume of aid was reduced by about 25% between 1980 and 1985,¹⁹² and by 1986, project aid had metamorphosed into 'District Rural Development Programmmes', which began proper in 1987.¹⁹³

Moreover, it is important to state here that the discourse on aid effectiveness contributed to the changes in Dutch development cooperation with Tanzania during this period. As there was a growing international discourse on aid effectiveness which led to calls for a change in development cooperation approach between developed and developing countries, in order to make aid more effective. This aid effectiveness debate led to calls in the Netherlands for a change in the Dutch approach, as Dutch citizens

¹⁸⁷ R. Kanbur, The Co-Evolution of the Washington Consensus and the Economic Development Discourse (August 2008), http://www.arts.cornell.edu/poverty/kanbur/Co-EvolutionWashingtonConsensus.pdf

¹⁸⁸Nekkers and Malcontent, 38.

¹⁸⁹Ibidem.

Policy and Operations Evaluation Department, Ministry of Foreign Affairs, February 2004, 47-48.

¹⁹¹IOV 1994, 77.

¹⁹²IOV 1994, 78.

¹⁹³ J. Sterkenburg and A. Van der Wiel, 59.

were of the opinion that development cooperation was not effective enough to touch the lives of the poorest people in developing countries.

According to Ferdinand Van Dam, who was a chair at Leiden University, the problem with aid was that the West have failed to realize that developing countries have different problems which need different solutions, and the only solution provided was project aid which in his view was ineffective. As the countries were capable of establishing these projects themselves, and instead of this brand of aid, development assistance should be provided in the form of balance-of-payment support. While a philosopher Hans Achterhuis was of the opinion that development cooperation should be suspended until a better appraisal is done.¹⁹⁴

Furthermore, it was not until 1986 that Tanzania went into a transition phase and finally agreed to restructure her economy in line with the structural adjustment policies of the International Monetary Fund and the World Bank, by adopting a free market economy. 195 According to an Operations Review Unit report, "support of this programme became the general objective of Netherlands aid to Tanzania", 196 and to this end, the Netherlands provided import support through the Open General License, and development cooperation was also directed towards the areas of basic human needs. 197 Moreover, by 1989, development cooperation between both countries went into another phase with the fall of the Soviet Union which consequently led to the end of the cold war. This was during the second tenure of Jan Pronk as Minister of Development Cooperation. In addition, these new events marked the beginning of a new era in Dutch development cooperation generally, which also influenced her bilateral development relationship with Tanzania.

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¹⁹⁴Nekkers and Malcontent, 48.

¹⁹⁵ P. Wobst, Structural Adjustment and Intersectoral shifts in Tanzania: A computable general equilibrium analysis, (International Food policy research institute, 2001).

¹⁹⁶IOV 1994, 78.

¹⁹⁷lbidem.

4.6.1990-2000

With the end of the cold war and the aid effectiveness debate gaining momentum, there was urgent need for new policies to meet the growing demand for development and poverty alleviation in developing countries. To this end Jan Pronk the then Dutch Minister of Development Cooperation introduced a new policy document in 1990 titled, 'A World of Difference: A new framework for development cooperation in the 1990s'. According to a Policy and Operations Evaluation Department report, "two new aspects of poverty alleviation were emphasized in Dutch development cooperation policy during this period. Firstly, the perception of poverty was based on an explicit mutual relationship between its economic, social and political dimensions. Secondly, the micro approach became manifest. This meant that, on the one hand, the importance of a sound macro-economic policy was endorsed, while on the other more attention was given to local development, the dynamics of local cultures and endogenous processes, whereby people try on their own to break out of the circle of poverty". 198 These policies were influenced by the World Bank's emphasis on the link between economic growth and poverty as contained in her policies. These were to encourage rural development and urban employment through, among other things, lower taxation of agriculture, market liberalization and public provision of infrastructure. Provide increasing access of the poor to land, credit and public infrastructure and services, and a specific approach for resource-poor regions. In addition, enact favorable policies to check out-migration in order to reduce population pressure and additional investments to meet basic needs and maintain or increase yield levels, with due attention for the preservation of natural resources. 199

This new policy led to a shift in the focus of Dutch development cooperation with Tanzania, and to this end, "10[%] of regular aid fund was set aside for some programme aid, which was provided in the form of budget aid and /or for selected imports that would benefit the social sectors (education and health)". ²⁰⁰ In addition, the implementation of the structural adjustment programme also led to a reduction on import support which the

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¹⁹⁸IOB 2004, 19.

¹⁹⁹IOB 2004, 14.

²⁰⁰IOV 1994, 78.

Netherlands was providing and the funds for this purpose are directed towards the expansion of the District Rural Development Programme.²⁰¹

4.7. 2000-2009

During this period the international context of development cooperation which influenced Dutch development strategy as I earlier mentioned in chapter three, consequently shaped the Netherlands development cooperation with Tanzania. According to a Policy and Operations Evaluation Department report, during this period Dutch development focus in Tanzania shifted from agriculture to education, local governance, health and the private sector, because of the "adoption of the sector approach" in Dutch development cooperation, and its continuous emphasis on poverty alleviation upon which the selection of the above mentioned specific areas were based. ²⁰²

Additionally, in accordance with new policy during this period, in which "emphasis was placed on the need for an integrated and coherent policy framework for development, combining diplomacy, political dialogue, security, trade, market access and development co-operation". ²⁰³The Tanzania government was consulted to make inputs as to the sectors Dutch development assistance will focus on in the country.

Furthermore, throughout this period, poverty alleviation continued to be the main aim of Dutch development cooperation with Tanzania, as the Netherlands continued to focus on sectors which will lead to poverty alleviation for the poorest people.

According to a Policy and Operations Evaluation Department report, the Netherlands continued to focus on the social sectors of education, health and the Rural District Development Programme. Including, local government support which was selected as a direct poverty alleviation programme, to replace agriculture which "would be better served by incentives through local governance and the private sector". ²⁰⁴

²⁰¹ IOV 1994, 78-79.

²⁰²IOB 2004, 49.

²⁰³ Organization for Economic Co-operation and Development , The Netherlands DAC Peer Review: 2006 ²⁰⁴IOB. 2004. 49.

Moreover, the District Rural Development programme was now placed under the heading of local government support, and in some cases "contracted out to a Dutch non-governmental organization, Stichting Nederlandse Vrijwilligers (SNV).²⁰⁵

4.8. The Role of Stichting Nederlandse Vrijwilligers (SNV) in Tanzania

The Netherlands development organization Stichting Nederlandse Vrijwilligers (SNV) was founded in 1965 when the Directorate General for International Cooperation (DGIS) proposed the fusion of the Young Volunteers Corps (JVC, Jongeren Vrijwilligers Corps), and the Young Volunteers Program (JVP, Jongeren Vrijwilligers Programma). Both organizations carry out development activities by sending Dutch volunteers to developing countries. Therefore the Dutch government continued to have a stake in the Stichting Nederlandse Vrijwilligers until 2002 when it became independent. The influence of the Dutch government over this organization is reflected in its mission statement, which is "to help alleviate poverty by focusing on increasing people's income and employment opportunities in specific productive sectors, as well as improving their access to basic services including water and sanitation, education and renewable energy". This is in line with Dutch development objective on poverty alleviation for the poorest people in developing countries.

Furthermore, in line with its mission statement, the organization has been cooperating with the Dutch Ministry of Development Cooperation and Dutch embassies in carrying out developmental activities in developing countries since the 1960s. In these development cooperation activities, Dutch citizens were trained and then posted to work in projects sponsored by the Dutch embassies in developing countries, particularly in the rural areas.²⁰⁸

According to Lilian Amelsvoort, although the Stichting Nederlandse Vriwilligers have been working in the field in Tanzania since the 1960s, it carried out its first programme

D. Verhoeven, *Aid-a changing necessity, SNV: From Volunteers to advisors* (SNV-The Hague, 2002), 8.

²⁰⁵ IOB 2004, 49-53.

²⁰⁰⁷StichtingNederlandseVrijwilligers, our mission, http://www.snvworld.org/en/aboutus/Pages/ourmission.aspx

²⁰⁸ L. Van Amelsvoort, *SNV in Tanzania*: *Mogelijkheden en Beperkingen Van eenNiet-GouvernementeleOntwikkelingsorganisatie*(KatholiekUniversiteit Nijmegen, Juni 1991) 1-56.

in 1971. Most of its activities were not properly documented until 1978, which makes it difficult to ascertain exactly what they did during this period. However, according to a report of the organization, the 1960s and 1970s are characterized as the 'bricks-andmortar era', when her volunteers participated in the construction of schools, hospitals, farming and provided social and essential services in the rural areas.²⁰⁹ Since the beginning of its first programme in Tanzania in 1971. 210 the focus and approach of the organization has changed over the years as a result of changes in Dutch development strategy. This is due to the overriding influence of the Dutch government over the organization, being a foundation partner and sponsor of the organizations development activities, as the SNV depend largely on funding from the Dutch government. In addition, her staffs are under the beck and call of the Dutch embassies, as they are posted out to work in the field in developing countries where ever Dutch embassies have projects.

In Tanzania, the organization itself has transformed from a dependent organization to a more independent one over the years. According to Amelsvoort, although the social economic situation had witnessed changes since the coming of SNV to Tanzania, the organization itself has not changed in relation to these changes, rather it has become more professional and independent in its policy orientation, ²¹¹ in relation to Tanzanian government policies.

Moreover, as Dutch policies and focus on development cooperation changed over the years, so also has the focus of the organization changed in Tanzania and this is evident from its various activities over the years. For instance the involvement of the organization in Tanzania can be attributed to requests by the Dutch embassy for the involvement of her staff in Dutch developmental activities in the country. According to a Policy and Operations Evaluation Department report, in the late 1970s and until the early 1980's the Netherlands contracted staff of Stichting Nederlandse Vriwilligers, to provide technical assistance for the National Sugar Institute established by the Netherlands in Tanzania.²¹²

 $^{^{209} \}rm Bricks,$ Mortar and Capacity Building, 1965-2005 (SNV Den Haag- 2005), 17. 210210 L. Van Amelsvoort, 1-56.

²¹² Sector Aid and Structural Adjustment: The case of Sugar in Tanzania, IOV Den Haag, December 1992.

4.8.1.1980 -2009

Additionally, Amelsvoort claims that the organizations involvement in Tanzania was as a result of its policy to work only in very poor developing countries, and in developing countries where the government had pro-poor policies. This policy to work in very poor developing countries where the government has anti-poverty policies also reflects the influence of Dutch development policies on the organization, as it is one of the criterion in Dutch development strategy for the selection of countries that received Dutch development assistance.

According to the organization's first development plan for Tanzania in the 1980s, the poorest people in the rural areas were to be the focus group, and the first priority would be on agriculture, industry and health care. However, as Dutch development cooperation with Tanzania entered its transition and restructuring phase where focus shifted from priority on development aid to macro- economic problems, there was also a shift in the focus of the organization, as reflected in its second plan in the late 1980's. The organization was now to provide support on micro-finance, poverty alleviation especially for women, refugees, the handicapped and the poorest people.²¹³ During this period the organization began to change internally, as it became more professionalized, and was able to undertake and execute its own development programmes.²¹⁴

To this end, with the introduction of the District Rural Development Programme in 1986, the Netherlands focused on "three broad categories of development cooperation, namely: improvement of physical infrastructure, increase of agricultural production, and strengthening of institutions". 215 In addition, specific districts were selected for development, namely: Bukoba, Muleba, Karagwe and Ngara, as well as Biharamulo, Bukombe, Kahama and Maswa. Other districts include Meatu, Karatu, Mbulu and Monduli, as well as Konda and Songea. While Dodoma, Ruvuma and Arusha districts

L. Van Amelsvoort, 1-54.
 Dynamics of Development: Thirty Years of SNV, (SNV Netherlands Development Organization, 1996) 41 ²¹⁵ IOB 2004, 53

were contracted out to Stichting Nederlandse Vrijwilligers by the Netherlands embassy in Tanzania.²¹⁶

Furthermore, in the 1990s, when Dutch focus again shifted towards "sustainable poverty alleviation from the bottom up, development of, for and by the people", SNV's key policy again shifted to participation of the people and self-reliance. However, there were differences in the development approach adopted by the organization from that of the Dutch government in Tanzania. According to Amersvoort, the Stichting Nederlandse Vrijwilligers used a holistic development approach as they worked with the indigenous people, local and regional governments, including international and local organizations. While the Netherlands bilateral approach in Tanzania was managed by the embassy which collaborates more with the Tanzanian government. He was again shifted towards "sustainable poverty alleviations" in the people", SNV's key policy again shifted towards "sustainable poverty" have people".

According to a Policy and Operations Evaluation Department report, "Stichting Nederlandse Vriwilligers approach differs somewhat from the bilateral programme: it starts activities in one division or sub-district within the selected district and gradually expands them to other divisions. It provided more support staff, including a financial controller to improve financial management, and a technical adviser for agricultural and environmental conservation activities".²¹⁹In addition, in the 1990s the organization was involved in the following sectors of, Agriculture, Technical School training, small scale industry and Health care, and they operated in Dodoma, Ruvuma and Arusha areas in Tanzania.²²⁰

In the final analysis, as development cooperation entered a new phase in the year 2000 with the introduction of the Millennium Development Goals by the United Nations, and the growing aid effectiveness discourse. Stichting Nederlandse Vriwilligers adopted new strategies to meet the growing demand for a more effective approach to development cooperation in Tanzania and more than thirty two other developing countries where they operate. With a professional staff the organization was able to make "a shift from direct

²¹⁶Ibidem.

²¹⁷ L. Van Amelsvoort, 1-56.

²¹⁸IOB 2004, 53.

²¹⁹IOB 2004, 53.

Evaluations of the Netherlands research policy, 1992-2005: Experiences with a new approach in six countries Bolivia, Ghana, Mali, South Africa, Tanzania and Vietnam, IOB Evaluations, No. 304 May 2007.

implementation of development projects to provision of advisory services and capacity development to the intermediary organizations (meso-level organizations)". 221 In addition, they continued to participate in the District Rural Development Programme, by working with different districts in the "field of strengthening the integrated financial management system"222 and also in the decentralization, restructuring and the reform of local authorities, ²²³ which is part of the Stichting Nederlandse Vrijwilligers long term plan.224

4.9. Conclusion

In this chapter I have been able to give an analysis of how domestic factors in the Netherlands and the international context of development cooperation influenced Dutch development strategy during the period of this study from 1960 to 2009, and how this development consequently influenced the Netherlands development cooperation with Tanzania.

Therefore, it is pertinent to state here that the different changes that occurred in Dutch development cooperation with Tanzania was a result of domestic factors that influenced changes in Dutch development policies, coupled with the influence of the international context of development cooperation.

Additionally, it is clear from the analysis in this text that the role of Stichting Nederlandse Vriwilligers and other Dutch organizations such as the Inter-Church Organization for Development Cooperation and the Nedelandse Organisatie voor Internationale Ontwikkelingssamenwerking (NOVIB) was tied to the dynamics of Dutch bilateral diplomacy with Tanzania. I am making this claim because changes in Dutch

²²³ Supporting Decentralised Planning in Tanzania,

http://www.snvworld.org/en/Documents/Knowledge%20Publications/Tanzania%20-

%20Supporting%20Decentralised%20Planning.pdf

²²¹ Logo South Country Programme Tanzania 2005-2008 (VNG International, The Hague April 2008) http://www.vng-

international.nl/fileadmin/user upload/downloads/LOGO south MIC/Country programmes/tanzania BDBinDoc. pdf ²²²Ibidem.

L. Van Amelsvoort, 1-56.

development strategy also influenced the development strategy of Stichting Nederlandse Vrijwilligers.

Nevertheless, it is also clear from the discussion so far that both stakeholders, the Dutch government represented by the embassy and Stichting Nederlandse Vrijwilligers, had different development approaches to development cooperation with Tanzania. As the Dutch embassy work only with the Tanzanian government, while the Stichting Nederlandse Vrijwilligers work with both the government, local and international non-governmental organizations operating in the country. In addition, the holistic approach of Stichting Nederlandse Vrijwilligers means that she supports both project and programme aid, while the Dutch government is focused on Budget support.

Chapter Five: Dutch Development Cooperation with Mali 1969 to 2009.

5.1. Introduction

In the previous chapter I discussed Dutch development cooperation with Tanzania, and in this chapter I will look into how Dutch domestic policies in relation to the international context of development cooperation influenced the dynamics of Dutch development cooperation with Mali. I will begin with a brief contextual description of the subject matter, after which I will then analyze the bilateral development relationship between both countries. In addition, I will discuss the role of the Inter-Church Committee for Development Cooperation (ICCO) in Dutch development cooperation with Mali, and how Dutch development strategy influenced her development activities in the country. To round up this chapter I will give a brief analysis of my findings during this research.

5.2. Background

Mali is the largest country in West Africa, and like Tanzania it lies in Sub-Saharan Africa, which has been a priority region for Dutch development cooperation since the 1960s. The country became independent in 1960 after years under French colonial rule, and for several years after that, the country was ruled by the military and plagued by political instability and drought. These events had huge consequences for the socioeconomic and political stability of the country, as the nation became relatively poor and had to rely heavily on foreign aid. According to a World Bank report, the period of military rule "was characterized by the socialist-type foundations of an *etatiste* economy, although liberalization policies were toyed with briefly in the 1980s". 225 Additionally, Mali is one of the poorest countries in the world, with a per capita gross national income of US\$ 380 in 2005, and the level of human resource development

²²⁵ World Bank Project Perfomance Assessment Report, June 15, 2007 No. 40070, 1

during this period was very low. In 2006 the country ranked 175 out of 177 countries in the United Nations Development Programme human development index. ²²⁶Furthermore, an Operations Review Unit report stated that, "Mali relies heavily on cotton, gold and livestock exports for revenue and almost 60% of her export revenue is derived from cotton and 20% from livestock". ²²⁷

The World Bank attributed her reliance on exogenous factors and the unpredictability of international prices on her export products, including failed government investments in industrialization programmes since the 1960s, as reasons for macroeconomic imbalances in the country. ²²⁸While an Operations Review Unit report attributed the country's economic woes to her socialist policies and the "absence of democratic control in the years between 1969 and 1991 which led to centralism. ²²⁹ However, since the end of military rule in 1991, democratic and economic reforms have been vigorously pursued with the election of officials into government positions and the adoption of liberalization policies which has strengthened the economy. ²³⁰Although these new developments improved the economic situation in the country, nevertheless, the country still continued to face huge challenges during the period of this study. This is due to the effects of the drought that plagued the country since the 1960s, leading to

These circumstances were the major factors that shaped Dutch development cooperation with Mali during the period of this study. However, before the beginning of development cooperation between both countries, Dutch missionary activities had been going on in the country and around the Sahel region since the 1950s. As part of their missionary activities, the Dutch missionaries were also engaged in developmental activities through the provision of basic amenities, such as education, health care and hygiene, as well as agriculture and water supply.

Moreover in the 1970s the activities of these missionaries expanded due to the drought that occurred in the Sahel region, which made it expedient for them to partner Dutch

environmental degradation and food shortages.

²²⁶Ibidem.

Evaluation of Netherlands Aid to India, Mali and Tanzania, (Operations Review Unit (IOV), 1995) 107.

^{22°}Ibidem.

²²⁹IOV 1995, 107.

²³⁰World Bank Project Perfomance Assessment Report, June 15, 2007 No. 40070, 1.

organizations and other foreign organizations in order to manage the food and water crisis caused by the drought.²³¹

5.3. Development Cooperation 1974-1980

Development cooperation between the Netherlands and Mali dates back to 1974. It began as a humanitarian mission in the Sahel region in response to the drought that led to environmental degradation and consequently food and water shortages. According to an Operations Review Unit report, during the early stages, Dutch humanitarian aid efforts was channeled through relief and multilateral organizations, such as the United Nations Sudano Sahelian Office (UNSO), Comite Inter-Etats de Lutte en coordinatie (CILSS) and the Permanent Inter-State Committee for Drought Control in the Sahelian Zone. Dutch organizations such as Stichting Nederlandse Vrijwilligers (SNV), Netherlands Organization for International Development Cooperation (NOVIB) and Centrale voor Bemiddeling bij Medefinanciering van Ontwikkelings programma's (CEBEMO), as well as Inter-Church Committee for Development Cooperation (ICCO), 233 were also involved in the relief efforts.

Unlike in Tanzania where Dutch development cooperation began out of Dutch commercial interests, in Mali it began as a humanitarian mission. That can be described as a multilateral development cooperation relationship based on the "Red Cross and Red Crescent fundamental principles of humanitarian assistance, designed to respond to both conflict-related and natural disasters".²³⁴

Therefore, the dynamics of the relationship and the changes that occurred in this development relationship differs from that of the Netherlands and Tanzania, where changes in Dutch development policies influenced focus of her development cooperation with the country. This is evident in the shift from Dutch technical assistance to project and programme aid, and the focus on particular sectors in Tanzania.

²³³ Mali, Evaluatie Van De Nederlandse Hulp aan Mali, 1975-1992, 114.

²³¹ Mali, Evaluatie Van De Nederlandse Hulp aan Mali, 1975-1992, IOV Evaluatierapport 1994, 161.

²³²IOV 1995, 114.

²³⁴ Dutch humanitarian assistance: An evaluation, IOB, No. 303, July 2006, 13.

In this case, particularly in the beginning of this relationship, the changes witnessed were not as a result of changes in Dutch policy, but rather, a change in the Dutch development approach in the country itself.

This is because Dutch development strategy could not be applied in Mali as a result of the unique nature of the country's problems. According to an Operations Review Unit report, during this period the Dutch approach was to concentrate on certain regions and to focus on "women in development, population policy, human rights and democratization, to provide macro-economic support and to ensure donor coordination". However, this was not to be in Mali as a result of "numerous practical and coincidental factors in the region and the country's policy plans". ²³⁵Coupled with the widespread food shortages and lack of water supply as a result of the drought, which made it expedient for the Malian government to initiate its own development polices geared towards resolving the problems.

Additionally, due to the regional nature of the problem, as the drought covered the whole Sahel region, it was therefore necessary to tackle it through wide range coordination among the different country governments, international and local organizations operating in the region to solve the problem. In addition, due to the humanitarian crisis, the Malian government had adopted a development strategy focused on the provision of water for the people, agricultural development and poverty alleviation. Therefore, the Netherlands aligned her development strategy with that of the Malian government and other stakeholders in the region.

According to an Operations Review Unit report "Dutch aid to Mali during this period was focused on food security and combating soil degradation, which fitted in with the themes and the main objectives of Netherlands development cooperation, the alleviation of poverty and economic self-reliance. In addition, the Development budget for the country was one hundred and ninety million guilders of which 90% of this aid was focused on the rural areas". ²³⁶

²³⁶IOV 1995, 114.

²³⁵IOV 1995, 114.

5.3.1. Shift in Dutch approach

Moreover, from 1979 there were changes in the Dutch approach in Mali, which consequently meant changes in her development cooperation with Mali. This shift in development approach was as a result of her desire to enhance her developmental efforts or carry out more effective development cooperation, because the previous approach had proved ineffective in remedying the problems. Therefore a new development approach was adopted to facilitate rapid development, poverty alleviation and to effectively reach the poorest of the poor in the rural areas.

According to an Operations Review Unit report, "the Netherlands decided to change her development approach due her desire to carry out her own projects having recognized the structural nature of the problems which require more than just emergency aid". ²³⁷ This point was also emphasized by Sterkenburg and van der Wiel, when they stated that "in the 1970s, integrated area development became a highly popular approach to rural development. It was embraced by donors when national-level infrastructural and production-oriented sectoral investment support proved not to lead to any rapid reduction of widespread poverty in developing countries". ²³⁸

In addition, they were also of the opinion that this approach was influenced by the need to change from the "top-down, single-sector and growth-oriented approach to rural development which was unproductive, to a new approach which should be participatory, integrated, multi-sector and focused on the poor. In accordance with the basic needs strategy, that was focused on the poor in the poorest countries".²³⁹

Moreover, Dutch bilateral relationship with Mali can best be characterized as a "transition from relief to development, or as the 'gap issue' or 'the grey areas," ²⁴⁰as a result of the changes in her approach to development in the country. This transition from relief is evident in the shift from the provision of humanitarian aid in the 1970s, to supporting the development of Agriculture by contributing to the irrigated rice and cotton cultivation in the office du Niger, Mali Sud and Western regions. Including, assisting in

²³⁷ Mali, Evaluatie Van De Nederlandse Hulp aan Mali, 1975-1992, 114.

J. Sterkenburg and A. van der Wiel, 23.

²³⁹Idem, 24.

²⁴⁰ Dutch humanitarian assistance: An evaluation, IOB, No. 303, July 2006, 25.

the implementation of macro- economic policies of the World Bank and the International Monetary Fund in the 1980s, as well as her own development strategy in order to facilitate economic development.²⁴¹

5.4.1980-1990

With the resolve to carry out her own projects in Mali, the Netherlands decided to focus on three regions as mentioned above. According to an Operations Review Unit report, this decision to concentrate on these areas were based on the need for better management and harmonization of projects in order to gain better results. Another reason for choosing these areas was due to its agricultural importance, as they were home to the two largest agricultural estates in the country, Office du Niger and the Compagnie Maliennepour le developpement des Textiles (CMDT), which were vital to the economic development of the country.

Furthermore, in addition to her involvement in agricultural production the Netherlands also got involved in other sectors in accordance with growing international development trends which influenced her development strategy during this period. For instance the introduction of the Structural Adjustment programme by the World Bank and the International Monetary Fund (IMF) to solve development problems in the 1980s was integrated into the Dutch development strategy for Mali. To this end from 1984 the Netherlands supported the implementation of the Structural Adjustment Programme economic policies of the World Bank and the International Monetary Fund in the country.

According to an Operations Review Unit report, "during this period there was an increase in the Netherlands focus on import support and co-financing with the World Bank in Mali. In addition, there was integration of free-standing projects into structural adjustment frameworks and multi-donor programmes". ²⁴³ In addition, the Netherlands

²⁴¹IOV 1995, 114.

²⁴² Mali, Evaluatie Van De Nederlandse Hulp aan Mali, 1975-1992, 117.

²⁴³ Netherlands Aid Reviewed 1983-1994, 68-69.

policy during this period recognized the need for proper donor coordination and so supporting the World Bank and the International Monetary Fund policies became part of its development strategy for Mali.

Moreover, the Integrated Rural Development approach continued and some new activities were integrated into this plan. "These were infrastructural (construction and road maintenance), agricultural research, farmer organizations, credit and basic health care, including the role of women in the society, population policy human rights and democratization." This was in accordance with the Dutch development policy during this period. For instance in the 1980s the role of women in the society was gaining momentum and to this end it was included in Dutch development activities in Mali in 1987, and a Dutch specialist was sent to the country to supervise activities related to gender issues.

The introduction of 'A World of Difference' policy document by Jan Pronk in 1990 was a turning point in Dutch development cooperation, and consequently on the role of women in development cooperation. This is because, in this policy document, the role of women was explicitly emphasized, which led to increased focus on the role of women in Dutch development cooperation with Mali. By the end of 1991 two gender specialists were working in the Sahel region on gender issues.²⁴⁵

5.5.1990-2009

The introduction of A World of Difference policy document led to changes in Dutch development cooperation with Mali. For instance it led to "a shift in the kind of aid provided by the Netherlands, from project aid and technical assistance to various types of no-project aid, with most project aid directed at the primary sector". ²⁴⁶ New issues were incorporated and old issues reinvigorated into Dutch development strategy, such

²⁴⁴ Mali, Evaluatie Van De Nederlandse Hulp aan Mali, 1975-1992, 117.

²⁴⁵Ibidem.

²⁴⁶ Netherlands aid reviewed: Analyses of operations review unit reports, 1983-1994 (IOV-1996), 112.

Furthermore, the issue of human rights and good governance became a criterion for the selection of countries to receive Dutch development assistance during this period. This led to the suspension of Budget support in March 1991, when the Malian army used excessive force against student protesters. However, normal development cooperation between both countries resumed again when Mali embraced civilian rule and became a democracy later that same year.

Additionally, as earlier mentioned the Netherlands sponsored the democratization processes in the country to facilitate civilian rule and decentralization. The electoral processes culminated into the creating of local government council authorities in 1999, in order to facilitate governance and ensure development in the rural areas. This was in line with Dutch development policy during this period which emphasized on ownership and affective participation of the people in the development of their own areas.

This point was emphasized in an annual SNV report which stated that, "decentralization in Mali involve strengthening democracy, transferring powers and resources to be

²⁴⁷Ibidem.

²⁴⁸Ibidem.

²⁴⁹Ibidem

managed by local authorities and ensuring greater community participation in political, economic and social activities". ²⁵⁰

Moreover, bilateral development cooperation continued between both countries continued till 2009, with the Netherlands providing direct Budget support and assistance from Dutch organizations, such as Stichting Netherlands Vrijwilligers, Inter-Church Committee for Development Cooperation and the Netherlands Organization for International Development Cooperation.

5.6. Dutch organizations in Mali

Dutch organizations began developmental activities in Mali in the early 1970s, through supporting missionary activities within the country. An Operations Review Unit report states that, "the Central Agency for Joint Financing of Development Programmes began supporting missionary activities in the early 1970s, while the Netherlands Organization for International Development Cooperation (NOVIB) started reconnaissance missions in 1975 and the Inter-Church Committee for Development Cooperation (ICCO) started development activities in 1976". In addition, Stichting Nederlandse Vrijwilligers (SNV) opened its first office in Bamako in 1978. During the early years their activities were focused on providing basic amenities such as health care, construction of schools, water supply, sanitation, and farming for the rural population.

However, from the 1980s, "their activities expanded to include the role of women, and in the later part of that decade these activities were in-cooperated into the Integrated Rural Development plan. Moreover, they also adopted a process oriented approach to development which was focused on particular sectors, such as education, health, agriculture and environmental conservation. Emphasis was placed on local participation and ownership of projects, with increasing attention on institutional strengthening of counterpart and village organizations. Activities were also brought together to form

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²⁵⁰ SNV and CEDELO, Decentralization in Mali, Putting policy into practice, 362 (The Hague 2004).

²⁵¹ Mali, Evaluatie Van De Nederlandse Hulp aan Mali, 1975-1992, 161.

²⁵² Idem, 114.

diocesan or district development programmes and national umbrella organizations were given support". ²⁵³

Furthermore, according to an Operations Review Unit report, "these organizations carry out their aid activities in regions outside the target of the Netherlands Directorate General for International Cooperation (DGIS). In addition, they do not carry out development activities themselves; rather they appraise applications from Malian organizations in the light of their own policy and management criteria. Moreover, they operate on the principle of joint management, whereby programmes are supported by various international non-governmental organizations which share management responsibilities between them. While monitoring and technical supervision are usually the responsibility of the Malian recipient". ²⁵⁴

Additionally, it is pertinent to state here that these organizations operate independently of Dutch development strategy in the Sahel. They operate under their own development strategy in Mali, which are in coherence with Dutch development cooperation policy. According to an Operations Review Unit report, "the DGIS do not consult Dutch organizations when drawing up policy plans for the Sahel and the Netherlands Organization for International Development Cooperation (NOVIB) is the only organization that has contact with the Dutch embassy in Bamako". ²⁵⁵
Furthermore, from the 1990s onwards, these organizations adopted a more advisory role and became involved in long term programs, such as in the areas of capacity building, micro-financing and agricultural development. As well as education, women development and human rights, including climate change healthcare.

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²⁵³IOV 1995, 122.

²⁵⁴ Ihidem

²⁵⁵ Mali, Evaluatie Van De Nederlandse Hulp aan Mali, 1975-1992, 166.

5.7. The Inter-Church Organization for Development Cooperation (ICCO) in Mali

The Inter-Church Organization for Development Cooperation was set up in the 1960s²⁵⁶ as an umbrella body to champion Christian developmental activities in developing countries. The alliance consists of 'Edukans', 'Kerk in Actie', 'Oikocredit', and 'Prisma'. Like other Co-Financing Organizations (MFO), the Inter-Church Organization for Development Cooperation began humanitarian activities in Mali in the late 1970s, and since then her activities have metamorphosed from relatively the provision of basic amenities into large scale development projects and programmes.

Furthermore, like other stakeholders in Mali, the drought that occurred in the Sahel region was the main factor that determined her development strategy in the country. In addition to this, her status as a Dutch organization funded by the Dutch government ensured that her development strategy was linked with that of the Netherlands. Therefore, changes or shifts that occurred in Dutch development strategy from relief to rehabilitation and development, also led to shifts in her development strategy in Mali. This is evident from the shifts seen in Table2, whereby from the 1980s the activities of the organization expanded to included, Agriculture, women development and Institutional support. In line with Dutch development strategy during this period in which women empowerment was emphasized, including the integration of development activities into the structural adjustment framework of the World Bank and the International Monetary Fund.

In addition, it is clear from the table that from the 1990s the organization got involved in human rights activities, which was emphasized in 'A World of Difference' policy documents by Jan Pronk in 1990. Moreover, from this period onwards, the activities of their activities expanded to include Fair and sustainable economic development, democratization and peace building. As well as, access to basic services and communications, public policy and advisory role, including, capacity development and humanitarian effort.

²⁵⁶ J. Bos and G. H. A. Prince, *Partners in development: Developmen work by church and other non-governmental organizations: the early days,* in Nekkers and P.A.M. Malcontent (eds.) 156.

²⁵⁷ Mali, Evaluatie Van De Nederlandse Hulp aan Mali, 1975-1992, 163.

Table 2 Overview of the Inter-Church Organization for Development Cooperation activities in Mali until 1994

Partner Organizations	Type of Activities	Region	Period
CIMADE (France NGO),	Regional development	Mopti	1979-198
Later AMADE	Institutional support	Bamako	1983-ongoing
	Regional development	Kayes	1986-ongoing
	Regional development	Gao	1988-ongoing
AFSC (Amerikaanse NGO),	Regional development	Tombouctou	1977-1992
Later AMSS:	Regional development	Tombouctou	1992-ongoing
AFSC,	Women and development	Bamako/Segou	1987-1998
Later AED	Women and development	Bamako/Segou	1989-ongoing
ECE (Evang. Church)	Agriculture, Food	Koutiala	1981-1990
AGEMPEM,	Institutional support	Bamako	1988-ongoing
Council of Churches in Mali	other rural dev. Activities	several regions	1988-ongoing
Comite de Coordination	Institutional support	Bamako	1988- ongoing
des Actions des ONG			
(CCA/ONG)	Project funds women and	all regions	1992-ongoing
Development			
CADEF	Human rights, women and	Bamako	1991-ongoing
Development			

5.7.1. Method of Policy Implementation

To carry out her development activities in Mali, the Inter-Church Organization for Development Cooperation collaborates with other international and local organizations within and outside the country. The role of the organization in Mali involves the cofinancing of development activities which stimulate and enable the people in their own ways to organize dignified housing and living conditions.²⁵⁸

For instance, in its initiative for organic and fair trade cotton, the organization went into partnerships with the Royal Institute of the Tropics in the Netherlands and a local cotton producer AK organics. This partnership led to the establishment of Yiriwa SA, a

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²⁵⁸ICCO our mission, http://www.icco.nl/en/about-icco/our-mission

company whose mandate was to "organize the production of organic and fair trade cotton in five regions in the South East of Mali". 259

Additionally, it also established partnership with Oikocredit and Rabo Bank Foundation in the Netherlands to form Terrafina (a microfinance organization) in 2005. Since then Terrafina have provided loans to cooperative organizations, and also give subsidy to other microfinance organizations and institutes.

Furthermore, for her environmental initiatives the Inter-Church Organization for Development Cooperation provided funds to local organizations to carry out activities focused on environmental protection. For example in the North of Mali, it financed a Malinese Organization known as OMAES whom provided alternative sources of energy and income for people who depended on natural resources that are detrimental to the environment for their income.

In addition, it also financed and formed partnership with a lobby group Reseau Paidoyer et Lobbying (RPL), which is a union of fifteen Malinese development organizations, in order to create development awareness within the country.

According to the organization's report, this lobby group "looks critically at ways to execute government policies in a good and effective manner, and focused on generating more funds for municipalities. As well as provide Mali's development organizations with improved access to government funds, and guide regional coordination of development organizations in terms of their lobbying activities". Moreover, the Inter-Church Organization for Development Cooperation also supports the Malinese women's organization known as 'AED' towards women empowerment programmes. The AED as part of its women empowerment programme, provided soft loans to women farmers engaged in small scale rural farming. ²⁶¹

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²⁵⁹ http://www.icco.nl/en/projects/project&project=504

http://www.icco.nl/en/projects/project&project=694

²⁶¹ http://www.icco.nl/en/projects/project&project=72

5.8. Conclusion

It is pertinent to restate here that unlike in Tanzania, Dutch development cooperation with Mali was largely influenced by humanitarian concerns, as a result of the Drought in the Sahel region in the 1970s. Due to the complexity of this problem a new development approach was thus needed among the different stakeholders in the region. Therefore, the changes that occurred in Dutch development cooperation with Tanzania can be attributed to the international context of development cooperation which was necessitated by the drought in the Sahel region. As it determined the Netherlands approach which involved coordination among the different stakeholders in the region. Furthermore, this international context of development cooperation also influenced the strategy of Dutch organizations in Mali, unlike in Tanzania where Dutch development policies determined the development strategy of Dutch organizations. For instance as evident from table 2, the Inter-Church organization for Development Cooperation operates through partnership in regions outside the focus of the Netherlands Directorate for International Cooperation.

Although the Netherlands development strategy in Mali changed in later years when it decided to broke off her partnership with other international donor agencies operating in the Sahel region, in order to carry out more effective development cooperation as I earlier pointed out. This however did not change the fact that the different changes in Dutch development cooperation with Mali was influenced by the international context of development cooperation, in contrast to Tanzania where the relationship was influenced more by the involvement of the Dutch private sector in development cooperation.

Chapter Six: The Netherlands and other international partners in development cooperation with Africa.

6.1. Introduction

In the previous chapters I analyzed the historiographical debate on development cooperation, Dutch foreign policy on development cooperation and Dutch development cooperation with Tanzania and Mali. Including the role played by Dutch organizations in this bilateral diplomacy. However, in this chapter I will focus on the multilateral aspect of Dutch development cooperation. As prior to the 1960s the Netherlands pursued more multilateral development cooperation by actively cooperating with the United Nations in carrying out development initiatives in developing countries.

According to Voorhoeve, the reason the Netherlands adopted a multilateral approach "was due to lack of capital to carry out bilateral development cooperation, better chances of increasing the aid volume through the United States donations and an avenue to create job opportunities for Dutch experts to work in the United Nations. In addition, it was a way to gain status for the country, the United Nations, and also repair her damaged reputation in South-East Asia."²⁶²

Although from the 1960s bilateral development cooperation overshadowed the multilateral aspect of Dutch development cooperation, the internationalization of development cooperation made it expedient for the Netherlands to continue to pursue multilateral development cooperation with other international and regional organizations, such as the United Nations, the European Union and the Bretton Wood institutions (the World Bank and the International Monetary Fund).

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²⁶²Voorhoeve, Peace, Profits and Principles, 216.

6.2. The Role of the United Nations in Dutch development strategy for Africa

The role of the United Nations in coordinating development in a "global framework" 263 can be attributed to the Netherlands quest to use the framework of this institution to pursue her foreign policy in developing countries. This is evident from the instrumental role the country played in shaping the United Nations development strategy in the 1940s, during the early years of the institution. According to Voorhoeve, "the unique Dutch planning approach (planned approach of annual steps to a target volume) and the speech of Queen Juliana of the Netherlands in 1955", became the forerunner of the later drive to give the United Nations a major role in the coordination of development planning, and the foundation of the UN's second development decade (1970-1980)". 264

In the Queen's speech, she advocated "for a carefully prepared common program, something like an advisory planning agency on a world scale, overseeing all plans and actions, which would best be able to coordinate and harmonize them, and give leadership and a vision to the whole world production". In addition, Jan Tinbergen, a renowned Dutch economist was also instrumental in shaping the institution's strategy during this period.²⁶⁵

On the other hand, the overriding influence of the United Nations on the Netherlands development strategy is undisputed, due to the internationalization of development cooperation since the 1960s. For instance, the Dutch policy of using 1% of her national income for aid and the establishment of the Institute for Social Development in 1963, were influenced by the UN Resolution 1710 (XVI) and 1711 (XVI).

"That called on UN members to take action to achieve 5 per cent growth in developing countries by the end of the 1960s, and for the industrialized nations to open up their markets to primary products from developing countries at stable, remunerative prices. With the aim that a sound, self-sustaining economic development in less developed countries must be achieved through industrialization, diversification and improved agricultural production. While Resolution 1711 (XVI) called on donor countries to

²⁶³ Voorhoeve, 256.

²⁶⁴Ibidem

²⁶⁵ Ibidem

allocate 1 per cent of their national income to aid for developing countries", ²⁶⁶ during the first development decade (DD 1) from 1961 to 1970.

Moreover, as earlier mentioned, the Netherlands played a prominent role in shaping the UN's strategy for the second decade (DD 11),²⁶⁷ between 1971 and 1980. According to this strategy, in recognizing the gap between the rich and poor nations, and the prevalent poverty in developing countries, including the need for the developing countries to promote their own development, the United Nations called for international cooperation among nations in solving issues of underdevelopment.

To this end developed nations were enjoined to work towards an annual growth rate of at least 6 per cent in developing countries by the second quarter of that decade. In addition to disarmament, financial support, and scientific and technological transfer of knowledge, countries were mandated to enact development policies in order to eradicate poverty and ensure improved economic and social well-being of the poor. Additionally, "each economically advanced country was to progressively increase its official development assistance to the developing countries and would exert its best efforts to reach a minimum net amount of 0.7 per cent of its gross national product at market prices by the middle of the Decade". 268

It is therefore not surprising that Dutch development policy during this period toed this same line, as "the Netherlands and Sweden were the two countries that attained this target by the original target date". According to Voorhoeve, "the Dutch government took the United Nations target very seriously and used them as guides to its own planning, while political parties, the press and development aid lobby groups used the quantitative targets as yardsticks to measure progress". ²⁶⁹

Moreover, in the United Nations development strategy, the promotion of equal political, economic and social-cultural rights for all members of the society was also emphasized, which led to the proclamation of 1975 as the international Women's year. After which

²⁶⁶ G. Ringnalda, *Expectations and disappointments: The Netherlands' role in UN development policy 1960-1980*, in Nekkers and Malcontent (eds.) 194.

²⁶⁷Idem, 206.

Resolutions Adopted on the Reports of the Second Committee, United Nations General Assembly, Twenty Fifth Session. 1970. 43.

²⁶⁹Voorhoeve, 278.

the First World Women's Conference was held in 1975 in Mexico.²⁷⁰ In Postel-Coster's view, "this conference had important consequences for Dutch development cooperation, as it led to a start in promoting research, policy formulation and institutionalization on the issue of women".²⁷¹

Subsequent United Nations development strategies (See Table 3)²⁷² continued to influence Dutch development policies. For instance, in the United Nations third development decade strategy from 1981 to 1990, member states of the organization agreed to establish a new international economic order, to cooperate on issues such as international trade, industrialization, food and agriculture and contribute financial resources for development. They also pledged to cooperate in international monetary and financial issues, technical cooperation, and promote technology for development, as well as cooperation on energy, transport, disaster relief and environmental issue. Economic and technical cooperation among the developing countries was also emphasized, including cooperation for social development and human settlements.²⁷³ In adherence to this development strategy, "the Netherlands promoted private sector involvement in development cooperation as was the case in Tanzania and Mali, provided import support, and engaged in co-financing of projects with the World Bank. It also integrated development projects into structural adjustment frameworks and multidonor programmes".²⁷⁴

The influence of the United Nations Development Strategy for the Fourth Development Decade on Dutch development strategy in the 1990s was very limited, due to the collapse of the Soviet Union and end of the cold war that changed world geo-politics, and consequently the relations between developed and developing nations.

Nevertheless, the introduction of the Millennium Development Goals in the year 2000 by the United Nations influenced Dutch development strategy for Africa in the new millennium.

²⁷⁰ E. Postel-Coster, *From participation to mainstreaming: Dutch policy on women and development*, in Nekkers and Malcontent (eds.) 307.

²⁷¹ Idem, 307-308.

²⁷²http://www.un.org/observances/decades.shtml

²⁷³UN General Assembly, 83rd plenary meeting, 5 December 1980.

²⁷⁴ Netherlands Aid Reviewed 1983-1994, 68-69.

According to the Millennium declaration towards 2015, all nations were to focus on development activities to end poverty and hunger, promote universal education, gender equality and child health, as well as, maternal health, environmental sustainability, global partnership and combat hiv/aids.²⁷⁵ These goals became a reference point for Dutch development policy for the new millennium.

Table 3: United Nation development strategy from 1960 -2017

United Nations Development Strategy		Year
1.	United Nations Development Decade	1960-1970
2.	Second United Nations Decade	1971-1980
3.	United Nations Decade for Women: Equality, Development and Peace	1976-1985
4.	Industrial Development Decade for Africa	1980s
5.	Third United Nations Development Decade	1981-1990
6.	World Decade for Cultural Development	1988-1997
7.	Fourth United Nations Development Decade / Second Transport and Communications Decade in Africa / Second Industrial Development Decade for Africa	1991-2000
8.	Millennium Development Goals	2000-2015
9.	Decade for the Eradication of Poverty	1997-2006
10.	Second United Nations Decade for the eradication of Poverty	2006-2016
11.	United Nations Decade for Deserts and the Fight against Desertification	2008-2017

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²⁷⁵ Summit on the Millennium Development Goals, 20-22 September 2010, http://www.un.org/millenniumgoals/

6.2.1. **Coordinating role of the United Nations**

Apart from the United Nations influence on Dutch development strategy for Africa since the 1960s, the organization also played a coordinating role in donor activities, as well as in the implementation of development initiatives through her various agencies in Africa. Such as the United Nations Development Programme (UNDP), the United Nations Children's Funds (UNICEF), and the United Nations High Commissioner for Refugees (UNHRC). ²⁷⁶ As well as other coordinating agencies such as the United Nations Economic and Social Council (ECOSOC) established in the 1940s "as the principal organ to coordinate economic, social and related work of fourteen United Nations specialized agencies, functional commissions and five regional commissions". 277 The failure of this agency to handle the new idea of increased international trade as a means of solving underdevelopment during the First Development Decade, led to the creation of the United Nations Conference on Trade and Development (UNCTAD) in 1964,²⁷⁸ with the aim of "promoting the Integration of developing countries into the world economy". ²⁷⁹However, due to constant disagreements between the developing countries led by the G-77 group and developed countries the implementation of the United Nations Conference on Trade and Development programmes were stalled and limited.²⁸⁰

Over the years these agencies have been instrumental in the coordination and implementation of developmental activities among donor and recipient countries in Africa and other parts of the World. According to Voorhoeve, "in the 1960's, the Netherlands concentrated its socio-economic policy in the United Nations on strengthening the functioning of the United Nations Economic and Social Council. It pursued a central role for this agency and the United Nations Secretariat in the

²⁷⁶ C.N. Murphy, *The United Nations Development Programme: A better Way* (Cambridge University Press, 2006),

<sup>58.

277</sup> United Nations Economic and Social Council, http://www.un.org/en/ecosoc/about/index.shtml ²⁷⁸ G. Ringnalda, Expectations and disappointments: The Netherlands' role in UN development policy 1960-1980, in Nekker and Malcontent, (eds.) 197-198.

²⁷⁹ United Nations Conference on Trade and Development,

http://www.unctad.org/Templates/Page.asp?intItemID=1530&lang=1

²⁸⁰ G. Ringnalda, Expectations and disappointments: The Netherlands' role in UN development policy 1960-1980, in Nekker and Malcontent (eds.) 197-201

coordination of institutions aid activities and in the planning of the entire development effort inside and outside the United Nations family". ²⁸¹

To this end over the years as part of her multilateral commitments to the United Nations and her policy orientation towards aid effectiveness, the Netherlands have supported the activities of these agencies through financial contributions to facilitate their coordinating and implementing role in Africa and other developing countries.²⁸² This point was emphasized in a Policy and Operations Evaluation Department report that, "Dutch humanitarian aid provision is embedded in a multilateral framework, emphasizing 'coordination' and the Ministry of Foreign Affairs has engaged in a constructive-and at times critical-policy dialogue with United Nations agencies. Complementarity is sought by matching support for the United Nations with that for the Red Cross, Red Crescent Movement and non-governmental organizations". 283 Furthermore, the Netherlands have also used these agencies in carrying out her development initiatives in Africa, particularly in countries where the country does not have representatives and in some cases due to the complexity of the humanitarian situation that require a special United Nations approach. This is evident in complex war situations such as in the Democratic Republic of the Congo, Liberia and Sierra Leone, where a special United Nations peace keeping force was required to provide peace and humanitarian aid to the civilian population.

These peace keeping missions were necessary in order to gain access into these war torn countries to reach the displaced people who needed urgent humanitarian assistance, and in order to force a cease fire between the warring factions, as it was too dangerous for other humanitarian agencies to do so. This led to a new integrated development approach "linking relief, rehabilitation and development," which the Netherlands also adopted.

To this end according to Voorhoeve, "the Netherlands supported and shared in the cost of the United Nations operation in the Congo in 1960 (ONUC). In 1963, the Netherlands earmarked Dutch marine units to be available on request for future United Nations

²⁸¹Voorhoeve, 215.

²⁸² Ihidem

²⁸³ Dutch Humanitarian Assistance: An Evaluation, Ministry of Foreign Affairs, No. 303, July 2006.

²⁸⁴Ibidem

peacekeeping action, and this offer was enlarged with army and air force units in 1965". Furthermore, according to a Policy and Operations Evaluation Department report, "the complexity of humanitarian emergencies has led to the integrated deployment of the instruments of foreign policy, defense policy and development policy, as emphasized in the Netherlands 1993 policy document 'Humanitarian aid between conflict and development". ²⁸⁶

6.3. The role of the International Monetary Fund and the World Bank in Dutch development cooperation with Africa.

The Netherlands was instrumental in the establishment of the World Bank and the International Monetary Fund in the 1940s, as a geopolitical economic organization due to the weak political nature of the United Nations at that time. ²⁸⁷ In the early years, the World Bank was focused on providing loans for reconstruction in Europe, however in later years it became a source for capital investment for development activities in developing countries.

Over the years the Bank has influenced Dutch development strategy for African countries and other parts of the world. As earlier mentioned in previous chapters, the Netherlands policy of using certain criteria for the selection of countries to receive development assistance was adopted from the World Bank in the 1960s.

To give out loans, the World Bank required that developing countries met certain criteria such as the "country's policy and institutional framework, economic situation and governance, as well as environmental/natural resource management, poverty and social aspects".²⁸⁸

According to Voorhoeve, "in the early 1960's the Netherlands did not have its own systematic and explicit way of selecting recipients. It looked at the criteria and

²⁸⁵Voorhoeve, 206.

²⁸⁶²⁸⁶ Dutch Humanitarian Assistance: An Evaluation, Ministry of Foreign Affairs, No. 303, July 2006

²⁸⁷Voorhoeve 210

²⁸⁸ Development Policy Lending: Operational Policies, The World Bank Operational Manual OP8.60 August 11, 2004.

conditions applied by the World Bank". He also stated that, "the choice of recipients was in each case based on a different mixture of international judgments about the recipients' economic policies, the existence of poverty, activities of other donors and international agencies. Including historical relations with the Netherlands, and sometimes other considerations, such as general Dutch foreign policy goals and export interests".²⁸⁹

Furthermore, like the United Nations the World Bank also influenced Dutch development cooperation with Africa countries through its coordinating role. According to Posthumus, donor countries were willing to support consortia and consultation groups organized by the World Bank and the Banks decisions on which country to support was final.²⁹⁰Therefore, the Netherlands participation in consortia and consultation groups of developing countries as part of her multilateral policy underpinnings was as a result of the involvement of the World Bank.

Additionally, the introduction the Structural Adjustment Programme (SAP) by the International Monetary Fund in the 1980s also influenced Dutch development strategy for Africa. The adoption and implementation of this policy became a criterion which developing countries must adopt in order to receive loans from the Bretton Woods institutions.

As a member of these institutions, the Netherlands also adopted this selection criterion as part of its criteria for the selection of developing countries to receive Dutch development assistance. The influence of this policy on Dutch development strategy for Africa is evident from the shift in Dutch development strategy in Mali, as I earlier mentioned in the previous chapter. As Dutch development projects and programmes in the country were integrated into the Structural Adjustment framework of the World Bank and other international donor groups.²⁹¹

²⁸⁹Ibidem.

G. A. Posthumus, *An 'ideal form of aid': Bilateral financial assistance, the India Consortium and the IGGI*, in Nekkers and Malcontent (eds.) 140.

²⁹¹ Netherlands Aid Reviewed 1983-1994, 68-69.

6.4. The European Union and Dutch development cooperation with Africa

The beginning of the European Union's development cooperation with African countries can be traced to the Treaty of Rome which also established the European Economic Community in 1957, during the colonial era. According to Articles 131 (182) of the treaty "the purpose of this association was to promote the economic and social development of the countries and territories and to establish close economic relations between them and the community as a whole" 292

According to Hoebink, this association system was geared towards "gradual abolition of tariffs, to the supply of financial aid to the associates via the European Development Fund (EDF), in principle a free circulation of labor and the right of European citizens and enterprises to invest in the associated territories. The two main elements from the beginning were thus trade and aid".²⁹³

In the Dutch context, this treaty must have been a welcome development, as it gave the government and its citizens the right to carry out business investments and developmental activities unrestricted within the African continent. Considering the fact that the Netherlands had no colonial territories within the continent, and the Dutch government was already looking for an alternative tropical environment to engage her experts after the loss of her East Indies colonies.

Moreover, the emphasis on trade in the treaty may also have given the private sector investors in the Netherlands an added impetus to press for their demands for Dutch bilateral development cooperation with African countries, as the legal framework for such cooperation was already available. In addition, the Dutch government's decision to adopt bilateral development cooperation may also have been influenced by this same reason.

Furthermore, this treaty became null and void in the 1960s when most former European colonies in Africa became independent. According to Hoebink, the treaty was earlier imposed on these African countries during the colonial era when they were under the

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²⁹² P. Hoebink, ed., *The Treaty of Maastricht and Europe's Development Co-operation* (Brussels December 2004), 26.

²⁹³ Idem, 26-27.

authority of European powers such as France, Belgium, Portugal and the United Kingdom.²⁹⁴ Therefore, after their independence in the 1960s, a new legal framework was required in order to continue this aid and trade relationship, which led to the Yaounde Convention in 1963 and 1969, as well as the 1975 aid and trade agreement in Lome.

The signing of these new treaties with African countries which now included newly independent former British colonies further increased the number of countries with direct aid and trade ties with the European Union, and as a member of the this regional body, the increase consequently meant an increase in the number of African countries with whom the Netherlands had aid and trade ties with in the 1970s.²⁹⁵ As according to Ringlanda, "Dutch development policy became increasingly subject to group-based coordination from around 1975 onwards".²⁹⁶

Therefore it is right for one to assume that this agreement and other subsequent agreements between the European Union and African countries influenced Dutch development cooperation with African countries. I am of this view because, as a member of the European Union the Netherlands was indirectly a signatory to any agreement signed by the organization, and since the Lome I agreement, there have been shifts in the area of focus in subsequent agreements between the European Union and developing countries.

This shifts in the European Union development strategy automatically transmits to shifts in Dutch development cooperation with developing countries. As evident from these subsequent treaties, such as, Lome II (1979), Lome III (1984), and Lome IV (1990), in addition to the Treaty of Maastricht in 1992 and the Cotonou agreement in the year 2000, that was revised in 2010.

For instance, in the 1975 Lome I agreement, apart from its priority on trade, emphasis was also placed on the provision of basic and social amenities, such as the construction of roads, bridges, hospitals and schools, as well as sustainable agriculture. While that of

²⁹⁶ G. Ringnalda, *Expectations and disappointments: The Netherlands' role in UN development policy 1960-1980*, in Nekkers and Malcontent (eds.) 207.

²⁹⁴ P. Hoebink, ed., *The Treaty of Maastricht and Europe's Development Co-operation*, 26.

²⁹⁵Europen Union and the 'Third World', http://www.caef.org.uk/lome2.html

1979 contained same aspects as the previous agreement, while support for the development of the mining industry was added to it.

Furthermore, according to a European Union statement, "the 1984 agreement shifts the main attention from the promotion of industrial development to self-reliant development on the basis of self-sufficiency, food security and to combat desertification and drought. While that of 1990 placed great emphasis on the promotion of human rights, democracy, good governance and the strengthening of the position of women. As well as the protection of the environment, decentralized cooperation and diversification of the economy, including the promotion of the private sector and increasing regional cooperation.

In addition to these above mentioned areas of focus, the European Union countries were also to provide balance of payment "in their National Indicative Programmes (NIPs) and sectoral and general import programmes in order to raise money for health and education projects". ²⁹⁷

Furthermore, although the 1992 Treaty of Maastricht was an all-out European affair, it however came up with a development cooperation strategy for developing countries, whose main objective was "to fight against poverty in developing countries, sustainable development of most disadvantage developing countries, particularly the most disadvantaged among them, and to further the integration of developing countries into the world economy". ²⁹⁸

Additionally, another agreement was signed in the year 2000 in Conotou between the European Union and seventy nine developing African, Caribbean and Pacific countries.²⁹⁹ According to a European Union report, "compared to preceding agreements and conventions shaping European Community's development cooperation, the Cotonou Agreement represents further progress in a number of aspects. It was designed to establish a comprehensive partnership, based on three

²⁹⁷ From Lome 1-1V, European Union Development Cooperation,

http://ec.europa.eu/europeaid/where/acp/overview/lome-convention/lomeitoiv en.htm

²⁹⁸ The Treaty of Maastricht, Treaty on European Union-1992,

http://www.developmentportal.eu/wcm/information/guide-on-eu-development-co-operation/legal-basis-of-eu-development-policy/primary-legislation/the-treaty-of-maastricht-treaty-on-european-union-1992.html

²⁹⁹ The Cotonou Agreement, http://ec.europa.eu/europeaid/where/acp/overview/cotonou-agreement/index en.htm

complementary pillars namely: development cooperation, economic and trade cooperation and the political dimension". In addition, the main objective of the agreement was to reduce and eventually eradicate poverty, consistent with sustainable development and the gradual integration of developing countries into the World economy". 300

Another area in which the European Union development strategy influenced Dutch development cooperation was through the coordination of forums to promote aid effectiveness, through the setting of development targets for member countries and policy harmonization towards aid effectiveness. In accordance with the Millennium Development Goals of the United Nations in the year 2000, the Monterrey Consensus of 2002, and the Paris and Accra declaration of 2005 and 2008.

In comparison, all of these development measures had a common objective which is to promote aid effectiveness through ownership, alignment, harmonization, results and mutual accountability in development cooperation.³⁰¹Therefore in order to promote aid effectiveness the European Union's strategy was geared towards the harmonization of these different development objectives.

This strategy of the European Union was emphasized in 'The European Consensus on Development' in 2005, with the pledge by member states including the Netherlands, to have a common goal for development cooperation towards poverty eradication and sustainable development. According to an EU report, "the organization will promote better coordination and complementarity between donors by working towards joint multiannual programming based on partner-country strategies and processes, common implementation mechanisms and the use of co-financing arrangements. It will also foster consistency in development policy in a wide variety of areas". 302

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³⁰⁰ http://ec.europa.eu/europeaid/where/acp/overview/cotonou-agreement/index en.htm

³⁰¹ Paris Declaration and Accra Agenda for Action,

http://www.oecd.org/document/18/0,3343,en_2649_3236398_35401554_1_1_1_1,00.html

³⁰² The European Consensus on Development,

http://europa.eu/legislation_summaries/development/general_development_framework/r12544_en.htm

Chapter Seven: Conclusion: An overview of Dutch development cooperation with Africa from 1960 to 2009

This research was based on the question of how and why Dutch development cooperation with Africa changed between 1960 and 2009. From the analysis in the historiographical debate, one can conclude that the beginning of Dutch development assistance programme was motivated by a mixture of ethical, economic and ideological reasons, which Voorhoeve classified under the rubric of peace, profits and principles. In addition, the different development and economic theories as analyzed in the historiographical debate also contributed to the beginning of development assistance to developing countries, as these theories instigated the belief that development can be achieved through development assistance.

Additionally, the Cold War which began at the end of the Second World War, also contributed to the beginning of the Dutch development assistance programme, as the Netherlands used development cooperation in conjunction with other western countries as a geopolitical defense to check the spread of communism. This is evident from early political debates in the Netherlands on why the country should engage in development cooperation, and development policy proposals prior to the 1960s clearly showed these anti-communist sentiments.

Furthermore, from the analysis of Dutch development strategy from the 1960s until 2009, one can deduce that the shift from multilateral to bilateral development cooperation was as a result of the calls by different interest groups. This change in policy consequently led to the expansion of the Dutch development assistance programme, which necessitated the creation of a separate Directorate General for International Cooperation, headed by a Director General within the Ministry of Foreign Affairs. In addition, the creation of a separate Ministry for Development Cooperation in 1965 headed by a Minister for Development Cooperation without portfolio was also as a result of this expansion.

Moreover, the rise of the private sector in Dutch development cooperation in the 1960s led to the dominance of economic interests in Dutch development cooperation. It also influenced the creation of non-government organizations such as Stichting

Netherlandse Vrijwilligers (SNV) and the Inter-Church Committee for Development Projects (ICCO) among others. In 1970 with the support of the Dutch government the employers and employees union also established the Netherlands Development and Finance Company (FMO). Although these organizations were established to promote development, however from the analysis of Dutch development strategy during this period, one can assume that economic interests was the overriding motivation for her bilateral development cooperation with developing countries.

This is evident from the concessions given to Dutch companies doing business with developing countries and the introduction of the 'tied aid' policy. In addition, the calls by the group of 77 developing countries for more trade instead of aid also showed that the dominance of economic interests in development cooperation was of an international dimension, as other Western countries were using bilateral development cooperation to promote their economic interests. Thus, the calls by the group of 77 countries for a change in development strategy towards more trade between developed and developing countries instead of aid, as postulated by Presbisch.

Furthermore, it was only during the tenure of Minister Jan Pronk between 1973 and 1977 that attempts were made to reduce this economic dominance, due to his ideological leanings as a member of the Dutch Labour Party (PVDA). However, at the end of his tenure in 1977, his successors continued to encourage the participation of Dutch businesses in development cooperation until his second tenure in 1989. Additionally, Dutch development strategy from the 1990s until 2009 was more ideologically oriented compared to previous years. For example, a policy document introduced in 1990 by former Minister Jan Pronk titled, 'A World of Difference: A new framework for development cooperation in the 1990s' emphasized on the need for poverty eradication through the proper channeling of development assistance in order to alleviate the sufferings of the poorest people who live in the rural areas in the least developed countries.

From this period onwards new development trends were introduced into Dutch development strategy for developing countries, which reflected the dominance of principles or ideology in Dutch development strategy. Such as emphasis on good governance, gender and equality, as well as population control, micro-finance and

decentralization. In addition, although the issue of human rights first came up in the 1970s, during this period it gained momentum.

The internationalization of development cooperation also contributed to the dominance of ideological interests in Dutch development cooperation with developing countries, as the aid effectiveness debate which necessitated policy cohesion gained momentum internationally. This led to a rise in the influence of the international context of development cooperation over Dutch development strategy, which consequently influenced her development cooperation with Tanzania and Mali, as analyzed in chapter four and five.

Although these development relationships began as a result of the calls by the private sector for direct bilateral development cooperation. The subsequent shifts that occurred in Dutch development cooperation with these above mentioned countries can be linked to the international context of development cooperation. This is evident from the Netherlands participation in World Bank organized consortium, the incorporation of the Structural Adjustment Programme of the International Monetary Fund into her development strategy, and the adoption of the United Nations development strategy as a reference for her development strategy.

In addition, the Netherlands development approach was also influenced by the complex humanitarian crisis in Mali which required a group based coordination among the various international and local organizations, and the country governments in the Sahel region.

These shifts caused by the internationalization of development cooperation also had a domino effect on Dutch development organizations operating in these countries, as changes in Dutch development strategy consequently led to changes in the strategy of Stichting Nederlandse Vrijwilligers in Tanzania and the Inter-Church Committee for International Cooperation in Mali. However, there were differences in the approaches adopted by these organizations. For instance, in Tanzania Sticting Nederlandse Vrijwilligers used a holistic approach which was different from that of the Dutch embassy. While in Mali the Inter-Church Committee for International Cooperation operated in areas where the Dutch embassy does not operate.

In the final analysis, it is evident that the international context of development cooperation greatly influenced Dutch development policies. Considering how the United Nations development strategies since the 1960s, the policies of the World Bank and the International Monetary Fund, as well as the coordinating role played by the European Union, influenced her development strategy for Africa and other developing countries. On the whole, from the analysis of this research one can conclude that the different changes in Dutch development cooperation with Africa between 1960 and 2009 was precipitated by the internationalization of development cooperation as well as the domestication of Dutch foreign policy.

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