

INSTITUTE OF CURRENT WORLD AFFAIRS

GDN-10

The Colombo Plan

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Petaling Jaya, Selangor  
Malaya  
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Mr. Richard H. Nolte  
Institute of Current World Affairs  
366 Madison Avenue  
New York, 17 New York

Dear Mr. Nolte,

Early in 1950 the foreign ministers of seven Commonwealth countries, Australia, Canada, Ceylon, India, New Zealand, Pakistan, and the United Kingdom, met in Colombo, Ceylon, for a presentation of views on Asian matters. Out of that meeting the Colombo Plan was born. This month in Kuala Lumpur, with the annual meeting of the Consultative Committee, the nineteen member nations of the Colombo Plan celebrated the tenth anniversary of what is perhaps the most successful and the least organized of the large-scale development organizations.

At the first meeting in Colombo, the ministers expressed deep concern for the problems of a lasting peace and for the economic welfare of the people of Asia. They then went on to recognize the close relation between peace and welfare, and then acted, rather rapidly as ministerial actions go, in support of the economic development of the countries of Asia.

The Commonwealth's Asian countries agreed to draw up individual six-year development plans as quickly as possible, to work out an arrangement for sharing technical assistance and capital, and to make an initial contribution toward a development fund. In September 1950 the Consultative Committee, as it was now called, met in London to draw up a report setting out the organizational structure for stimulating development in the area. The report gave the organization its name; it was to be the Colombo Plan for the Cooperative Economic Development of South and Southeast Asia.

The basic goal of the Plan is the economic development of the countries of the region. The shortage of skilled manpower and capital, and the sovereignty of the individual states were the principal conditions that had to be taken into account in working out the means for achieving this goal. This meant that the Colombo Plan would work primarily through providing skilled manpower and capital for the countries of the region as they progressed with their own development programs.

The Colombo Plan is not a supra-national authority planning and directing development in the region. It is merely a framework of communication and cooperation within which states enter into bilateral agreements to obtain skills and capital for development. Once each year the Consultative Committee meets to review the work of the past year and to allow delegates to present their nations' prospects and requirements for the year ahead. This is a ministerial meeting made up of senior officials from each of the nineteen member nations. (This year Chester Bowles led the American

delegation here in Kuala Lumpur.) To provide some continuity throughout the year, the Council, made up of the diplomatic representatives in Ceylon of the member countries, meets periodically in Colombo. Finally the major functions of communication and data gathering are performed by the Bureau, the executive secretarial arm of the Council.

The Bureau, circulating offers and requests for aid and receiving reports of all agreements between nations, prides itself on its subversion of Parkinson's Law. As the total work of the Plan increases, the size of the bureau contracts or at least remains constant. In June of this year the Bureau had a staff of only 25. Its budget for this year, about \$103,000, represented only 0.2% of the total value (\$56,000,000) of training, and aid given by member countries during the year.

Although the Colombo Plan began as a Commonwealth venture, it never conceived of itself as an exclusive club. By 1954 all of the 13 countries of the region\* were members. The United States, the United Kingdom, Canada, and Japan from outside the region participate largely as donor members. Australia and New Zealand, on the periphery of the region, also participate primarily as donors.

The real business of the Plan is the cooperative effort to provide the skills and capital for development. The first group of trainees under the Plan, some young Ceylonese girls who went to New Zealand to study dental nursing, was off even before the date the Plan was officially begun, July 1, 1951. Since then almost 20,000 trainees, at a total cost of almost \$84,000,000 have traveled abroad under the Plan. Japan gives training places to the countries of the region in agriculture, engineering, transportation, etc. Indian machinists are trained in New Zealand. Teachers from all over the region are trained in the United Kingdom. These are financed by outright gifts, loans, or by sharing expenses between donor and recipient. Some of the training involves years of work leading to higher degrees; in some cases a three month tour is considered appropriate.

In addition to providing technical training, governments send technical experts to help fill the gap in skilled manpower. Great Britain gave Malaya a naval architect to run a boat yard in Kuala Trengganu. Australia and Canada gave Indonesia an aeronautical engineer and flying instructors for her aviation academy. Engineers for roads, bridges, and dams, technicians for new steel mills or cement factories, statisticians, educators, administrators; all manner of skilled personnel are provided under the Plan. To date more than 3,000 experts, at a total cost of almost \$60,000,000 have been provided. The largest single group of

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\* Burma, Cambodia, Ceylon, Federation of Malaya, India, Indonesia, Laos, Nepal, Pakistan, Philippines, Singapore, Thailand, and Vietnam. North Borneo and Sarawak participate as dependencies of the United Kingdom, and Brunei also receives training places and experts.

assignments was made for a period of three to six months, but more than half of the assignments were made for a period of a year or more.

Capital, especially in the form of equipment, is also in short supply in the region. In the ten years of its operation, the Colombo Plan has witnessed the contribution of over \$42,000,000 worth of equipment to countries of the region. The United States has given heavy road building equipment, tractors, and microscopes. New Zealand has assisted in the construction of a cement factory in Pakistan. The materials given include visual aids for schools, technical equipment and libraries for universities, rolling stock for railways, agricultural equipment, materials for production and materials for research, in fact everything from heavy machinery for multimillion dollar projects to pipes for small village water systems. (See GDN-4.)

The Plan also maintains close liaison with the agencies of the United Nations and with organizations like the Ford and Asia Foundations, all of which provide aid to countries of the region under the Plan.

Most of the aid comes from the more developed to the less developed countries of the Plan. As the countries of the region develop, however, the pattern of aid within the region increases in importance. Malaya trains Indonesians, Nepalese are trained in India, Ceylonese go to Pakistan, and last year India trained a New Zealand statistician.

There can be no doubt about the past success of the Colombo Plan. It has done invaluable service in helping countries of the region to help themselves and to help one another in the job of economic development. As there are no effective standards of measurement, however, it is impossible to say just how successful the Plan has been. Training, experts, and material are provided, but the real effectiveness of this aid is determined by the effectiveness of the planning and development activities of each country. The Colombo Plan has no control over these. It can help countries obtain the aid they want, but it cannot say what aid a country needs, or what it should do with that aid once gained. If Indonesia uses Canadian and New Zealand aeronautical assistance to build an air force to push the Dutch out of West Irian, that will be unfortunate. The effects of such aid in stimulating development will then be minimal or even negative, but the Plan has no control over this.

This is one of the less fortunate consequences of the Plan's basic organization, which recognizes national sovereignty, but it also has a more fortunate consequence in the form of facilitating real action. In a period when nascent nationalism has made the countries of the region jealous of their newly gained sovereignty and suspicious of one another, perhaps the only organization that could really stimulate cooperation for development was one that recognized and protected the value of national sovereignty, which includes the freedom to make mistakes.

The cause of regional planning and development received its first real support in 1947 with the formation of the United

Nations' Economic Commission for Asia and the Far East, ECAFE. In ECAFE this cause also received its first defeat for ECAFE was part of a world organization whose center of power lay outside the region. It was not until 1950 that the Asian members gained a voting majority on the Commission, and even then countries outside the region, notably Great Britain and the United States, continued to hold the view that ECAFE should be primarily a fact gathering and debating society. Even if ECAFE had received more support from outside the region, however, it is doubtful if it could have organized the countries of the region into an effective planning and development bloc. Most countries have found it more advantageous to enter into bilateral agreements for aid, and none could accept the necessity of another country standing between itself and the aid-giving countries. The Colombo Plan has never faced such nationalistic obstacles in its work because of its initial acceptance of the politically fragmented nature of the region. It was thus able to produce action for development almost immediately upon its formation.

One of the most notable achievements of the Plan lies in the stimulation it has given to national economic planning. In 1950 only India had anything resembling a national economic development plan. Today all the countries of the region have a plan. In many cases the plan is simply a collection of projects, but at least the value of planning has been accepted. For an underdeveloped economy the value of a plan cannot be over-estimated, for only with a good plan can a country be reasonably sure that its scarce resources are being directed into areas and projects that will have a lasting and positive effect upon the economic structure.

There is now a growing recognition of the need for coordination of plans within the region. In this the Colombo Plan is playing a vital role, together with ECAFE and other regional organizations, like the new Association of Southeast Asia. I think it is safe to say that this new and much needed direction in planning could only have come after such efforts as those of the Colombo Plan had produced a base of good will and trust, and a recognition of the tangible benefits to be gained through international cooperation.

Sincerely,



Gayl D. Ness