

Marcin Nowik

Wrocław University of Economics

COLOMBO PLAN – FROM INDIA’S INITIATIVE ON FOREIGN ASSISTANCE TO REGIONAL ORGANISATION IN ASIA AND THE PACIFIC*

Abstract: The paper presents the evolution of the Colombo Plan from Cold War aid provision framework into a vital, regional, inter-governmental organisation in Asia and the Pacific region. The Colombo Plan, originally a commonwealth initiative, with a crucial role of India at its inception, has lost its meaning with the socio-economic development of Asian member states, progress of economic integration in the region and withdrawal of major Western donors. The reform conducted by Japan and Korea in mid-1990s allowed for finding a new niche for the Plan, changed the character of the organisation from North-South into South-South relations. Today, the institution is providing a framework for policy discussion, it offers knowledge exchange and networks Asian youth. New accessions to the organisation prove its attractive character in the political and economic scene in Asia-Pacific.

Keywords: Colombo Plan, India, Asia, assistance.

1. Introduction

In the post-war period, after a successful implementation of European Recovery Programme, so called Marshall Plan, there was a general consensus on significant benefits for economic development of large-scale, macro-planned, foreign assistance activities. Economic progress was perceived as an inevitable factor for political stability and capitalist path of development, thus would allow to save developing countries from falling into communist regimes. For that purpose two more, large, planning initiatives were undertaken in the field of foreign assistance. The Colombo Plan was directed for South and South-East Asia countries, the other initiative, Alliance for Progress earmarked the US assistance for Central and South America. Although neither of those initiatives enabled targeted economies to reach the pace of growth and level of consumption comparable to Western Europe after the Marshall Plan, the outcome for each of those initiatives was striking different. Alliance for Progress has been perceived largely as a failure and was dissolved in 1973. The

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Colombo Plan, after major reform in 1977 and revitalization in 1995, functions up to nowadays, although on different basis. Incepted as a North-South aid initiative it has been transformed into South and East Asian regional organization and a platform for South-South economic cooperation. Contemporarily, the Colombo Plan plays an important role in networking Asia-Pacific region. The current programmes are in the areas of public policy formulation in an environment of globalisation and market economy, private sector development and in drug abuse and prevention, furthermore the Colombo Plan provides skill development for technicians, know-how exchange and has been networking Asian youth.

The aim of the article is to present how the initiative in the field of foreign assistance for economic growth evolved into vital regional organization in Asia-Pacific region and to assess the role of the Plan in networking Asian economies in the environment of economic integration of the region.

2. Initiation and development of the Colombo Plan, with the specific reference to the role of India

On January 1950 the Commonwealth Conference on Foreign Affairs was held in Sri Lanka's capital city Colombo. The outcome of the summit was establishing a fund called Colombo Plan for Cooperative Economic Development in South and South-East Asia. It was instituted as a regional intergovernmental organisation for the furtherance of economic and social development of the region's nations by a group of seven Commonwealth nations – Australia, Great Britain, Canada, Ceylon, India, New Zealand and Pakistan. The Colombo Plan came into operation on 1 July 1951.¹

It is interesting to notice that the idea of the Colombo Plan probably was initiated by India. Charles Fisher attributed establishing the Colombo Plan with the earlier initiative of Indian Ambassador to China, Kavalam Madhava Panikkar, who presented to the US, UK and Australian Ambassadors a paper calling for the establishment of consultative machinery bringing together Asia and the West. He claimed that without immediate and adequate help in the economic field, Southeast Asian countries would not be able to contain communist expansion.² Fisher referring to Panikkar's memoirs³ said that Australian Ambassador, Keith Officer, attributed the origin of the Colombo Plan to this initiative. That story was also described in details by Daniel Oakman. The group of Ambassadors modified Panikkar's proposal and formulated joined memorandum, suggesting "the creation of a permanent consultative council, a confederation with a planned and integrated economy, which would increase food

¹ The Colombo Plan Secretariat, *History*, <http://www.colombo-plan.org/index.php/about-cps/history/>, 2011 (retrieved 29.05.2013).

² Ch.A. Fisher, *Containing China? II. Concepts and applications of containment*, *The Geographical Journal* 1971, vol. 137, no. 3, p. 301.

³ K.M. Panikkar, *In Two Chinas: Memoirs of a Diplomat*, Allen & Unwin, London 1955.

production through the application of modern technology, embark on a program of industrial expansion, build intra-regional trade networks, develop a 'common system' of liberal-democratic education, and build medical and sanitary facilities."⁴ These were the original and ambitious proposals, although never formally implemented, played an important role. Panikkar related, "I was told later by Keith Officer that the proposals in that memorandum formed the basis of the discussions which led to the Colombo Plan."⁵ It should be noticed that Panikkar's proposals were not isolated but in line with aims of India's foreign policy. As Oakman noted at the Commonwealth Prime Ministers' Conference in October 1948, it was India that reinvigorated its interest in building a non-communist regional association. India's Prime Minister, Jawaharlal Nehru, made veiled references about the creation of Asian alliance dedicated to bringing aid into the region.⁶

The membership of the Colombo Plan enhanced quickly beyond the Commonwealth. Already in 1950s a number of countries joined the Plan. The crucial turned out to be accession of the United States of America to the Plan as soon as in 1951, who secured the largest share of funding the Plan's budget. Although the Plan was initiated within the Commonwealth, it was in line with the US foreign policy. On the one hand, the idea of planning development was supported on the academic field by, popular at that time, theory of stages of economic growth,⁷ and on the other, it was in line with communism containment doctrine of the US. Other countries that joined the Plan in 1950s were as follows: Lao PDR (1951), Myanmar and Nepal (1952), Indonesia (1953), Japan, Philippines and Thailand (1954) and Malaysia (1957).

In the first period, the Colombo Plan assistance comprised both transfer of physical capital and technology as well as a strong component of skills development. Infrastructure projects prevails: airports, roads, railways, dams, hospitals, fertilizer plants, cement factories, universities and steel mills were constructed in member countries through the Colombo Plan assistance.⁸ Simultaneously a number of people were provided with training. It is estimated that 350,000 Asian students received scholarships under the Plan.⁹ The composition of the assistance did not differ from similar aid initiatives of that time.

⁴ D. Oakman, *Facing Asia: A History of the Colombo Plan*, The Australian National University E Press, Canberra 2010, p.25.

⁵ K.M. Panikkar, *op. cit.*, p. 56.

⁶ D. Oakman, *op. cit.*, pp. 20–22.

⁷ W.W. Rostow, *Stages of Economic Growth: A Non-communist Manifesto*, Cambridge University Press, Cambridge 1960.

⁸ *The Story of Colombo Plan: Resource Book 2012*, The Colombo Plan Secretariat, <http://www.colombo-plan.org/index.php/resources/publications/>, 2012, p. 16 (retrieved 29.05.2013).

⁹ K. Dixit, *Development: East Asia Reaches out to Most Vulnerable Neighbours*, 20.02.1997, Inter Press Service News Agency, available at: <http://www.ipsnews.net/1997/02/development-east-asia-reaches-out-to-most-vulnerable-neighbours/> (retrieved 29.05.2013).

3. Crisis and rejuvenation of the Plan

In 1960s and 1970s, the membership of the Colombo Plan further expanded: Bhutan and South Korea (1962), Afghanistan and Maldives (1963), Iran and Singapore (1966), Bangladesh and Fiji (1972) and Papua New Guinea (1973). The membership went far beyond Commonwealth and was covering South and Southeast Asia. The Colombo Plan Council adopted a new constitution in 1977, changing name of the organisation to The Colombo Plan for Cooperative Economic and Social Development in Asia and the Pacific. The aim of the change was to reflect the expanded composition of its enhanced membership and the scope of its activities. However, those changes were not able to prevent the crisis of the organisation that has been losing its own identity as an aid initiative and consultative body, in fast changing Asia. First of all, other global, multilateral initiatives in the field of economic assistance, organized in a more contemporary manner, focused attention of donors in Asia. These were for instance the United Nations Development Program (UNDP), the Economic Commission for Asia and the Pacific (ECAP) and the Asian Development Bank (ADB). Furthermore, regional integration organisations in Asia became the fora for inter-governmental dialogue and the meaning of consultative role of the Colombo Plan declined. Association of Southeast Asian Nations (ASEAN) and the South Asian Association for Regional Cooperation (SAARC) draw the attention of Asian countries. Finally, with the increasing prosperity of Asian countries the interest in technical assistance and physical capital provided by the Plan decreased.¹⁰ The clear sign of identity crisis was the fact that, after Papua New Guinea no further country joined the Plan and at the beginning of 1990s two founding members Canada and the UK lost interest in the initiative and finally pulled out from the Plan. The budget for initiatives significantly declined. According to Kunda Dixit, in the low point of the crisis, at a meeting in 1989, remaining donor members said the organisation should consider “retiring graciously from the international scene.”¹¹

The rejuvenation of the organisation came from former beneficiaries of the Plan: Korea and Japan. The scheme of reforms, approved at a meeting in Seoul in 1994, aimed to make the Colombo Plan a primary agency for South-South cooperation within Asia, in particular in the field of exchange of technical expertise. In 1995, a new Secretary General, from South Korea, Hak Su Kim, was appointed to lead the organisation through the changes. He drafted the new idea for the rationale of the Colombo Plan’s role in Asia and the Pacific region, “we want to see how the industrialised countries of the Far East, the newly-industrialised South-East Asian countries with the South Asian region can learn from each other.”¹² The reform of the

¹⁰ D. Oakman, *op. cit.*, p. 280.

¹¹ K. Dixit, *op. cit.*

¹² K. Dixit, *op. cit.*

Colombo Plan shifted the centre of gravity from North-South, donor-recipient relations, to South-South, mutual learning and cooperation, making it more adhering to South-East Asian economic reality and global trends in development cooperation.

4. The Colombo Plan's objectives, organisational structure, sources of funding, programmes and initiatives

The objectives of the Colombo Plan changed alongside reforms in the mid-1990s. During the Cold War period the organisation served as a framework for foreign assistance provision within North-South framework, whereas the background primary objective was Communism containment. The broader attempt to define the Colombo Plan's objectives during the Cold War was made by Canadian diplomat in 1960. Pollock defined the role of the Plan as to: "contribute to the development of conditions of stability and orderly growth in the backward countries and thereby create an environment in which the benefits permeate to the general population to the extent necessary to create a conviction that support for their own institutions will lead to their own betterment. Without [it] [...] there will be no resistance to those influences which have led to xenophobia or support for Communism."¹³ Contemporarily the objectives of the organisation are far from political connotations and donor-recipient rhetoric. The organisation defines own objectives in the following manner:

1) to promote interest in and support for the economic and social development of Asia and the Pacific;

2) to promote technical cooperation and assist in the sharing and transfer of technology among member countries;

3) to keep under review relevant information on technical cooperation between the member governments, multilateral and other agencies with a view to accelerating development through cooperative effort;

4) to facilitate the transfer and sharing of the developmental experiences among member countries within the region with emphasis on the concept of South-South cooperation.¹⁴

The shift from North-South to South-South paradigm in the ideology behind the Colombo Plan found its reflection also in reform of organizational structure, conducted in 1995. Colombo Plan Bureau was renamed Colombo Plan Secretariat, and the post of Director was replaced by that of Secretary General. What is crucial

¹³ S. Pollock, *Analysis of Colombo Plan Objectives and Procedures Following a Tour of South East Asia*, Memorandum by Director International Programmes and Contributions, Department of Finance, Ottawa, 19.02.1960, <http://www.international.gc.ca/departement/history-histoire/dcer/details-en.asp?intRefid=12954> (retrieved 30.05.2013).

¹⁴ The Colombo Plan Secretariat, *Overview*, <http://www.colombo-plan.org/index.php/about-cps/overview/>, 2011 (retrieved 29.05.2013).

after the reform, Secretary General could be appointed from any member country, not only from a group of donor countries. This change emphasized a focus on South-South cooperation and underlined its principles of equality and partnership relations among the states. Nowadays, the Colombo Plan consists of three major institutions:

1) The Consultative Committee which comprises all member governments and is the highest review and policy making body of the Colombo Plan. It gathers biennially and provides a forum for the exchange of views on current development problems facing member countries;

2) The Colombo Plan Council which comprises heads of diplomatic missions of member governments who are resident in Colombo, Sri Lanka. The Council meets quarterly to discuss development issues facing its members and ensure the smooth implementation of the Consultative Committee's decisions;

3) The Colombo Plan Secretariat, headed by a Secretary-General, responsible for the effective administration and implementation of the programmes of the Colombo Plan.¹⁵

The Colombo Plan activities are financed from the voluntary grants of member countries as well as membership fee of USD 11,700 per year.¹⁶ Although the sum seems relatively low, some members avoid paying. Out of the 26 member countries, only 19 countries paid their mandatory membership fee within the financial year 2010/11.¹⁷ After withdraw of the UK and Canada, the majority of funds is being provided by the United States, Japan and Korea. Furthermore former recipient countries are becoming emerging donors for the Plan, benefiting and contributing simultaneously. Among those there are: India, Malaysia, Thailand, Pakistan, Singapore and Indonesia.¹⁸ Traditionally, industrialized donors to the Plan specialize in particular areas, for instance Japan's support goes to a programme to upgrade public administration skills. South Korea is helping with a programme to develop the private sector in Asian developing countries – especially for small- and medium-scale enterprises. The United States and Japan are continuing to support the Colombo Plan's advisory programme for drugs.¹⁹ Despite those contributions the Colombo Plan's budget does not match its mandate or the immensity of the challenges of socio-economic development in the Asia-Pacific.

The 1994 reform left the organisation more streamlined, focused on a few strategic, relevant areas of cooperation, where permanent training programmes have been implemented. Four areas of competence were identified: (1) drug demand and

¹⁵ *Ibidem*.

¹⁶ Himalmag.com, A New Plan for the Colombo Plan, *Himal Southasian* 1997, <http://www.himalmag.com/component/content/article/2660-A-New-Plan-for-the-Colombo-Plan.html> (retrieved 30.05.2013).

¹⁷ The Colombo Plan Secretariat 2012, *Annual Report 2011/2012*, <http://www.colombo-plan.org/index.php/resources/publications/>, p. 55 (retrieved 29.05.2013).

¹⁸ *The Story of Colombo Plan...*, p. 45.

¹⁹ Himalmag.com, *op. cit.*

supply reduction, (2) public administration, (3) private sector development and (4) South-South technical cooperation.²⁰ Those areas found reflection in four permanent programmes of the Colombo Plan, dedicated for the most vulnerable countries of the region: the least developed, the landlocked, tiny island states and the transition economies of Indochina.²¹ The short account for each of the permanent programmes was provided below.

1. Drug Advisory Programme (DAP). Established in 1973, the programme was proposed to address the growing drug menace in the region. It is the oldest and has become the biggest programme of the Colombo Plan, it supports human resources development of public sector, NGOs and civil society, particularly for those involved in drug demand reduction activities, treatment and rehabilitation of addicts. The major contributor to the programme are the United States and the major recipient is Afghanistan, followed by Indonesia and Philippines. DAP is the only intergovernmental programme, in Asia and the Pacific region, exclusively aimed at capacity building for drug demand reduction. Asian Centre for Certification and Education of Addiction Professionals (ACCE) was established as a training and credentialing arm of the DAP in 2009. It provides training and certification to the national level trainers and addiction treatment practitioners in the Asia-Pacific region.²² It aims to raise proficiency of care provided to drug abusers and their families. In the period 2005–2011,²³ there were 6,891 participants of DAP, from 22 Colombo Plan's countries.

2. Programme for Public Administration & Environment (PPA/ ENV). The programme came from the merger in 2007 of the Programme for Environment, established in 2005 and funded for a three-year period by Thai Government, and Programme for Public Administration, established in 1995, as the result of the revitalization of the Colombo Plan's structure and areas of focus. The primary objective of the programme is to develop human capital in the public sector of the Colombo Plan's developing member countries, through short-term training programmes in areas such as public governance, IT management, strategic management, international relations, empowering women, poverty reduction, project management, economic planning & management, teacher training, research in biotechnology and sustainable environment management. PPA/ENV targeted participants are middle level to senior level public officials, many of whom hold key positions in both public and private sectors.²⁴ The major recipient of training is Sri

²⁰ *The Story of Colombo Plan...*, p. 44.

²¹ Himalmag.com, *op. cit.*

²² *The Story of Colombo Plan...*, p. 55.

²³ Data up to August 2011, The Colombo Plan Secretariat, *Statistics*, <http://www.colombo-plan.org/index.php/resources/statistics/>, 2011 (retrieved 29.05.2013).

²⁴ The Colombo Plan Secretariat, *About PPA/ENV*, <http://www.colombo-plan.org/index.php/programmes/programme-for-public-administration-and-environment/about-ppaenv/>, 2011 (retrieved 29.05.2013).

Lanka, followed by Pakistan and Indonesia. In the period 2005–2011,²⁵ there were 716 participants of PPA, from 21 Colombo Plan's countries.

3. Programme for Private Sector Development (PPSD) established in 1995 as a result of the revitalization of the Colombo Plan. It provides short-term training programmes for the development of the private sector, particularly the development of small and medium enterprises. The focus of the PPSD is on capacity building of officials who are responsible for industrial, SMEs, and entrepreneurship development. The programme's scope covers technology transfer, business management and sharing of best practices, trade liberalization, WTO and trade issues as well as industrialization policy.²⁶ The largest recipient of PPSD training is Sri Lanka, followed by Indonesia and Iran. In the period 2005–2011,²⁷ there were 841 participants of PPSD, from 22 Colombo Plan's countries.

4. Long-Term Scholarships Programme (LTSP). Re-established in 2004, after five-year brake, as the consequence of the Colombo Plan rejuvenation. The programme enables suitable candidates from member countries to pursue their Master degrees in universities in Korea, Malaysia, Singapore and Thailand. Areas of study cover a wide spectrum of subjects from IT management, agriculture, social sciences, environmental, diplomacy and international relations and public policy. Colombo Plan offers 46 scholarships per year to the member countries, which makes the initiative the smallest within the Colombo Plan. In the period 2005–2011,²⁸ there were 106 participants of LTSP, from 18 Colombo Plan's developing countries.

The overview of the permanent Colombo Plan's programmes provides a clear picture on the nature of activities supported by the Plan. Unlike to the pre-reform period, there are not any investments in physical capital and infrastructure. Contemporary programmes focus solely on human resource development and address issues of economic and social challenges of beneficiary countries. Colombo Plan's programmes provide advance skills and experience sharing, in the South-South cooperation framework, to create an environment in the developing countries of the Plan, for good policy making and good governance.

5. Conclusions

The story of the Colombo Plan is an interesting example of a regional institution in the Asia-Pacific region that was able to transform and find a new identity and role in a fast changing economic reality in Asia. The Colombo Plan was established in "North helps South" framework, purely as a Cold War aid initiative, motivated by political reasons and providing physical capital for economic development, in line

²⁵ Data up to August 2011, The Colombo Plan Secretariat, *Statistics*.

²⁶ The Colombo Plan Secretariat, *About PPSD*, <http://www.colombo-plan.org/index.php/programmes/programme-for-private-sector-development/about-ppsd/>, 2011 (retrieved 29.05.2013).

²⁷ Data up to August 2011, The Colombo Plan Secretariat, *Statistics*.

²⁸ Data up to May 2011, *ibidem*.

with recommendation of that time development economists. The surprising role of India at the inception of the Plan is a little known fact which indicates the early engagement of the country in establishing global aid system.

The changes in global economy found their reflection in the evolution of the organisation. Old donors, Western industrialized economies have withdrawn or limited their contribution to the Plan, but the niche has been fulfilled by emerging Asian actors. The leading role of Asian members in the organisation changed its character and ideology from North-South to South-South framework. More partnership model of organisation management, the focus on mutual learning and knowledge exchange stand for principles of South-South cooperation, which is officially stated among Plan's objectives.

Today, the Colombo Plan is an important regional institution, networking countries from Asia-Pacific region, providing a platform for political dialogue and experience exchange in the field of socio-economic development. The programmes conducted under the Plan fulfil the niche in knowledge sharing among Asian countries, whereas the Drug Advisory Programme occupies the leading position in comparison to similar activities in the region. New member states that joined recently the Colombo Plan: Mongolia and Vietnam (2004), Brunei Darussalam (2008) and Saudi Arabia (2012), are the best proof that the transformation of organisation was successful and it is perceived as valuable contributor in Asia Pacific scene.

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PLAN COLOMBO – OD INDYJSKIEJ INICJATYWY NA RZECZ POMOCY ROZWOJOWEJ DO ORGANIZACJI MULTILATERALNEJ W REGIONIE AZJI I PACYFIKU

Streszczenie: Artykuł stanowi omówienie ewolucji inicjatywy Planu Colombo, począwszy od zimnowojennej organizacji pomocowej, do współczesnej, aktywnej międzyrządowej organizacji w regionie Azji i Pacyfiku. Plan Colombo, będący początkowo inicjatywą brytyjską, założony przy istotnej roli Indii, stracił znaczenie wraz ze zmianami społeczno-ekonomicznymi, jakie nastąpiły w Azji do lat 90. XX w. Pojawienie się organizacji integrujących gospodarczo i politycznie region oraz odstąpienie od Planu donatorów z krajów zachodnich przyczyniły się dodatkowo do kryzysu tej instytucji. Reformy przeprowadzone przez Koreę i Japonię pozwoliły na rewitalizację Planu. Z organizacji działającej na bazie relacji północy z południem, Plan Colombo stał się forum dla współpracy i wymiany wiedzy na osi południe-południe. Przystąpienie do inicjatywy kolejnych państw jest świadectwem udanej transformacji Planu oraz jego istotnej współczesnej roli.

Słowa kluczowe: Plan Colombo, Indie, Azja, pomoc rozwojowa.