

II) THE DUNCAN REPORT

by Guy Hunter*

The Duncan Report, often so able and useful in its detail, is surely one of the most short-sighted, and indeed ignoble, public documents to have appeared in recent years. If the nation were on its knees and if the course recommended could alone save it, that might possibly be excused. But in fact it is barely relevant to the causes of our difficulties and, in the long run, could make the symptoms not better but worse. Our balance of payments problem is not due to spending that £5m.-£10m. too much on overseas representation which the Report would have us save, but to far deeper causes in our home economy and society. To make a trifling contribution to this malady the Report suggests that we should recast not only the structure of our diplomacy but the very image of Britain in the world.

The Committee accepted terms of reference which begged a vital question. They were instructed "to bear in mind....the importance of obtaining maximum value for all British Government expenditure and the consequent desirability of providing British overseas representation at lesser cost". Why 'consequent'? It is certainly possible that we are wasting overheads and high quality staff by spending marginally too little.

The Committee accepted, with apparent enthusiasm, that their prime task was "to make recommendations particularly on the furtherance of British commercial and economic interests overseas" and to achieve this furtherance at less cost. But they went further than this, and begged a far larger question. For, defining our overseas services as "an instrument of British interests", they revealed the narrowness of this definition by insisting on "the towering importance of the balance of payments" and "the clear precedence that belongs to the commercial objective in the day-to-day conduct of British relations with other countries". It is true that later on other interests are mentioned - "the reduction of East-West tension, the sustaining of Commonwealth links..., the improvement of economic conditions in the less developed countries, and the strengthening of international

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organisation". But these interests do not deflect the Committee from their determination to spend less and to put commerce first.

But the Committee was not asked to assign such priorities within general British policy or to put clear precedence on direct commercial endeavour above other long-term policy aims. To win friendship and respect, to help redress the balance of wealth and poverty, to heal the running sore of racialism, to take an international rather than a nationalist view - such aims may well be more essential even to our commercial interests. To earn a living is as vital for a nation as to breathe for an individual; that done, the purposes of life can be pursued: only dying men or hypochondriacs proclaim the towering importance of breathing.

Having made these enormous assumptions, the Committee first set about their task of finding savings by dividing the world into an Area of Concentration (Europe and North America, with Australia and Japan tacked on) and the "Outer Area", i.e. the rest of the world. That diplomacy and the furtherance of British interests require a different style in these areas is certainly true and important; the old Foreign Office style is singularly ill-adapted to much of the Third World. That the "Outer Area" is less important is manifestly untrue.¹ Vietnam has had a certain importance in world affairs - at least enough to topple a President of the United States. Suez, South Africa-Rhodesia-Zambia, have had a certain impact on the reputation and friendships of Britain and on her commercial interests. India - 500 million friendly and democratic people - is not altogether negligible. All these are part of the "Outer Area", in which the Committee suggest that British representation should be reduced and commercialised.

For in this Outer Area the prime aim of British policy, if this Report were accepted, would be to make a

¹The Committee did not say it was less important, in so many words. But since "Outer" cannot mean 'further' than Australia or Japan, it must mean 'of less importance', at least to Britain.

hard sell, reducing political staff and emphasising commercial representation accordingly. It is not only that a short-term payments crisis is to be met, not by short-term measures in the right place but by institutionalising a form of foreign representation which is likely to last for a generation. Worse still, it is far from clear that this form is best suited even to the short-term need. In dozens of countries the direction of trade is not decided by private entrepreneurs on economic grounds, but by governments on grounds which are largely ideological, or State-socialist, or reflect a preference for dealing with friends. In fact, the way to further 'British interests' in most developing countries is to show some active competence in helping them to achieve their own interests; in gaining a reputation for sympathy, reliability, wide local knowledge and real concern. Perhaps the best way to damage British interests is to proclaim in public the determination to make a hard sell to countries highly suspicious of colonial and capitalist pressure.

Hard selling and hard diplomacy in Europe is acceptable. Relations with India, Pakistan, Indonesia - to name just 750 millions of the "Outer Area" - needs an attitude and a type of representation which the Committee show little sign of defining. It certainly needs enough staff, of the right kind, to go out and see the projects and achievements and problems of the country's development effort, to meet the men in the field, and to speak to governments from first-hand and competent knowledge of their situations. Many of those who have travelled widely in the "Outer Area" have been horrified to find British Embassy staff (with notable exceptions) chained to their desks by administrative work by day and exchanging guesses with colleagues in the evening diplomatic round. The best of them are highly conscious of this: to reduce staff would only make matters worse.

The administration of £200m. of British aid highlights this problem. It receives a singularly half-hearted treatment by the Committee. Aid requires both expertise and a good deal of routine administration. As to experts, it might have been thought sensible, if economy is the watchword, to centralise some expertise in Development Divisions, as in the Middle East and the Caribbean. But

these are damned with praise so faint as scarcely to be audible: they are rather strangely described as a successful experiment which should not be repeated. As to administration, it is certainly not sensible, if the Mission staffs are to be relied on so heavily, to tie them even longer to their desks with the administrative chores of aid or to expect them to be expert in irrigation, education, range-management and computers. If £200m. is worth spending, it is worth adequate administrative and technical support.

As a contrast, it is worth looking at the Ford Foundation work for Indian agriculture. The sums spent are considerable, but not large in relation to the British aid effort. But they have had immense effect, in a critical sector, an effect spreading over the length and breadth of India. The Foundation's administrative costs have probably been extremely high in relation to total funds spent. But the critical ratio is not this but the ratio of total funds spent to total results achieved. The Duncan Report notes that the administrative costs of technical assistance are high; but the cost-result ratio may be extremely favourable: for example, one British technical mission to Tanzania persuaded that government to halt a settlement programme which could easily have reached the scale of the groundnut catastrophe.

"To help developing countries to help themselves", as the Ford programme has done, needs technical competence and understanding of their problems in the field. This is especially true of rural development, which is bound to play a far greater part in the '70s than in the '60s. This means more staff, not less. In Delhi the US Embassy and AID have a large trained agricultural staff; the British agricultural staff at least cannot be reduced - it does not exist. In commercial terms, American case-studies and text-books are used in the agricultural universities; American jeeps by the thousand carry the Extension staff; American machines are used in the Agricultural Engineering faculties and Extension training centres; American offset printing presses churn out the Farmers' Bulletins. There are 60 million farm holdings in India; there is an unrivalled knowledge of tropical peasant agriculture in England; closer contact between the two might surely be profitable, in every sense, to both sides.

The section of the Report dealing with attaches is that which is most ruthlessly determined to get a quart out of a pint pot. The Committee may well be right in thinking that specialists should be part of the Mission staff, not seconded from a UK Ministry. But it is simply not good enough to rely on the shiboleths of "a course of as little as a month in development economics" or some familiarity with modern methods of industrial management (managing a steel works, or a biscuit factory, or a coal mine? in England or Brazil or India? - the methods are apt to differ): these bits of top dressing will not turn a generalist into a competent economist or agricultural adviser. Curiously, five of the eight British agricultural attaches now in post are not agricultural but food-trade specialists, stationed at Washington, Brussels, Copenhagen, Wellington and Canberra; only two (Nairobi and Lagos) are concerned with the development of local agriculture. India, Pakistan, Burma, Thailand, Malaysia, Indonesia, Philippines - about 850 million, of whom 70% are in agriculture - surely merit just one man on the British staff with competence in the immense problems of agricultural investment and administration.

The Committee call their recommended pattern 'the New Diplomacy'. Alas, it is not new, but reflects a set of negative attitudes which have been influencing British affairs at home and abroad for some time now. The short view of immediate cash advantage - like the 'hard-headed' businessman who cuts his development department to save a few salaries: the view that Britain is poor because in deficit - like the rich landlord who cannot afford to mend his poor tenant's roof because his yacht costs so much nowadays; the belief in economic man - not only ignoble but hopelessly inaccurate; the disbelief in imponderables, drawn from the lesser economists who suggest that only what is immediately quantifiable is real these are some of the attitudes which have produced this strange Report.

Let us consider two possible futures. First, that the payments deficit is wiped out by better management of the British society: then the savings overseas - about 0.5% of extra exports would cover them - would be seen to have been unnecessary - but only after running down our service. Second, that it is not wiped out: then, the

result would be a downward spiral; for, the deficit recurring, there would be a demand for further savings overseas to maintain standards of life at home - schools, hospitals, wage-rises and all the rich man's rights - a further loss of contact and influence in the export market, a further deficit.

If the Committee had stuck to a programme of getting better value for money in the Outer Area, with all the implications as to style of action and type of staff, the Report would have made better sense and given a less deplorable total impression. For how would Britain's New Diplomacy be seen abroad, with its opening fanfare played on cash-registers - "the clear precedence that belongs to the commercial objective in the day-to-day conduct of British relations with other countries"? A concentration on the rich man's area, and a reduction of effort outside it; that reduced effort to be focused on commercial sales, in countries highly suspicious of commercial pressure; a lack of faith that economic development among two-thirds of the world's population will in fact succeed enough to make their future trade worth our pains; a repeated emphasis on British interests alone, against the best elements of international concern for the growing inequalities and violence in the world - no one could be blamed for so reading this document. And at home? If we are to break out from our self-absorption, from the internal jealousies and envy which are the dangers of progress to greater wealth and equality,¹ then some sense of service to an external ideal, a role for ourselves in the world a little more inspiring than the interests of a nation of shopkeepers, is surely needed. A nation lives by the renewal of its best tradition and ideals: if we do not need de Gaulle, we do need a vision a little more inspiring than Duncan.

¹de Tocqueville and T.S. Eliot, in their different ways, have both pointed to this dark side of the coin.