

## PREFACE

Aid as it exists today can be traced back to the period after the Second World War. Foreign aid, as it has evolved since the 1950s, has undergone various policy shifts, reflecting the changing priorities of the donors, which in turn are linked to the prevailing international climate. The 1990s were a time when the issue of environment and globalization dominated the international scene. Both these issues occupy a prominent place in aid policy dialogue today and form a priority area of German aid in India and worldwide.

This study seeks to uncover the underlying motive of the FRG for extending environmental aid to India and to situate it in the broader context of German foreign policy. German bilateral official development assistance to India, despite its smallness in terms of the GNP, is relevant in terms of international relations. The very fact that it has endured since 1958 is indicative of a meaningful relationship and interaction between the two countries. The study explores this relationship to establish whether the cooperation is mutually beneficial, what form it is manifested in and if it serves to reinforce and consolidate existing ties between the two countries. It also throws light on the terms and conditions of aid, i.e. the mix of grants and loans, the kind of loans extended to India and whether therefore the assistance is coloured by large commercial interest rather than predominantly humanitarian. In this context the rhetoric of German aid policy statements is also analyzed.

Technical cooperation, through which the grant element of aid is largely channeled, is subjected to intense scrutiny to establish whether there is link in this sector with the commercial interests of the Germans. The study also situates environmental aid in the context of international environmental diplomacy and investigates the link between environmental aid and the agreements and treaties signed at international environmental conventions. Finally, in the context of the changed international scenario of the 1990s, with the unification of Germany, an attempt is made to understand whether Germany is seeking to leave an imprint on international politics by establishing its authority in a non-threatening manner – so

while not seeking to project itself as a hegemon, whether it is desirous of assuming a leadership role as a benign power in a multilateral system, striving for peaceful coexistence with the larger objective of attaining security through peace and whether the field of environment serves as a launching pad for the attainment of this objective.

Against this background, Chapter 2 traces the emergence of the issue of environment at the national and international level in the case of both Germany and India and seeks to locate the growing awareness of the environment in domestic and international compulsions. In the case of Germany it demonstrates how an initially reluctant Germany turned what was at first perceived as a disadvantage into a window of opportunity for its industry. The chapter also outlines the institutionalization of environment in both countries and the principles underlying the conflict between the North and South on issues of environment, internationally.

Chapter 3 provides a detailed account of foreign aid. It briefly sums up the motivation for aid, the policy shifts in the administration of aid since the 1950s and the impact of the end of the Cold War on aid. German aid is critically analyzed in the light of official government policy statements and the link established between aid and foreign policy and German national interest. The priorities of German aid are listed as also the criteria for allocation of German aid. An insight is provided into the German domestic debate and criticism of aid policy and finally the instruments and organizations of German aid are presented.

Chapter 4 explains why India is a preferred partner as recipient for Germany. It then presents German foreign policy goals in Asia in general and with reference to India. A brief account of the Environmental foreign policy of Germany is provided.

Chapter 5 provides an overview and an assessment of German aid to India. German environmental aid to India is discussed in some detail with a brief description of some selected projects. The chapter also contains a section on the bilateral negotiations between the Federal Republic of Germany and India.

Chapter 6, which is the concluding chapter, sums up the findings of this study. It brings together the strands of arguments of all the earlier chapters to reveal the strategy underlying environmental aid to India. The conclusion clearly brings out the relevance of the title of this thesis, viz., the commercial nature of the Indo-German aid experience.

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