

"classic" bi-lateral relationship. While the bulk of foreign aid continues to be disbursed on a bi-lateral basis, the ADB, as a multi-lateral vehicle, through which funds are channelled in an anonymous fashion, represents a heartening breakthrough in this pattern of assistance. Although the Bank does not herald the obsolescence or the disappearance of bi-lateral aid, it does serve as a bellwether of an increasingly enlightened attitude on the part of the developed nations — one which facilitates the subordination of national self-interest to the pursuit of regional objectives. As well, it has proven an attractive vehicle for the smaller developed countries, whose resources, by themselves, would have made relatively little impact, but within the framework of a pool of resources, constitute a noteworthy contribution.

We can observe from the foregoing that "development diplomacy" has already made progress in promoting the endorsement of the multi-lateral method of assistance to developing countries. Its greatest challenge, however, lies in determining the appropriate areas for development emphasis, and in implementing the resources at its disposal in the most expeditious manner, consistent with the national objectives of the recipient.

It would, of course, be possible to inject doses of capital and technical assistance into the economic bloodstream of the developing nations at almost any point and witness some degree of success — and, I might add, this type of random resource allocation would present less problems from a diplomatic standpoint. However, the achievement of fully-diversified and prosperous economic structures demands the espousal of a well-ordered program of development, taking into account each country's current stage of development. One of the primary functions of an international institution such as the ADB is to make itself available to assist its member nations in pinpointing the proper areas for resource inputs. These areas can encompass a wide scope, ranging from fertilizer plants or industrial complexes, in the more sophisticated economies, to power generators, feeder roads, irrigation systems and other elementary infrastructures, in the less mature economies. Regardless of where emphasis is placed, it must adhere to a logical sequence, because to omit a preliminary phase may spell the defeat of subsequent phases.

The current state of the Asian agricultural sector presents an appropriate example of this thesis. I have already cited some of the damaging consequences of continued production shortfalls. To elaborate further, these shortfalls sap the purchasing power of the farming community, which comprises the major segment of