African Studies Association of Australia and the Pacific

Submission to the Committee to Review the Australian Overseas Aid Programme

June 1983

SUBMISSION TO AUSTRALIAN AID REVIEW COMMITTEE

FROM AFRICAN STUDIES ASSOCIATION

1. Introduction

i) We welcome the decision of the Minister for Foreign Affairs to set up a committee to review Australia's overseas development assistance programme. We are, however, disturbed at the implications for Australia's aid programme to Africa of the terms of reference, and especially the instruction to "consider the geographic distribution of Australian aid programmes, and in particular whether more emphasis should be given to the Pacific and South East Asian regions". We would not dispute that those regions have significant needs. We view with grave concern, however, the possibility that increased aid to those areas should be at the expense of Australia's aid to Africa, which is already a very small proportion of the total programme. In view of the grave economic difficulties that face the African continent, which in most respects is the poorest and most underdeveloped region in the world, we would urge the government to sustain its assistance to that region.[1] We are convinced that in terms of need there is no doubt that Africa should command Australian attention and assistance, given Australia's stated position that "humanitarian concerns are of paramount importance to Australia in formulating its (O.D.A.) programmes".[2] Humanitarian concern, moreover, is reinforced by Australia's self-interest as an Indian ocean state with a strong concern for the peace of the Indian Ocean region and hence the stability and progress of the island and littoral states.[3] In addition, Australia's Commonwealth association with fifteen of the independent Africanstates has steadily increased her political links with the continent, reflected especially in our increased involvement since the mid-seventies in Southern Africa, and our support for

impact of the increased emphasis in a number of states on a horticultural industry that produces luxury food crops for European markets; and the impact, more generally, of cash crop production for export as land comes under greater pressure.[17]

v) Refugees

More than half the world's refugees are today located in Africa.[18] The numbers, estimated today at anything between three and six million, have increased rapidly since 1969 as a result of both external and internal factors. Refugees are the victims of persecution, social upheaval, civil war, wars of liberation and secession, and natural disaster, especially drought and famine. The underlying problems, however, relate to the political instability of the continent which is largely a reflection of its economic difficulties.

Refugees, in turn, constitute a constraint on economic development and the eradication of poverty. It must also be borne in mind that it is the poorest countries that often have had the heaviest burden imposed on them in the shape of refugees. Somalia, for example, one of the poorest of the African states, has been described as having "the worst refugee problem in the world".[19] The United Nations High Commission for Refugees (UNHCR) pointed out, in 1982, when drawing attention to the extent to which African states themselves assume responsibility for the refugees, that /

> in many cases (our programmes) occur in countries where the presence of refugees constitutes a serious economic burden. Difficult economic conditions in many parts of Africa exacerbate the effects of the burden and severely test the traditional hospitality towards refugees seeking asylum.[20]

vi) The Present Drought

The present drought and the consequent threat of famine that now face large areas of Africa highlight the dimensions of the African crisis in terms not only of immediate need but also of long term survival. It has been reported (The Age, 9 June 1983) that officials

of the US State Department, the FAO and the World Bank concur in judging the present African drought to be far worse than the sub-Saharan drought of 1972-73, when some 300,000 people died of starvation. Several nations outside Africa, such as Kampuchea, Indonesia, Nepal and the Philippines, are also suffering from drought, but the situation in Africa is especially serious because this is the second drought year in a row in Africa.

vii) The Human Dimensions of Poverty

The human costs of the African economic crisis are immense. There have indeed been real achievements over the past twenty years, for example, in improved life expectancy and the provision of education. Even so, Sub-Saharan Africa is the only major region in the world with a life expectancy below 50. Its infant and child mortality rates are the highest of any region. So also is the death rate. Many of its literacy rates are among the lowest in the world. Only a minority of Africans have access to basic needs, for example, safe water.

Improvement in living standards since the 1960s for the majority of Africa's populations has been minimal, while some have experienced an actual decline. The World Bank estimates that between 1960 and 1979 per capita income in nineteen countries grew at less than 1% a year (from a very low base) and in the 1970s, fifteen countries had a negative rate of growth of income per capita.[21] Compared with the 1.1% in the LDCs of Asia and the 2.9% in developing countries in general, during the 1970s growth of per capita income in "low income countries" of Sub-Saharan Africa averaged only 0.2% annually.[22] The African Development Bank estimates that incomes in nearly half the African countries fell between 1970 and 1981.[23]

The decline in income translates into increased malnutrition, lack of basic necessities, unemployment. Inflation has made the most basic commodities out of the reach of many urban as well as rural poor, while it has contributed also to the growth of black market economies that press most heavily on the poor.

By 1978 it was argued that "a growing body of evidence suggests that the rural population engaged in traditional agriculture has become increasingly impoverished both in relative and in absolute terms".[24] The marginalisation of the rural poor constitutes a fundamental constraint on development, not only because of the human costs but also because of the implications for rural productivity. However, urban poverty is also a growing dimension of the problem, in a situation where projected increases of urban population are enormous.

The increase in poverty has occurred not only in the poorest LLDCs, but also in countries which apparently achieved real income increases in the sixties at least. Furthermore, income inequality has greatly increased and in some countries such as Kenya, Gabon, Zambia, is among the highest in the world.[25] Per capita rural income is still only £K24 a year in Kenya, although Kenya had a growth rate of 6% through the 1960s, and the dimensions of poverty have been recognised in that state by the special emphasis on poverty-eradication in the 1979-84 Development Plan.[26] Much of the problem derives from the limited access of the poorer sections of society to public services designed to provide basic needs, which is a political question.[27] The capacity of the Kenya leadership to take action is however itself influenced by the impact of the global recession upon her economy.

viii) The Political Constraints

The economic crisis in contemporary Africa is also a political crisis, for much of the continent's political instability can be traced directly to the competition for scarce resources. Internal political instability,

in turn, compounds the structural problems of the poorest countries and their economic underdevelopment.[28] Increased repression and use of coercive measures are certainly a consequence in part of power struggles which have little to do with national identity. But they are also the expression of frustration of a leadership unable to see clear answers to problems, and who cannot meet popular discontent with more than short-term, palliative measures.[29] Economic and political problems are inextricably linked, as the tragic decline of Uganda in the 1970s demonstrated.

It is essential therefore to take into account the concrete political realities and the divergencies between the African states themselves, if we are to appreciate fully the complexity of the situation.

ix) The Role of Aid

Foreign aid is itself part of the problem that faces the African states. Over the past twenty years sub-Saharan Africa has received relatively more aid than any other region. In 1980, net ODA per capita was $13.70 for Africa, and $9.60 for all developing countries.[30] Donors must therefore assume some of the responsibility for the failures of those years.[31] African governments are nowadays ready to acknowledge their own past contribution to economic decline, with wrong policies, poor management of resources, the neglect of agriculture, and too much emphasis on the urban sector.[32] Nevertheless there is ample evidence also of the limitations of aid donors who have often committed aid funds to misdirected and ultimately unproductive purposes with little or no impact on poverty at grass-roots level.[33]

This however is not an argument for the curtailment of aid. Rather, the point is that efforts to deal with the African crisis will require new and intensified programmes of action at both domestic and international

levels. Increasingly it is acknowledged that domestic policy reforms in Africa need to be interrelated with the directing of external assistance to areas where the needs are greatest, especially in respect of agricultural recovery. Thus the African states, for their part, collectively acknowledged and accepted the need for Africans themselves to implement the recovery when they agreed in 1981 to the Lagos Plan for Action, with its primary emphasis on achieving food self-sufficiency.[34] Individually however, few, especially the poorest states, have the capacity for the investment in physical and human resources envisaged by the Plan for Action. The ECA estimates that full implementation of the Plan would cost US$27 billion. Hence the recognition of the complementary need for greatly increased external assistance and the hope that this may, in the 1980s, provide a more positive contribution. For its part, the World Bank has also called for a blending of domestic policy reforms in Africa with improved and increased foreign aid. Various of its policy prescriptions differ from those outlined in the Lagos Plan, but there is room for negotiation and in the meantime the Bank has been demonstrating its concern by increasingly directing its low-interest IDA loans to sub-Saharan Africa. In the words of the Bank's 1980 report of the grave long-term prospects for Africa:

> These prospects and their political, social and economic implications, are not acceptable either to the countries concerned or to the international community. There is an urgent need to understand what has gone wrong and what must be done - by African governments themselves and the concerned international community - to assure a better future for Africa's people.[35]

3. The Implications for Australia

Australia's total bilateral aid budget for Africa in 1981-82 was $57m. By far the largest component was food aid, which totalled $41,341,000; 60% of Australia's total food aid programme.[36] Refugee relief is another major component. Total assistance by Australia to African refugees

amounted to some $36 million between 1978 and 1982.[37]. Project aid was a very small part of the programme. In the middle of 1982 Australia had 36 projects in Africa and the Middle East compared with 153 in the South Pacific.[38] The total programme is spread over a large number of recipient countries each of whom receives a very small amount of assistance. Food aid tends to be greater than project aid in most countries.[39] The stated concentration on rural development does not always appear to be borne out by the assistance itself. What is clear is that, given the concentration on food aid and refugee relief, the underlying emphasis is on humanitarian need.

The total programme is a very small proportion of the total aid budget and is acknowledged to be so.[40]

There is in fact at present a basic contradiction in Australia's overseas development assistance programme. On the one hand, there is a stated commitment to assist in the eradication of poverty, with aid to the poorest. On the other hand, the direction of aid makes it quite clear that Australian assistance does not go to the poorest countries or in most cases the poorest people.[41] It is this basic contradiction which we would challenge. If Australia is committed to tackling the problems of global poverty then we suggest some change of geographical distribution of aid is necessary to provide greater assistance to Africa. We would not suggest that all, or even the greater part of Australian aid should go to Africa, since this would be unrealistic in view of Australia's geographical location and historical connections. We do suggest that if the commitment to developmental aid is to be honoured, then greater assistance must necessarily be offered to the poorest countries, and therefore to Africa. Indeed, if Australia were now to reduce its aid to Africa at a time when Africa is experiencing its worst famine in a decade, it would be turning its back on a potential human tragedy of immeasurable proportions. In doing so,

Australia would also be dissociating itself from the clear and growing international consensus, described earlier in this submission, that the human needs of Africa must now be seen as a paramount concern of the international aid effort. We believe that such an act of dissociation would be unworthy of the Australian Government.

The humanitarian considerations here are primary. But in addition, we believe that maintaining Australian aid to Africa would also be in Australia's own interests in the long term. First, because Australia would be bound to enjoy more support from all Third World countries, including those in our own region, by a genuine commitment to policies directed to assisting those most in need of support and cooperation. Second, because our own economic situation depends ultimately on global and not simply regional well-being. Third, because within the context of Indian Ocean strategy Australia stands to gain from the greater political stability which economic improvement would bring to the African nations of the Indian Ocean littoral. Fourth, because an Australia which has earned the goodwill of the numerous African members of the Commonwealth, the UN and other international fora will be a more effective actor within these bodies.

We recognise that the actual volume of Australia's development assistance to Africa is bound to remain modest compared to that of the major Western industrial powers. We submit that Australia is nevertheless in a position to offer an aid programme of high quality and great practical utility to Africa. We offer the following specific suggestions:

First, as a guide to appropriate spending levels, Australia should continue steadily to expand its programme of bilateral and multilateral aid to Africa at a rate based on projections from the recent past, say at 5% or 10% a year in real terms, with extra sums budgeted for emergency relief as required. Commitment to such an approach should help maintain the impetus of Australia's programmes and help make for efficient coordination and control, while not pressing the programmes beyond the limits of financial feasibility.

Second, considerations of feasibility and cost-effectiveness further suggest that Australia should continue to direct the bulk of its aid to the countries where contacts, lines of supply and so on have already been established - that is, principally, the Commonwealth countries of East, Central and Southern Africa.

Third, Australia should at the very least maintain its food aid programmes for Africa at their present level. The humanitarian case for doing so is overwhelmingly strong.

Fourth, Australia should maintain its refugee relief programmes for Africa at least at their present level. Apart from the humanitarian considerations involved, refugee relief is of declared central importance in Australian foreign policy considerations.[42]

Fifth, Australia should maintain its support to Africa through the Staffing Assistance Scheme (under which funding is supplied to recipient countries to recruit skilled Australians) and the Development Import Grants Scheme (under which ADAB funds the purchase of Australian goods for use for developmental purposes) at least at their present levels.

Sixth, in relation to on-going development programmes, Australia should aim to provide the resources for African societies to tackle their problems for themselves. This could most obviously be done in relation to agriculture, an area in which Australia has acquired considerable skills in the course of its own development. Australia could offer increased expert assistance in such fields as plant protection, control of livestock pests, soil conservation, irrigation, mechanisation, crop development, storage, and planning for safeguard against famine. In this connection we note the decision of the new Australian Centre for International Agricultural Research (ACIAR) to hold a workshop in Nairobi in July to discuss research collaboration with African scientists, and hope that such cooperation will be expanded.[43]

In addition, however, Food Aid must be integrated into developmental assistance, in combination with other assistance directed at contributing to local self-sufficiency.[44] The success of ADAB's Thailand project suggests that is by no means impossible. It requires however in some respects a basic change of attitude, away from the notion of large scale infrastructural and integrated rural development projects, to small, local, basic needs projects designed to contribute to local self-reliance. The design and implementation of such small scale schemes for local self-reliance in Africa is an area in which Australia aid NGOs could appropriately be involved.

Seventh, the OECD in 1980 singled out African needs in manpower training for emphasis, urging that expansion should proceed with the least delay.[45] This is a further area in which Australia has already provided useful assistance to Africa which could be increased. Within the larger Australian training programme, moreover, there is the opportunity to provide African personnel with useful comparative Third World experience, by their inclusion in programmes, that bring students from other Third World regions together in Australia - as for example, at the Administrative Training Institute in Sydney. Such training assistance should not, however, be seen solely in terms of bringing African students to Australia. We would urge assistance to training institutions in Africa - e.g. the Institute of Management Training at Arusha in Tanzania, which has surmounted the problem of the disintegration of the East African Community to emerge as a wider regional institution.

Eighth, there are other areas of institutional development where Australian experience is relevant, e.g. in the ongoing African efforts to build wider regional associations, for example with the new Southern African Development Cooperation Council to which Australia has already pledged assistance.[46]

In our view, the Australian aid effort in Africa today is just beginning to reflect an appropriate sense of direction, just beginning to function in appropriate ways. Now that in many areas the bases for on-going assistance have been established, it would be a most retrograde step to scale aid down from its existing levels. Rather, and taking into account all the circumstances, we believe that a programme of steady expansion along the lines suggested above is the right course for Australia to follow.

FOOTNOTES:

1. See Table I. See, for the contemporary African situation, Accelerated Development for Africa. An Agenda for Action. World Bank 1981: Development Co-operation, 1980 Review, OECD, Report by the Executive Secretary of the U.N. Economic Commission for Africa, December 1982; and West Africa 10 January 1983 and 25 April 1983. Plan For Action 1981.

2. Budget Paper No. 8 1980-81, quoted in Report of the Auditor-General on an Efficiency Report, Administration of Australia's Bilateral Overseas Aid Programme by the Australian Development Assistance Bureau, AGPS, 1981, p. 44.

3. See, e.g. Press Interview by the Australian Ambassador to South Africa, March 1982, Durban Sunday Tribune, 24 February 1982.

4. See, e.g. House of Representatives, 20 November 1979, p. 3192.

5. Australian Bilateral Aid Programme 1982-83, AGPS, 1983, p. 84.

6. See Accelerated Development for Africa, An Agenda for Action. World Bank 1980, especially Economic Indicators.

7. See authorities in footnote 1 above.

8. OECD, op.cit., p. 29-30.

9. See references in foonote 1. Also Common Crisis, Pan Books, London, 1983, p. 61.

10. op.cit., p. 121.

11. West Africa, 10 January 1983, p. 63.

12. Development Cooperation 1980 Review, op.cit., p. 29.

13. Accelerated Development for Africa, p. 3. West Africa, 25 April 1983, p. 991.

14. Ibid., 10 January 1983, p. 63.

15. Accelerated Development for Africa, ch. 5; IDS Bulletin, (Sussex) January 1983.

16. So that it is not irrelevant to note a recent report that "the threat of starvation is far less serious in South Africa (than elsewhere on the continent) because of ample grain storage...", The Advertiser, 31 May 1983.

17. New African, February 1981, p. 73; OAU/FAO, Famine in Africa, 1983, as quoted in Africa Confidential, 2 February 1983, p. 5.

18. West Australian, 9 March 1981. Aderanti Adepoju, "The Dimension of the Refugee Problem in Africa", African Affairs, Vol. 81, Nl. 322, January, 1982.
Report on UNHCR assistance activities in 1981-82 and proposed voluntary funds programmes and budget for 1983. Office of the United Nations High Commission for Refugees, 1982, Document A/AC.96/606.

19. Adepoju, op.cit.

20. Report... 1981-82, Document A/AC 96/606 p. xii.

21. Accelerated Development for Africa, pp. 2-3.

22. Development Cooperation, 1980 Review,

23. The Advertiser May 13th 1983.

24. Africa Contemporary Record, 1977-78 C115-133.

25. Assefa Bequele and Rolf Van der Hoeuen, "Poverty and Inequality in sub-Saharan Africa", International Labour Review, Vol. 119, No. 3, May-June, 1980.

26. Kenya Development Plan, 1979-83.

27. Bequele and Van der Hoeuen, op.cit.

28. See e.g. Africa Contemporary Record 1980-81 B 324.

29. Timothy Shaw, "Africa 1984-2000: Towards Reformation and/or Revolution?" West Africa, 25 April 1983, pp. 995-996.

30. Accelerated Development for Africa, p. 121. See also 1980 Development Cooperation Review OECD, and Guy Arnold, Aid in Africa, Kogan Page, London, 1979.

31. As the World Bank does. Accelerated Development for Africa, p. 121.

32. Adedeji, op.cit.

33. e.g. Arnold, op.cit., IDS Bulletin, op.cit.

34. The Lagos Plan of Action for the Economic Development of Africa 1980-2000, ILO, Geneva, 1981.

35. Accelerated Development for Africa, p. 4.

36. Statistical Summary, Australian Official Development Assistance for Developing Countries, 1981-82. Table 10, Research and Statistical Reporting Section, Australian Development Assistance Bureau, Department of Foreign Affairs, November 1982.

37. Australian Foreign Affairs Record, November 1982, p. 667.

38. 1982-83 Budget Paper, No. 9, p. 7.

39. Statistical Summary, op.cit.

40. Bilateral Aid Programme 1982-83, p. 84.

41. There is much criticism of this - see e.g. Public Accounts Committee, Efficiency Audit - Administration of Bilateral Overseas Aid Minutes of Evidence (1983), passim also Philip Eldridge, Diplomacy, Development and Small Government: Conflicting Directions in Australia's Overseas Aid Programme, CSAAR Research Paper, No. 23, Griffith University, January 1983.

42. Australian Foreign Affairs Record, Vol. 53, No. 5, May 1982.

43. Backgrounder, No. 375, 30 March, 1983.

44. Joint Committee of Public Accounts, 201st Report, Efficiency Audit - Administration of Bilateral Overseas Aid, p. 29.

45. Development Cooperation, 1980, Review, op.cit., p. 41.

46. Africa and Australia's Role, Speech by ADAB representative to African Studies Conference, 1981, p. 4.