Aid and National Interests – Bridging Idealism and Realism

Introduction

The role of national interest in shaping development assistance is a topic that has generated discussion in Australia and elsewhere, and which is now frequently highlighted in aid strategies and policy documents. While many development practitioners and theorists are uncomfortable with the notion that aid programs and projects should serve the ‘national interests’ of the donor country, this area has generally escaped critical analysis, and little effort has been made to dig deeper into the nature of this relationship. This is surprising – after all, the purpose of Australia’s aid program is of fundamental importance in its design, implementation and evaluation. Developing a better understanding of this relationship has a range of foreseeable benefits, including in terms of advocating for and justifying a reversal of recent aid budget reductions, maximising the aid program’s impact (in terms of both development outcomes and national interests), and ensuring that the different ways in which Australia engages with the world and contributes to international development outcomes and aligned and coherent.

Context

Recent Australian aid strategies and reviews have addressed the relationship between aid and national interests – and while there are differences between the two major parties, both major parties have highlighted national interest. The 2011 Aid Effectiveness Review asserted that ‘The fundamental purpose of Australian aid is to help people overcome poverty. This also serves Australia’s national interests by promoting stability and prosperity both in our region and beyond.’ This statement was repeated in the 2012 documents An Effective Aid Program for Australia: Making a Real difference – Delivering real results and the Comprehensive Aid Policy Framework.

In 2014, the new Coalition Government’s aid strategy Australian aid: promoting prosperity, reducing poverty, enhancing stability used similar language, but appeared to elevate national interest to the primary purpose of Australia’s aid program: ‘The purpose of the aid program is to promote Australia’s national interests by contributing to sustainable economic growth and poverty reduction.’

In the lead up to the 2016 federal election, the major parties largely reaffirmed this focus. The Government stated that ‘The focus of Australian aid is to support sustainable economic growth, poverty reduction and stability in the Indo-Pacific,’ while the Opposition argued that ‘Aid is in Australia’s interests because it can curb insecurity and reduce conflict.’

Australia’s focus on aid and national security has reflected developments in the US and UK. In 2015, UK Aid: Tackling Global Challenges in the National Interest included a ‘very clear

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1 ACFID, Election 2016, 10 Questions on Aid – How the Parties Responded.
guiding principle: that the UK’s development spending will meet our moral obligation to the world’s poorest and also support our national interest,’ (p9) and included such language as ‘badly spent aid betrays both the countries we should be helping and the taxpayers whose money it is’ (p4). The US has a long history of emphasising the role of national interest in aid programming, with one of the more substantive articulations of any donor nation in this area occurring in the 2002 publication Foreign Aid in the National Interest: Promoting Freedom, Security and Opportunity.

Exploring the connections

Close inspection of key Australian aid policy statements reveals that these documents fail to define with much clarity or detail what exactly ‘national interests’ are and how development assistance contributes to them. The concept of ‘national interests’ has been traditionally been understood as encapsulating two broad areas – strategic and security interests, and economic interests. It is arguable, however, that in today’s interconnected world, where many problems and their required solutions are not confined by national borders, that a third category of national interest should be considered alongside these two – that of being, and being seen to be, a ‘good international citizen’; and deriving benefits through the improvements in relationships and reputation this entails.

1) Economic interests

The promotion of economic growth to reduce poverty has emerged as the central plank of Australia’s aid program. Key priorities include private sector growth, trade facilitation, economic reform, infrastructure, employment and innovation. As the Aid for Trade Strategy outlines, this approach ‘will help achieve coherence in Australia’s understanding of the trade and development nexus, and will complement Australia’s foreign and trade objectives and support our economic diplomacy policy.’ Before that, in 2012 the Comprehensive Aid Policy Framework was clear about how aid for the development of trade and economics is good for both recipient and donor, noting, for instance, that countries like Thailand and South Korea were once aid recipients and are now among Australia’s leading trade partners.

A significant example of mutual benefit is the relationship between economic growth and education. As the Australia in the Asian Century White Paper highlighted, economic growth in Asia creates opportunities for exporting Australian education, which has direct benefits for Australian international education providers and enables cultural engagement and the building of intangible assets, such as networks and knowledge of our region, that have longer term benefits. Access to Australian education assists developing countries in a range of ways (particularly those in the Asia-Pacific, where the vast majority of international students in Australia originate), and the development of relationships and understanding arguably has longer term benefits for Australia, not least of all in areas like diplomacy and security.

2) Strategic and security interests

The relationship between poverty and insecurity, on the one hand; and transnational challenges including crime (like guns, drugs and people smuggling), terrorism and refugee
flows is frequently cited: The CAPF stated that Australia provides aid ‘because it advances our national interests by promoting stability and prosperity both in our region and beyond,’ while the UK’s current aid strategy *UK Aid: Tackling Global Challenges in the National Interest* similarly notes that ‘The government will work to build stability and tackle the root causes of conflict – both to improve the lives of millions around the world and to make UK citizens safer’ (p13).

It’s hard to argue with the logic that working with countries to reduce poverty and insecurity – thereby leading to dramatic improvements in people’s lives – has a range of positive ramifications for Australia’s national interests. While the exact relationship between poverty and terrorism remains a topic of debate, it seems beyond argument that a prosperous Southeast Asia, for instance – where marginalisation and poverty are minimised and education and opportunity are widespread – ultimately enhances Australia’s own security. This is most pertinent to Australia’s engagement with its nearest neighbours, but has broader currency – for instance with reference to increased aid and humanitarian investments that could contribute to eliminating the root causes of refugee flows from such countries as Syria, Afghanistan and Somalia, whence more than half of the world’s 20 million refugees originate.

A commonly cited example of where Australia’s aid serves our national interests is public health. The Health for Development Strategy 2015-2020 is reasonably clear in its national interest rationale, asserting that health aid ‘helps to protect Australia and our region from infectious diseases and other health challenges that pose major threats to Australia’s economic, trade, and political interests. It protects countries from economic shocks...that can occur amid concerns about the spread of disease.’ A commonly cited risk to Australia that health aid can help alleviate is the spread of diseases into Torres Strait from Papua New Guinea, including malaria, tuberculosis, Japanese encephalitis and mosquito-borne diseases. The ongoing emergence of cross-border public health emergencies – including most recently Ebola and Zika – highlights the moral and practical arguments for a health aid strategy that builds the capacities of countries in Australia’s region and beyond to prevent and control outbreaks before they can impact Australian citizens overseas or at home.

**3) Good international citizenship**

Putting aside these examples of aid directly dovetailing with national interests, a useful conceptual framework is the notion of ‘good international citizenship.’ This concept suggests that our understanding of the relationship between Australia’s international engagement and our national interests should extend beyond economic or security concerns to include ‘a national interest in being, and being seen to be, a good international citizen.’ Gareth Evans argues by being a good international citizen – for instance, by promoting international human rights, international law, arms control or notably in this context by providing development assistance – a country benefits in two ways: 1) through  

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3 See for instance the following speeches: Gareth Evans, *Foreign Policy and Good International Citizenship*, Canberra, 6 March 1990; and *Good International Citizenship: Values and Interests in Foreign Policymaking*, address to Sydney University Law School, 27 August 2015.
the enhancement of reputation over time, with consequent positive economic and security advantages and 2) through reciprocity, with other countries more amenable to helping Australia solve our problems because we’ve previously helped them solve theirs. While there may be portions of Australia’s aid program that are driven by pure altruism and not with reference to national interests, ‘good international citizenship’ ultimately contributes to Australia’s interests anyway.

Exploring this theme further, we can surmise that the less directly relevant to Australia’s immediate interests a country is, the more important this argument becomes in terms of drawing upon national interest considerations to justify development assistance – a significant point in the context of potential concentration of global poverty in Africa over the coming decades.4

**Implications**

As the Aid Effectiveness Review noted, the aid program’s objective at that time was ‘unclear and ambiguous in relation to how the national interest should figure...’ and ‘this issue should be...addressed squarely.’ While subsequent documents have arguably been less ambiguous on the role of national interest in the aid program, the practical and philosophical ramifications of the national interest/aid nexus remain largely unexplored.

Elevating national interest as a primary purpose of aid has, not surprisingly, raised concerns. In the UK, for instance, the potential for national interest to undermine poverty alleviation and aid effectiveness was raised during a recent review of the UK’s new aid program, with ActionAid UK, BOND, UK Aid Network and Development Initiatives all expressing reservations and the Committee urging the Government to re-emphasise poverty reduction as the aid program’s primary objective.5 In Australia, the 2015 Australian Aid Stakeholder Survey found that, over the previous two years, stakeholders had perceived a loss of strategic clarity, with improving lives and reducing poverty taking a backseat to Australia’s strategic and commercial interests. The report concluded that ‘The government has been making the case that aid is good for Australia. It needs to do more to communicate the message that the aid program is good for the world’s poor.’6

Viewing aid as one tool in the toolbox Australia’s Australia utilises to pursue its national interests creates both risks and opportunities. An important step related to being able to quantify this relationship. Whether national interest is the central purpose of the aid program, or a useful bi-product that follows on from the moral imperative of improving lives and eliminating poverty, being able to measure the contribution of aid to national interest has a potentially important role to play, although seems to be generally overlooked. After all, given the focus on evaluating the impacts of aid in tackling poverty, educating children improving public health, if strategies are going to include an explicit national interest focus, then being able to measure would seem to be an important corollary in terms of

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4 As predicted in Overseas Development Institute, *Horizon 2025*, 2012.
effectiveness, accountability and transparency. This is, however, not without its challenges. Measuring the direct benefit of Australia’s aid program to our security or economic interests – let alone in a less proximal area like the benefits derived from being a good international citizen – presents both practical and theoretical challenges. But by shifting beyond a superficial understanding of the impacts of aid on national interests, several things are likely to be achieved.

First, it will help strengthen the foundation for advocacy to increase the size of Australia’s aid program. By being able to articulate a national interest argument with more depth and nuance, advocates will be better able to more effectively engage in policy dialogue and influence policy makers – particularly those who might not be swayed by morality-based arguments. Similarly, it will provide a foundation for governments to justify increases in the aid budget to those sections of the population who argue that charity should begin at home. Being able to show that the aid program is in the interests of the tax payers who fund it is a positive thing and need not detract from the central ambition of reducing poverty.

Second, a fuller understanding of the relationship between aid and national interest may help drive a more holistic understanding of what Australia’s aid program actually is and does, and the ways in which the different parts of Australia’s international engagement contribute to both national interest and development outcomes. This can potentially play an important role in increasing coherence between the different arms of Australia’s international engagement. Better understanding of the role of aid in reducing regional instability and contributing to Australia’s own security interests can, for instance, help achieve coherence across government, and between government and the range of other stakeholders engaged in aid funding and delivery. Much the same argument can be developed in terms of finding synergies between trade and development, or between development assistance and diplomacy.

Taking this a step further, a more sophisticated understanding of contributions of development assistance to the national interest may contribute to creating a context in which it’s not just aid that’s seen as a tool of national interests, but rather where development outcomes are seen as an important aspiration of other international policy areas. The UK has ambitions in this area, indicating it will ‘put international development at the heart of trade negotiations, business investments, international environmental summits, and military spending.’ While such statements are easier aspired to then achieved, they do offer hope for greater policy coherence and effectiveness of the holistic contribution to global development issues of Australia and other donors.

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7 UK Aid: Tackling Global Challenges in the National Interest, 9.
Conclusion

Ultimately, as the Aid Effectiveness Review argued, ‘we can formulate an objective for the aid program in a way which is both practical and principled, and which respects the complexity involved rather than reducing the objective to an over-simplified one-liner’ (p9). The aid program can eliminate poverty and make the world a better place, while contributing significantly to Australia’s own interests. These goals are not mutually exclusive but, rather, aligned in very fundamental ways. One thing that’s needed is more research and analysis to establish a stronger evidence base for understanding the contribution of development assistance to national interests. Beyond this, ongoing effort is needed to effectively integrate and communicate these considerations across the aid program to pursue these dual aims in ways that are mutually affirming, transparent and accountable.

Bio

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