

# The Australian Development Studies



Newsletter No 3

November 1985

Dear Colleague,

There has been a rather lengthy gap between newsletters. Tony Voutas, the original Network Liaison Officer left us in July and I took over at the end of September. I have just finished a PhD with the Geography Department at ANU after spending 15 years working as a journalist and lecturer in Sierra Leone, Tanzania, Western Samoa and Fiji, as well as three years as a student at the University of the South Pacific in Fiji.

I hope in the next six months to meet colleagues working on development issues and to discuss ways in which the Network can be more effectively used as a forum for exchanging and disseminating information in both Australia and the region. There are a number of conferences and seminars that would be of value to a much wider audience than those few who attend, just as there is a range of development research being undertaken that is little known outside a specific discipline, or at best, institution. Hopefully, the Network can help overcome this. If you, or any group to which you belong, have forthcoming seminars or conferences on development issues which you would like publicised amongst Network members, please let me have the details. The Network will also be pleased to publicise papers or monographs that have arisen from these conferences.

I would like to remind you that we are anxious to provide the opportunity for other institutions and/or groups to prepare briefing notes or policy papers. Terms of reference for these were distributed to Network members in March, but if you need to jog your memory, write to me or phone (062-493897) and I will send you a copy.

This Newsletter reports on the Register of Australian Development Research and Expertise which we are producing in co-operation with the Australian Centre for International Agricultural Research (ACIAR), as well as some background information on ACIAR. It also reports briefly on conferences on 'China's entry into the world market', and 'Australian export of education services', and in more detail on the National Food Conference, held in Sydney in October.

**New Centre Working Paper 85/12**

Management not motivation: questions and answers about China's open door policy, Christopher Findlay and Xin Luolin. Free on request.

## China's Entry into World Markets

A research project on China's entry into the world market was undertaken during 1985 by a team of researchers from Australian universities and from Tokyo, Hong Kong and Beijing. The aims of the project were to provide information upon which long-term commercial decisions and government policy could be made and to predict the direct and indirect implications of China's "open door policy" for Australia, the Pacific Island and ASEAN nations.

The project was co-ordinated by Drs Christopher Findlay and Andrew Watson of the University of Adelaide and funded by ADAB through the National Centre for Development Studies in association with the Australia-China Council.

Results of the research were reviewed in a series of seminars, an international conference and public meetings in Melbourne and Adelaide during September. Widespread interest was shown by academics, public servants, the business sector and the general public.

The key conclusions of the study were that an open door policy is vital to China's new development strategy which is built on economic growth through technological improvement of the methods of production. The import of foreign equipment and/or foreign methods of production management is a critical component of this policy. If China's development goals are to be fulfilled the country must sustain rapid growth of exports, particularly of labour-intensive manufactured goods.

It was agreed that China is not tied to any country or group of countries and that although there seemed to be evidence to the contrary, the new policy was stable.

For Australia, China may provide an export market for iron, steel, food and information technology, but while it was possible to identify areas of potential trade between Australia and China, it was pointed out that it was difficult for individual companies to negotiate with China. The team suggested government involvement in trade negotiation.

The project is on-going and further information is available from Dr Christopher Findlay, Economics Department, University of Adelaide. Our next briefing notes will contain a full report from the conference.

## Export of Education Services Conference, Canberra, October 8, 1985.

### Background to the Conference

The marketing of education overseas and the provision of full-fee courses for overseas students was approved by Cabinet on September 23, 1985. Government's policy was a response to the Jackson and Goldring Reports (published in 1984) and more recently, the Report of the Mission to South-East Asia and Hong Kong (July 1985) which identified Malaysia, Indonesia and Hong Kong as major markets for educational services and suggested that by 1988 the export of education could earn Australia \$100 million in foreign exchange. The Report identifies markets for undergraduate and post-graduate courses, short courses as well as vocational and technical training programmes to be offered in Australia, as external courses or delivered entirely off-shore. The only restriction on mounting and marketing courses is that overseas marketing is confined to Commonwealth-funded tertiary institutions. These institutions may either provide special courses for overseas students or market existing mainstream courses.

### Conference Discussion

To provide a forum to discuss the new policy and the Education Mission Report, as well as to brief the education sector on possible marketing strategies, the Departments of Trade and Education held a joint one-day conference in Canberra on October 8. The conference was attended by representatives of tertiary education institutions, industry and the public service.

Representatives of the Department of Trade pointed out that there were considerable problems in marketing educational services, as the market is highly competitive and any institution seeking to enter the field must be prepared to do considerable homework and bear substantial "up-front" costs. Tertiary institutions considering exporting services were recommended to sell not only to potential clients but also to multilateral development finance institutions in particular Asian Development Bank and the World Bank Group which fund development projects and the purchase of education and training services.

It was suggested that the Australian Trade Commission (Austrade), which begins operations in early 1986, might act as a co-ordinating body and as a key resource in the export of education, as it will have trained personnel in all major centres and would be able to provide a co-ordinated "shop-front" for the industry. Given sufficient support Austrade could establish education units in target countries and an Education Trade Commissioner with central support from Canberra. This service would be provided on a full cost-recovery basis. Other suggestions were to have IDP act as a co-ordinating body, or for institutions to market their services independently.

Institutions exporting education services will be eligible for export market development grants on the condition that courses are registered with the Overseas Students Office of the Department of Education and recognised by the Department of Immigration and Ethnic Affairs.

The Report of the Australian Government Education Mission to South-East Asia and Hong Kong is available from the Australian Government Printing Service, Canberra at \$15.

The Department of Trade distributed a questionnaire at the meeting to gain some indication of marketing needs. Results should be available by December.

Both beneficial and detrimental effects of the policy were argued and the conference provided a continuing forum for the Jackson versus Goldring debate. Benefits outlined included economic growth, an increase in jobs in the education sector and ancillary industries, a beneficial economic impact particularly in smaller centres, goodwill, social benefits and cross-cultural understanding. Problems associated with the policy that were raised included possible "ghetto" education, lowering academic standards and the likelihood of the emergence of a "second class degree". It was also pointed out that in a competitive market there would be temptations to increase class sizes, adjust the English-language prerequisites and minimise the failure rates so that student numbers remain buoyant.

Criticism was levelled at the Education Commission Report's estimated export figure of \$100 million. It was claimed that this figure was based on the national full-cost overseas student charge of \$10,000, and that the figure of \$100 million was no more than a "back of the envelope" calculation and needed much more serious assessment. Disquiet was also voiced over the anomaly of allowing overseas students to buy their way in, while this avenue remained closed to Australian students. In other respects the pros and cons discussed were identical to those raised at the Network seminar in December 1984.

Copies of the briefing notes from this seminar, together with the working papers "Trade and Aid in Australian Post-Secondary Education" by C.D.Throsby and "Development Studies Relevant to Foreign Aid Policy, ADAB and the Universities" by Richard Manning are available free from the Network.

## The National Food Conference, Sydney October 14-16, 1985

The theme of this conference, organised by the Australian Council of Churches and Australian Catholic Relief, was "Feeding the World - Why aren't We? It was recognised that if the conference was to seriously address the question, attention had to focus on Africa and it was against the particularities of the African situation that the broader issues of food production and distribution, food shortage and security, and food and project aid were discussed. The speakers represented a wide range of interests as well as considerable firsthand experience in aid distribution and project work. Humanitarian concerns were well voiced, but discussion throughout the conference was tempered by an awareness that international and Australian political and economic interests would to a large extent dictate the amount, type and distribution of aid.

Leading speakers included Dr C.T. Kurien, director of the Madras Institute of Development Studies; the Hon. Mrs. Fibi Asiyb, a Kenyan member of parliament; Dr A. Ngongi, chief of the World Food Programme in Southern and Eastern Africa; the Rev. Brian Polkinghorne, an agriculturist; Russell Rollason, executive director of ACFOA; Douglas Campbell, Assistant Secretary to ADAB and Dr Sarah Sargeant of the Financial Review.

Dr Kurien, in the keynote address spoke of the global food system and pointed out that major famines and chronic malnutrition have not necessarily resulted from crop failure, but lack of access brought about by international, national and household policies and practices. Although global food production per capita has risen over the last ten years, famine and chronic malnutrition have increased. Major food producing nations concerned with profit and trade rather than production were the major single factor contributing to food shortage. Dr Kurien cited the policies of America where "even when people are starving ... they call for a reduction in the production of food grains, so as to raise the prices on the global market". The ability of major food producing nations and agri-business to control world markets results in hungry nations being unable to afford to buy food. When they wish to sell agricultural produce, they cannot compete with large nations who subsidise agricultural production. At national level, Dr Kurien pointed out that many food-hungry nations have replaced much of their subsistence food production with export crops, either as the result of colonisation, the impact of multi-national corporations or national requirements for foreign exchange. However over the last 10 years prices received by Third World countries for agricultural produce have declined appreciably leaving them with massive debts and food shortages.

"Ironically", Dr Kurien said, "it was often those working in food production who went hungry". He provided an example from his own state of Tamil Nadu where in the past millet was grown by small farmers as the staple food crop and by large landholders to use in lieu of payment for labour. With the green revolution and the introduction of irrigation, the production of rice, a much more profitable crop than millet, expanded at the expense of millet and agricultural labourers were paid in cash rather than food. The inexpensive millet became extremely scarce and the cost of rice was higher than agricultural labourers could afford.

At household level Dr Kurien pointed to cultural practices in Africa and Asia where male children and adults were often better fed than females. This causes a vicious circle in times of stress as it is often the women who provide the labour force for food production.

Just five nations (America, Argentina, Australia, Canada and South Africa) accounted for 99 percent of the world export of food grains and 90 per cent were imported by the Soviet Union, Europe, Japan, China and the Middle Eastern nations. Poor countries of Africa and Asia became the "price-takers and quantity-takers - if some is left". Dr Kurien concluded by saying that continuing hunger cannot be viewed merely as a matter of production and distribution of food, even at a global level. "Hunger is a matter of commerce and industry, science and technology, taxation and currency at local, national and international level. However, a handful of countries could if they chose, feed the world".

The Hon. John Kerin stressed Australia's humanitarian concern for hunger but pointed out that compromise regarding aid distribution was often necessary if Government was to serve the overall national interest, "particularly when significant economic interests are at stake". He pointed out that both Australia

and the Third World nations were subject to "unfair practices" of some large agricultural producers who manipulated the world market. Mr Kerin said that today we live in a time of chronic and unrelieved over-production of food and that the surplus created by rich nations aggravates the problems of the poor and rather than enhancing food security for needy nations has diminished it.

He confirmed that at the multilateral trade negotiations about to begin Australia would seek to have effective rules agreed upon concerning agricultural trade as a liberalised, subsidy-free international system of trade in agricultural products would benefit poor nations and Australia.

Mr Kerin raised a question that government will address in the near future in response to the recommendations of the Jackson Report. "Would money spent on food aid be better spent on project aid which would assist the hungry to feed themselves?" This question provided an important focus for discussion. Mr Kerin suggested that food aid had to be considered in light of competing Australian interests, and in conclusion confirmed that food security would remain a critical element of Australia's aid programme as this reflected the wishes of the Australian people.

Russell Rollason reminded the conference that at a time when Africa desperately needs increased assistance for food security, the Australian government's aid budget shows a 69 per cent reduction in food security assistance, principally in Africa and that in real terms Government aid has steadily decreased over the last 15 years. He pointed out that during 1985-86 the Australian Government will provide food aid to the value of \$120 million, half of which will go to Africa. The Government also provides some assistance for agricultural development, research and food security, but bilateral assistance to agricultural programmes is limited to only two projects. Australian non-government aid organisations in the last six months of 1984 raised \$20 million for African assistance and a further \$6 million from the Oz for Africa appeal. These funds have provided emergency relief and long-term development assistance.

Considering the causes of famine in Africa, Mr Rollason suggested that the 25 years war in Eritrea and the military destruction of the agricultural system had left people with no resources and the failure of the rains had compounded the problem. Conflict could be traced to when Africa was divided up by major European powers without consideration for tribal affiliations or enmities. Today, the policies of the IMF exacerbate the problems created by conflict and drought. Following the collapse of the world commodity market African nations appealed to the IMF to assist with growing debts. High on the list of IMF conditions was a cut in government expenditure, which led to cuts in social welfare and in credit to farmers. In Zambia and other nations, IMF-advised cutbacks have led to a precipitous drop in maize production and an increase in malnutrition. "Today in Africa, such measures have combined with drought to dispossess millions of agricultural producers in over two dozen countries".

Mr Rollason called for an urgent reappraisal of the conservation of Africa's plant genetic resources and recommended that the Australian

government should defer any consideration of introducing plant variety rights legislation until a full report on the impact of privatisation of plant genetic resources had been made.

The Hon. Mrs. Fibi Asiyio highlighted the crucial role of women in food security in many hungry nations. A major constraint to better food production in Kenya and the rest of Africa, Mrs. Asiyio maintained, was lack of energy input. Woman-power is the chief source of energy for food production but there is a limit to the amount of work even women can do. Mrs. Asiyio called for institutional reform which would provide women with access to both land and inputs like better tools, better food storage facilities, credit and marketing services. In particular, she stated, women needed better access to information and this could be gained through women agricultural extension officers. Mrs. Asiyio called for Australian assistance in these areas. Practical ways in which Australian aid organisations could assist women at village level were:

1. The provision of better hoes to allow women's energy to be efficiently used.
2. Simple village wells to save women using energy walking miles for water.
3. Simple concrete rat and insect-proof granaries to prevent the loss of both 30 per cent of the harvest and women's energy.

Mrs. Asiyio also called for Australian assistance with appropriate nitrogen-fixing and water-retaining farming techniques which would assist women to produce more and better food for their families. Mrs. Asiyio told the conference that there is also a great need for Africans themselves to take the food problem seriously - as seriously as the struggle is for independence. "Pan-African solidarity was now needed to overcome massive poverty and starvation", she said.

The Rev. Brian Polkinghorne, recently returned from 12 months in Africa called for greater honesty in aid provision. He stated that African people are now aware that in "giving" aid, donors have hidden agendas for almost everything they do. Australia's aid programmes he said, were so loaded, that 70 per cent of what is given by Australia returns to us in one way or another.

Rev. Polkinghorne considered that while we had been efficient and reasonably generous in the past, circumstances have changed dramatically. "Old responses and philosophies are no longer appropriate - they are like applying a band-aid to cancer. If we do want to assist Africa, we have to listen to what they are saying, look at what we are doing and reflect, before entering a new phase of well-intentioned, but misguided action".

Douglas Campbell reminded the conference that Australia provides a considerable amount of multilateral aid through the World Bank, FAO, the World Food Programme, the Asian Development Bank and the International Fund for Agricultural Development, most of which is spent on improving food and commercial crop production, expanding employment and raising

living standards in rural areas. He maintained that this aid tended to be overlooked within Australia. National self-sufficiency in food Mr Campbell considered, was not the solution to food security and pointed to the need for diversity in economic and agricultural production and a move into more export-oriented manufacturing.

The recommendations of the Jackson Committee and the Parliamentary Joint Committee on Foreign Affairs and Defence regarding development education were raised by Mr Campbell who outlined the serious gap in education about under-development and aid programmes and widespread ignorance of the aid options for Australia.

Mr Campbell said he believed that food aid should remain an important part of Australia's aid programme and Australia should exploit its comparative advantage as a major food producer. He recommended that food aid be provided to any country or group, provided a development objective was being achieved in a cost effective way. This meant that food aid could be sold by recipient governments and the funds generated used for other projects. He recommended an increase in food aid and stated that Australia must enter into long-term commitments of between three and five years but must be aware that the distribution of food aid would follow a different pattern each year. Food aid, whether food for work or money, should not stand alone but must be seen within the broader perspective of the development objective.

When asked what practical action Australia could take, Mr Campbell replied that our food production capacities should be energetically exploited and our technical expertise in dryland farming and forestry adapted to developing country systems through more sensitive attitudes and experience. He concluded that if Australia could "cycle well trained, well motivated Australian agriculturists and community development workers through a developing country experience ... and build up a pool of expertise in government, commercial and NGO sectors this would be to the advantage of both Australia and our developing country partners".

Other papers outlined new agricultural technologies and the impact they could have on improving food production in arid areas and the transfer of Australian agricultural technology. Mrs Beryl Ingold stressed the need for the Australian government to fully consider its own farming community when deciding policy; Dr Sarah Sargent spoke of the impact of free trade policies and Drs John Hirshman and Jean McNaughton both outlined the health and nutrition aspects of aid and the need to consider long-term health policies at the same time as food aid and food security programmes. Dr Kate Short spoke of the dangers of introducing pesticides and herbicides into Third World agricultural systems and Mr Geoff Turnbull called for a ten year moratorium on all aid, so that Australia might sort out its aid priorities and give Third World countries a chance to realistically assess their own situation. He concluded by reminding the conference that many of the Third World's food problems were of our making.

Discussion arising from the papers centred on the issues of how much aid? in what form? and who to?

Amongst the conference recommendations were:

1. The Australian government be lobbied to increase its aid from 0.49 per cent to 0.7 per cent of national income and to make increased long-term aid commitments, particularly to Africa, or areas of greatest need. (It was considered important that Australia provided aid where it was needed, not where it was politically useful).
2. Food aid was a useful form of aid only where and when it was relevant, and that provision of food likely to be harmful to recipient nations must be stopped. Examples were cow's milk products or canned food with high fat, salt or sugar content.
3. Chemicals whose use is banned in Australia must not be provided to as aid or trade to Third World nations.
4. Further project aid was important in working toward food security and that this should take women and women's agricultural roles into full consideration at all levels.
5. Government be lobbied to provide funds for educating the Australian public on under-development, development issues, how aid agencies are funded and what they do.

The proceedings of the conference will be available shortly from Mrs. Maureen Postma, National Food Conference, 154 Elizabeth Street, Sydney.

### The Australian Register of Development Research and Expertise

Just to keep you up to date with the Register - as I am sure you will recall, the Network in co-operation with ACIAR is publishing a Register of Australian Research and Expertise in Developing Countries. In July we sent out over one thousand brochures inviting participation. Most entries have now been processed and we only have a few "bottom of the in-tray" questionnaires to be put into the computer. We are indexing the register by four different categories to provide detailed and easily obtained information. It promises to be an extremely interesting and useful document, and tremendous interest both within Australia and overseas has already been expressed in it. We will keep you informed of its progress. At a conservative estimate, we expect it to be ready for distribution by January.

### Background Information on ACIAR

The Australian government established the Australian Centre for International Agricultural Research (ACIAR) in 1982 to enable more effective harnessing of Australia's agricultural research expertise for the benefit of developing countries. The Centre commissions Australian agricultural research institutions to undertake joint research with partner institutions in developing countries on problems of mutual interest and benefit. The research is carried out both in Australia and in the partner developing countries.

By June 1985, ACIAR had commissioned nearly 70 collaborative research projects in 17 countries with a total commitment of \$30.5 million. The Centre concentrates the majority of its projects in countries in South East Asia, Papua New Guinea and the South Pacific, but a limited number had also been developed in South Asia, eastern Africa and China. The Centre operates in close cooperation with the Australian Development Assistance Bureau (ADAB).

Research institutions that ACIAR has commissioned include departments and laboratories in most Australian universities, State agriculture departments and many divisions of CSIRO. In developing countries more than 75 institutions are collaborating in ACIAR projects. If you want more detailed information on the research ACIAR is involved in contact Brian Lees, ACIAR, GPO Box 1571, Canberra. A.C.T. 2601.

### Conclusions and Reminders

Briefing notes on the China Conference should be in the post to you in the next fortnight. Other briefing notes coming up will cover new initiatives in formal and informal development education, including the courses available from Flinders and Deakin next year and whatever information on development research you have that you would like to share with others.

A reminder, the Institute of Australian Geographers (IAG) are having a conference at the University of Western Australia, May 12-16, 1986. There is to be a session on Third World Development convened by Brian Shaw, Department of Geography, University of Western Australia, Nedlands. They are calling for papers now. I would also like to draw your attention to the IAG Development Studies Group convened by Dr John Connell. They have a regular newsletter and if you wish to be placed on their mailing list contact Dr John Connell, Department of Geography, University of Sydney.

### New Publications of Interest

(Centre for Development Studies, Flinders University, Adelaide).

Browett, J. et al. Development and Defunct Economics: a Response to the Jackson Report on the Australian Overseas Aid Program. \$3.00.

Denholm, P. Development Education in Australia: Observations, Comparisons and Proposals. \$5.00.

Gertzel, C. et al. The Politics of Poverty in the Third World. \$4.00.

(ACFOA, Canberra)

Newton-Turner, H. Australian Agricultural Aid to Africa - appropriate Expertise: A report to the Australian Council for overseas Aid. \$8.50.

(National Centre for Development Studies, ANU, Canberra).

Ahlburg, Dennis, Population forecasts for South Pacific nations using autoregressive models: 1985-2000. 22 pp. (free).

Haberkorn, Gerald, Recent population trends in Vanuatu, Islands/Australia Working Paper No.85/2. 44 pp. (free).

Yun-Wing Sung, The role of Hong Kong and Macau in China's export drive, National Centre for Development Studies Working Paper No.85/11. 74 pp. (free).

Arndt, H.W. A course through life: Memoirs of an Australian economist. \$A10.00.

(Human Geography, Research School of Pacific Studies, ANU).

Brookfield, H.C., Ellis, F.E. and Ward, R.G. Land, Cane and Coconuts: Papers on the Rural Economy of Fiji. \$A12.00.

Forbes, D.K. and Rimmer, P.J. (eds), 1984, Uneven Development and the Geographical Transfer of Value. \$A12.00.

Taylor, M.J. Business Organisation and Development in Fiji.

Allen, B.J. (ed). Child of El Nino: Frost and Drought in Papua New Guinea.

#### STOP PRESS

(Information and Publications, Victoria University Wellington, New Zealand)

Chapman, Murray, (ed) Mobility and Identity in the Island Pacific, 1985, 371pp. \$NZ19.

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*Please write or phone Pamela Thomas, Network Liaison Officer, National Centre for Development Studies, GPO Box 4, Canberra, ACT 2601, telephone (062) 49 3897 if you have any enquiries or information you would like included in the next Newsletter.*

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