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# Abolishing National Aid Agencies Offers No New Paradigm But Means Loss of Autonomy, Professional Skill

2015-03-19 BY RACHEL PAYNE

**By Jack Corbett and Sinclair Dinnen**

The reabsorption of autonomous or semi-autonomous aid agencies into departments of foreign affairs in New Zealand (2009), Canada (2013) and Australia (2013) has sent ripples across the international development community. Following a persistent two-decade trend towards greater autonomy and independence of aid policy in these

countries, but also in places like the United Kingdom, this shift appears to represent a significant change to the status-quo.

Two pressing questions have arisen from the trend toward reabsorption:

- Will it radically change the focus of aid policy, and if so how?
- How will it change the nature of development administration?

Reforming politicians have been quick to proclaim an era of radical policy change, with Australian Foreign Minister Julie Bishop heralding the emergence of a new ‘aid paradigm’ that is encapsulated in the following:

“The world has changed – and our aid program must change too. Today, many developing countries are growing rapidly, with aid representing an increasingly small proportion of development finance. To be effective in this new context, our aid needs to be more innovative and catalytic, leveraging other drivers of development such as private sector investment and domestic finance. Our aid needs to support economic growth as the most sustainable way to reduce poverty and lift living standards. We need to recast our aid paradigm in light of this new development paradigm.”



For Bishop, aid is a form of ‘economic diplomacy’ that serves Australia’s foreign policy and commercial interests by promoting prosperity among its regional neighbours. And, the new integrated aid program will be structured to achieve this despite a drastically reduced budget, reflecting cuts of more than 6 billion US dollars over five years from 2014.

In Canada, the narrative around administrative change has been more circumspect, playing down the radical nature of the reform and instead positing that these changes reflect a desire to align objectives and produce efficiencies. In 2013, the Department of Foreign Affairs and Trade absorbed the Canadian International Development Agency (CIDA) and was renamed the Department of Foreign Affairs, Trade and Development under the government led by Conservative Prime Minister Stephen Harper. That occurred several months before the changes were announced in Australia.

The changes to Australia’s aid administration are, however, potentially much more

significant. In the early 1970s, the founders of the Australian Development Assistance Agency (ADAA) believed that for the aid program to thrive, it needed a powerful lobby in the capital, Canberra, which would safeguard its interests against populist or merely thrifty politicians. To that end, the then-Whitlam Government sought to create a professional and autonomous aid agency staffed by development experts with its own career structure and recruitment patterns. ADAA was in fact abolished by the incoming Fraser government in 1976 and later reabsorbed into the then Department of Foreign Affairs, but the ideal of a professional and autonomous aid agency retained currency.

In contrast, from 2013 Australia's preeminent aid bureaucrat is now the Secretary of the Department of Foreign Affairs and Trade (DFAT), Peter Varghese, a career diplomat and former head of the Office of National Assessments, with day-to-day administration undertaken by that department's desk officers.

This move is reminiscent of the way the Australian aid program was organised in the 1960s.



The specifics of how this decision was reached and whose advice it was made on – officials or political staff – remains a mystery to even those at the highest echelons of the former AusAID. Abolition was not part of the conservative Liberal Party-led Coalition's election platform. Indeed, as shadow foreign minister before the Sept. 2013 election, Julie Bishop had indicated that a junior Minister for International Development would be appointed in her portfolio. In this sense, the move was entirely unheralded.

While the changes may appear dramatic and profoundly transformative when viewed from the inside of the bureaucracy, they appear less so when placed in the context of more than half a century of development thinking, both at home and abroad. From this perspective, while the administrative change is potentially profound, the new policy settings do not constitute a paradigmatic change. The emphasis on growth and private sector investment, and recognition that aid is only a small part of a much bigger development finance picture, is hardly new.



The administrative changes, however, effectively herald the end of an era that began in earnest in the late 1960s and early 1970s when the merits of a professional and autonomous aid agency were first canvassed by Australia's policy elite.

Certainly, in making these changes the government hoped to affect not just the policy settings but also the management of the program. The implication being, of course, that AusAID's staff would not have been sufficiently responsive to the government of the day. We will never know whether that would have been the case. There is a certain irony embedded in this assessment, however, given that AusAID's crimes were said to include increasing aid to Africa and the Caribbean, both of which were at least in part a response to the Australian Government's campaign for a seat on the UN Security Council in 2013-2014.

What we do know is that a substantial cohort of practitioners, along with years of experience and expertise, has left the Australian Public Service as a result of this decision. They are not all gone – we certainly acknowledge that DFAT retains a level of policy expertise in this area – but it is hard not to argue that the value placed on their skillset has now been diminished by the abolition of AusAID. If anything about the new arrangements hints at a paradigm shift, this is it.

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