

Undermined—Values and Foreign Aid NGOs

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Let us imagine an Australian voluntary aid organisation that has won a lucrative contract from the Australian government's overseas aid agency, AusAID. They are contracted to provide water to the people in a remote district of a country nearby. A large Australian mining company is also operating in the district with its own lucrative contract, and is supported by the military of that country. For local people, the predations of the mining company are a more immediate concern than an improved water supply, so they ask the Australian aid organisation to intercede on their behalf.

This request puts the organisation in a bit of a bind. On the one hand, they have a contract with AusAID that specifies the timing and outcomes of the water project, and requires them not to get involved in 'politics'. On the other hand, the organisation's values of social justice and its commitment to the community make it very difficult for it to ignore the plight of people being exploited by the operations of a mining company. So what does it do?

The hypothetical dilemma is an everyday occurrence for Australia's voluntary aid agencies. Their work involves balancing their obligations to their donor (often the Australian government), to the people with whom they are working, and to their own organisational values.

Patrick Kilby, *Eureka Street* (November 2002)¹

THIS quotation from Patrick Kilby, a policy adviser to Oxfam Community Aid Abroad (CAA),² exposes a fundamental flaw in Australia's foreign aid policy. While working on government contracts, aid NGOs are undertaking activities which are inappropriate for an official and supposedly neutral foreign aid agency—activities which are not in the interests of the Australian Government, or the host Government, or the local community.

The problem stems from flawed processes of screening and enforcement associated with contracting-out and a failure to recognize that the values and motivations of many NGOs are incompatible with those of the Government—and indeed, of most Australians.

As Patrick Kilby accurately notes: 'voluntary agencies exist not to represent a particular group in society ... but *solely* (emphasis added) to represent and promote

certain values and, through those values, to represent those who are marginalized and voiceless'.³

NGOs are independent, values-based organizations often run by a small group of activists dedicated to the pursuit of their institution's values. They are also increasingly political in nature, focusing on advocacy, campaigning, direct action and the mobilization of other committed believers. It is also clear from their actions and literature that many hold views and values at odds with those of mainstream Australia, developing countries and Australian governments of either persuasion. It is important to note that this is not solely an issue for Australia. It is one that most countries grapple with; some more successfully than others.

At the very least, therefore, governments should not contract out foreign aid activity to NGOs that hold different values and objectives to their own and they should closely monitor all the activities of the

NGOs contracted to deliver aid. This is currently not being done and it is seriously undermining the effectiveness of our foreign policy as well as our relationships with neighbouring countries.

The Australian Government's values in respect to foreign aid are relatively clear.⁴

As Foreign Minister Downer noted in a recent speech, the core of Australian aid policy is the promotion of trade and investment in our neighbouring countries. Global foreign aid flows to developing countries world-wide currently amount to \$90 billion per annum. This is dwarfed by the \$200 billion in private foreign investment and the \$3.6 trillion trade generated in these same countries.⁵ As such, foreign aid is a junior partner in the development equation; trade and investment are far more important. As the Foreign Minister made clear, foreign aid can still make a difference by promoting good governance, creating a positive climate

for private sector growth, and developing public infrastructure.⁶

But what of the values of the aid NGOs? Of course they vary across and within organizations. Although a few organizations are clear about their values, most cloak their values with vague motherhood statements which, in effect, leaves vast scope for activists to define them as they may.

To ascertain their values one must, therefore, look at their actions.

ANTI-MINING

Many aid NGOs seem to have a particular values-based disdain for multinational miners.⁷ Virtually every major mining venture with an Australian partner in the Asia-Pacific region has been the subject of an aggressive campaign by NGOs. The 'anti-mining crusade' has been led by CAA (which received \$5.3 million from AusAID)⁸ and the Mineral Policy Institute (MPI) which, although a member of the Australian Council for Foreign and Overseas Aid (ACFOA, the government-funded, peak body of aid agencies) does not currently receive funding from AusAID.⁹ CAA has a self-appointed Mining Ombudsman¹⁰ and is currently running campaigns against eight mines.¹¹

MPI's approach is more strident and less formal, but its conclusion about mining is virtually identical to CAA's. MPI also acts as a conduit for a range of other aid NGOs to become involved in anti-mining campaigns without exposing their brand names to damage. For example, World Wide Fund for Nature (WWF),¹² Australian Conservation Foundation (ACF) and CAA (all AusAID-funded aid agencies) have provided funding to MPI. Representatives from Australian Red Cross, ACFOA as well as WWF, Amnesty, ACF, and CAA have worked with MPI on anti-mining activities such as the mining principles document¹³ which, among other things, called for companies to stop mining uranium¹⁴ and reconsider the 'social usefulness' of

minerals such as gold and diamonds.¹⁵ MPI chairs ACFOA's mining advocacy committee, which purports to speak on behalf of the aid agencies sector as a whole.¹⁶

MPI is an affiliate of the global Friends of the Earth network, which campaigns against mining and oil companies globally.¹⁷ Friends of the Earth Australia is an ACFOA member. Its Indonesian branch, WAHLI—which appears to work closely with CAA's anti-mining campaigns—has received \$161,726 from AusAID over three years.¹⁸

Although it is not the only factor,¹⁹ these anti-mining campaigns are contributing to the decline in foreign investment, to the abandonment of important projects, and may even be a contributing factor

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themselves to disruption in local communities in mining areas. Rather than fostering investment, many Australian foreign aid NGOs are now part of a risk-creation industry that confronts and seeks to deter potential investors in the region. Indeed, one cannot find a single example of an Australian foreign aid NGO which has publicly praised a mining company for investing millions of dollars in the region.

ANTI-GLOBALIZATION

International organizations including the World Bank, World Trade Organisation and Asian Development Bank play a central role in Australia's foreign aid programme. Australia provides over \$390 million to multilateral development banks and organizations and places a particularly high weight on the role that those organizations play in facilitating economic freedom, foreign investment and trade—in short, globalization.

Despite the high priority given to advancing globalization, AusAID funds a raft of organizations that actively campaign against it. For example, TEAR Australia, APHEDA, CAA and ACFOA (all AusAID-funded) and MPI, Friends of the Earth and AID/WATCH (all ACFOA members) have been either directly or indirectly involved in supporting S11, anti-WTO and anti-globalization protests around Australia. AIDWatch, which is run out of the same office as MPI, leads the local campaign against the market- and trade-focused policies of the World Bank, World Trade Organisation and Asian Development Bank (ADB)—claiming that they are often 'responsible for social injustice, human rights abuses, debt and ecological unsustainability in low-income countries'. In particular, it seeks to have World Bank and the ADB phase out financing for oil, gas and mining projects.

CAA has been running a campaign against the ADB for 'promoting development through huge hydro-electric dams, forestry and intensive agriculture',²⁰ claiming further that 'the ADB has a chequered history of funding projects that damage the environment and undermine vulnerable communities' basic human rights'.²¹

ANTI-TRADE

Although many aid NGOs present a nuanced public stance on trade, behind the scenes they are active ►

campaigners against trade and economic liberalization more generally.²² For example, CAA, World Vision, APHEDA, TEAR Australia, and ACF (AusAID-funded), and MPI and Aid/Watch (members of ACFOA) are part of the main anti-free trade grouping in Australia—the Australian Fair Trade and Investment Network (AFTINET)—along with unions and a number of left-wing church groups.²³

UNDERMINING NATIONAL SOVEREIGNTY

The support of national sovereignty is another value that the Australian Government regards highly. Indeed, it is essential both for the rule of law and as the basis for the various trade and investment agreements that lie at the core of Australian aid policy.

With respect to national sovereignty, the values of APHEDA have been examined in quite some detail²⁴ and seem to include ‘independence in West Papua’,²⁵ supporting the Palestinian cause²⁶ as well as getting involved in industrial relations disputes in foreign countries.²⁷ In its reply to a previous *IPA Review* article, APHEDA stated: ‘Union Aid Abroad—APHEDA and indeed most trade unions, churches, human rights organizations and aid agencies believe that an independent, free, UN-sponsored referendum by the West Papuans would be a positive step’.²⁸ In other words, according to APHEDA, it is not alone in supporting the cause of West Papuan independence among Australian foreign aid NGOs.

National sovereignty can be undermined in more subtle ways. For example, financial institutions have recently been the focus of western NGOs’ campaigns seeking to stop them investing in government-supported projects including dams, modern agriculture, gas, oil and mining, and even biotechnology. The Bakun Dam in Malaysia is a project that has fallen victim

to such a campaign with financial backers recently announcing that they were withdrawing support from the project.

AusAID is facilitating this campaign directly with a \$430,000 contribution ‘toward the establishment of a centre to help the ADB and NGOs communicate and work together more effectively’.²⁹ Although the grant is framed in terms of co-operation and dialogue, the effect is to provide Australian foreign aid NGOs with a greater capacity to intercede in the sovereign matters of other countries—Australia’s Asian neighbours. Fund-

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ing these sort of activities clearly runs counter to the objectives and values that underlie Australian policy, and points to an inability of AusAID to understand the consequences of its funding.

TOWARDS A PRECAUTIONARY PRINCIPLE OF NGO FUNDING

The problem does not lie with contracting out of aid delivery to NGOs *per se*. NGOs are often skilled, cost-effective and flexible. They also are able to mobilize the community to participate in and fund humanitarian actions and to go where government representatives cannot.

Rather, the problem stems from a failure of screening and enforcement. AusAID ostensibly screens applicants for aid contracts, forbids contracted organizations from involvement in political activity, and monitors the activities of contracted organizations. But this process is clearly not working. It is accrediting agencies that should not be the Australian Government’s *de facto* representatives abroad.

Australian official policymakers must address this fundamental disjunction within their own policy: on the one hand, they promote trade liberalization, encourage foreign investment, and advocate the rule of law. On the other hand, and at the same time, they fund and give credibility to institutions that assiduously work against these very same values and objectives. The solution is to simply stop funding such NGOs and re-direct that money to aid NGOs which either share their values explicitly, or at least are neutral and do no harm. It is important to note that there are aid NGOs which share the government’s values and can perform the required functions.

In summary, government should adopt its own ‘precautionary principle’ of sorts, in relation to NGO funding, and only contract-out to organizations which it knows will do no harm. By doing so, the Australian government would remove a schizophrenic and self-defeating aspect of its foreign policy.

NOTES

- 1 Patrick Kilby, ‘Caught in the middle’, *Eureka Street*, (November, 2002) page 32.
- 2 *Ibid.*, page 35.
- 3 *Ibid.*, page 33.
- 4 See Hon. Alexander Downer MP, ‘Australian Aid—Investing in Growth, Stability and Prosperity’, Eleventh Statement to Parliament on Australia’s Development Co-operation Program <http://www.ausaid.gov.au/about/eleven.html>
- 5 Hon. Alexander Downer MP, ‘Australian Aid: Investing in Growth, Stability and Prosperity’ Speech 24 September, 2002.
- 6 *Ibid.*
- 7 For example, see Jeff Atkinson, ‘Mine thy

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- neighbour', *Inside Indonesia* (January-March, 200) http://www.insideindonesia.org/edit65/jeff_lead.htm
- 8 Community Aid Abroad, *Annual Report 2000-2001*. http://www.caa.org.au/about/annual_report/accounts.html
- 9 Though it does, surprisingly, receive money from the Federal Department of the Environment.
- 10 Jeremy Hobbs, 'Mining: When will the scandals stop?' <http://www.onlineopinion.com.au/July00/Hobbs.htm>
- 11 See Oxfam Community Aid Abroad, *Mining Ombudsman Annual Report 2001-2002*.
- 12 WWF gets a considerable amount of money from the mining industry.
- 13 Australian-Asian Pacific Mining Advocacy Network, 'Principles for the conduct of company operations within the minerals industry', (October, 1998) Downloaded at: http://www.mpi.org.au/reports/principles_for_conduct.html
- 14 *Ibid.*, page 18.
- 15 *Ibid.*, page 19.
- 16 http://www.acfoa.asn.au/about_acfoa/Committees_2002-3.htm
- 17 <http://www.foei.org/about/index.html>
- 18 Correspondence with AusAID.
- 19 For example, see Malcolm Gray, 'Foreign Direct Investment and Recovery in Indonesia: Recent Events and their Impact', *IPA Backgrounder*, Vol. 14/2, (August 2002).
- 20 <http://www.caa.org.au/campaigns/adb/index.html>
- 21 *Ibid.*
- 22 ACFOA Press Release, 'Aid agencies to challenge WTO on trade related poverty issues', 14 November, 2002. http://www.acfoa.asn.au/media_releases/2002_releases/14_11_02.htm
- 23 See <http://www.aftinet.org.au/about/aboutaftinet.html>
- 24 See Don D'Cruz, 'Dangerous Liaisons', *IPA Review*, Vol. 54, No. 3 (September 2002).
- 25 APHEDA, *Annual Report 2001*, page 9.
- 26 See APHEDA, 'Report on Fact Finding Mission to the Occupied Palestinian Territories 15-23 May', 2002.
- 27 Don D'Cruz, *op cit.*, page 7.
- 28 See http://www.apheda.org.au/ipa_response.htm
- 29 See Hon. Christine Gallus, MP, 'Building Public and Political Support for the Aid Program', 4 February 2002. http://www.ausaid.gov.au/media/release.cfm?BC=Speech&Id=1465_5794_4142_5073_6263

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Blueprint for a Living Continent: Australia's Latest Attempt at Self-Destruction

At regular intervals, groups of activists and scientists declare that modern agriculture is destroying the natural environment. According to the refrain, not only do current practices destroy natural attractions, but they also undermine the land's productive capacity.

Although the claims may be put forward by people with scientific and economic knowledge, this is overwhelmed by their 'commitment to the cause'. Moreover, the claimants' prescriptions will usually enthrone them as environmental dictators.

The latest such warning, *Blueprint for a Living Continent*, was issued by the so-called Wentworth Group, largely comprising activists on the payroll of government or with the World Wildlife Fund (WWF). The report prescribes government spending of \$3.6 billion over the next decade. This is both to provide a contribution in its own right and to induce an additional \$12.7 billion of private spending on transforming the agricultural system. Ambitious though \$16 billion appears, it is modest when compared with the ambit claim hatched by Australian Conservation Foundation (ACF) and National Farmers Federation (NFF) involving a \$65 billion fund.¹

The Wentworth Group sees us heading towards a precipice. It claims that:



- 'two thirds of landholders report that their property values will decline by up to 25% over the next three to five years';
 - dryland salinity is rising and 'could affect' 22 per cent of cultivated land, and that the sustainability of our agriculture is under threat.
- Even though these sentences are ominously pregnant, close reading reveals them to be sensationalist factoids, devoid of any real meaning. Thus
- Landowners *think* their property values *could* fall by *up to* 25 per cent;
 - Dryland salinity *could* affect 22 per cent of cultivated land.
- On these flimsy foundations, the report proceeds to erect a superstructure forged from evocative phrases such as these:
- 'Salt destroying our rivers and land like a cancer.'
 - 'Many of our native plants and animals are heading for extinction.'
 - 'About 50,000 km of streams have been degraded by sand deposition and sediments are moving off hill slopes much faster than soil is formed.'
 - 'We are taking more resources out of our continent than its natural systems can replenish.'