

Aid Detox for PNG

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IN psychology, behaviour is defined as irrational if an action continues to be repeated despite its repeated failure to achieve the desired outcome. On this definition, our aid policy towards Papua New Guinea has been irrational.

Despite over twelve billion dollars in Australian aid to PNG since that country's independence in 1975, key development indicators, such as literacy rates, infant mortality, life expectancy and real income per capita, are either stagnating or deteriorating. Worse, we've known for over a decade.¹

Today, acknowledgement of the failure of our aid policy in PNG has gone well beyond the writings of individual international policy analysts such as myself to institution-sponsored reports such as *Beyond Bali*, which was released by the Australian Strategic Policy Institute (the Australian Government's own strategic policy adviser) and *Papua New Guinea on the Brink* which was written by Susan Windybank and Mike Manning for the Centre for Independent Studies. Both reports confirm the gross failure of Australian aid policy in PNG.

Yet still our aid policy irrationality towards Papua New Guinea continues. While the ASPI and CIS reports acknowledge the gross failure of our aid policy in PNG, they also argue that we need to continue our aid to that country. Indeed, the ASPI report argues that we should increase our aid to Papua New Guinea. The policy saviour? The ASPI report argues that we should exert greater control over our aid. Not just over the form of our aid, but direct intervention in policy and implementation in PNG—in essence, for a return to pre-

independence days in PNG where, as UN-sanctioned administrator, we ran government in that country.

Despite the mind-frame of security-focused strategists such as those at ASPI and the CIS (which endorses the aid approach advocated by ASPI), the reality is that we can't. PNG is now independent and to ignore this reality would simply compound the problems of our past aid policy irrationality with irrationality about our political relationship with our nearest neighbour.

We have to accept that, to be successful, aid policy must not just help reduce mass poverty, it also has to do so as a guest in the aid recipient country

A more interventionist aid policy towards PNG on our part as advocated in *Beyond Bali* and by Hugh White (the executive director of ASPSI) in the media might have populist appeal, but it would have serious adverse implications for our relationship with other Pacific island countries and even Indonesia. Worse, it would give succour to the views of our east Asian critics (such as Malaysian PM Dr Mahathir) who claim that Australia continues to harbour colonial aspirations.

We have to accept that, to be successful, aid policy must not just help reduce mass poverty, it also has to do so as a guest in the aid recipient country. To do otherwise is not aid, but imperialism—whether intentional or not.

A more interventionist approach to aid policy in PNG would also give the current corrupt political elite in Port Moresby a rallying point against us and an excuse to delay changing their own policies. Neither Australia nor PNG can afford any further delays to policy reform. For us to give PNG politicians yet another excuse to delay reform would be not only irrational, it would be inexcusable. While our aid continues, so will the corrupt elite that is at the heart of PNG's problems. Until we send the message to the PNG political elite that we are prepared to stop our aid—to put them on aid detox—we will continue to waste our aid in the corruption that is PNG politics. It may be hard to accept, but the sad reality we face in PNG is that no aid may prove to be good aid, at least in the short to medium-term.²

NOTES

- 1 Peter Urban, 'One Clear Objective, No Clear Approach', *IPA Review*, 1997, Vol 50, No 1.
- 2 With Iraq also likely to require very significant Australian aid funding over the next few years, the Government will need to review our aid program as part of the 2003-04 federal Budget. A decision to suspend aid to PNG could be taken as part of that review.

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