



A better Australian statecraft for development policy

By Bridi Rice, Richard Moore and Hugh Piper
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The Australian government has declared it will establish an [integrated approach to development](#). An early test of this will be the new development policy expected to be unveiled around budget time. The policy will be “whole-of-government and outline the use of Official Development Assistance (ODA) and non-ODA to advance a peaceful, stable and prosperous Indo-Pacific, alongside Australia’s diplomatic, economic, defence and security engagement”. That’s sensible, but ambitious.

Challenges looming in lower and middle income countries rarely fit within the jurisdiction or expertise of one government department. Development challenges such as poverty and inequality still persist, but are now turbocharged by geostrategic, environmental and technological dynamics. Today’s institutional arrangements are unlikely to be fit for purpose, meaning there is a growing appetite to pilot new policies, frameworks, funding and operational approaches.

Meeting the government’s expansive vision for Australia’s regional partnerships means having a development policy that utilises all of Australia’s assets.

A recent report by the Asia-Pacific Development, Diplomacy & Defence Dialogue (AP4D), [What does it look like for Australia to use all tools of statecraft in practice](#), tackles these questions. It outlines three levels of aspiration for integration of Australian policy.

The first is avoiding policy and operational conflict, that is, ensuring that tools, actors and actions do not undermine or duplicate one another. The second is coordination, where the tools of statecraft operate independently but with policy and action broadly aligned. The highest level is full integration, where a unified strategy is centrally developed and implemented – or at least overseen and steered by a single authority, cutting across multiple policy areas and utilising multiple tools of statecraft.

Full integration is difficult. It is intellectually demanding and resource intensive, often requiring a designated whole-of-government entity to manage and implement it. Examples

of where Australia has done this include RAMSI (the Regional Assistance Mission to Solomon Islands) and the Cambodia post-Khmer Rouge period. However, there are few examples of effective full integration outside of stabilisation missions.

[Some experts identify](#) integration as counterproductive where international development policy necessitates a broader national interest lens than national security policy.

Policymakers should be aware that forcing these perspectives to be integrated under unified objectives and control can diminish the effectiveness of each individual tool.

In most cases, Australia should aspire to a coordinated approach, ensuring that actors are broadly aligned around overarching goals, are aware of each other's roles and programs, and regularly communicate to share information, combine resources and coordinate action. Coordination recognises that different tools and actors in Australian statecraft each have their own areas of primary responsibility, assets and strengths.

Development initiatives deal with wicked problems that require generational solutions - and in the case of least developed countries, multi-generational efforts. Although DFAT is Australia's primary coordinating body, it needs to work with a myriad of other agencies that often have different objectives, cultures, incentives and modes of operation.

In the context of development policy, there are four types of coordination mechanisms that governments can use in concert to align actors around mutual objectives.

The first involves strategic frameworks. This is about organising political leadership, strategy, policy and programs through new whole-of-government frameworks, such as the UK's [Fusion Doctrine](#) or the US [Global Fragility Act](#).

The second category is dedicated funds. These are funding mechanisms that either reserve resources to address specific purposes, such as complex crises, or combine ODA and non-ODA in a single pool to fund operations requiring both aid and non-aid responses. An example would be the [Conflict, Stability and Security Fund](#) in the UK, although this has run into some serious difficulties.

A third category is machinery of government changes. This often involves either changing departmental responsibilities, or abolishing or creating new institutions, to address new priorities or perceived weaknesses. The UK's Department for International Development and Foreign Office merger is a case in point, as was the much earlier creation of the [Millennium Challenge Fund](#) in the US. Simple, purpose-specific coordination units should not be overlooked as a mechanism. There is a big question for the Australian government around current arrangements within DFAT, which [development experts believe](#) to be

suboptimal.

A final category comprises major, whole-of-government interventions, typically humanitarian response and stabilisation missions. This often involves country-level coordination during and post conflict or crisis, such as was seen in Iraq and Afghanistan, or following a major climate event. This category also encompasses participation in regional missions such as RAMSI, and responses to extraordinary events such as the impact of the Indian Ocean tsunami on Indonesia. Ensuring that development experience does not get crowded out in these situations is absolutely critical to success.

New models of operation have already emerged, ranging from the Centre for Health Security's use of a mix of Australian public service staff from across government working alongside contracted staff, through to new financing approaches under the Australian Infrastructure Financing Facility for the Pacific. This follows the establishment of the Office of the Pacific in 2019 within DFAT and, more recently, the [Office of Southeast Asia](#).

For Australia, we need to be clear about what we are trying to achieve. Are we serious about pursuing regional development? If so, coordination must work to achieve that aim. If, on the other hand, development is merely a hoped-for, occasional by-product of policy and programs motivated by other objectives, coordination can be expected to relegate development. Resolving this is essential.

Australia needs a clear understanding of what our development ambitions are, and what it would take to achieve them. The first step is to invest in people whose job it is to coordinate and who are process experts on running coordinated approaches. An "all tools" approach to development, and statecraft more broadly, begins with a well-organised shed.

Disclosure

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About the author/s

Bridi Rice

Bridi Rice is CEO of the Development Intelligence Lab. She is founding Co-convenor at the Asia-Pacific Development, Diplomacy & Defence Dialogue (AP4D).

Richard Moore

Richard Moore is a Manila-based international relations consultant and Strategic Advisor at the Development Intelligence Lab. He is founding Co-convenor at the Asia-Pacific Development, Diplomacy & Defence Dialogue (AP4D).

Hugh Piper

Hugh Piper is Program Lead of the Asia-Pacific Development, Diplomacy & Defence Dialogue (AP4D).

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