



# A big country or not?

By Bob McMullan

*This post is an edited transcript of the after dinner address given by Bob McMullan at the [2016 Australasian Aid Conference](#).*

Stephen Howes asked me to give this speech. When I asked him what he wanted me to talk about, he said, 'Why don't you begin at the beginning?'

I assumed this was not some subtle reference to the Garden of Eden or the Big Bang Theory.

At first I thought of going back to Australia's assumption of a guardianship role

for Papua New Guinea. Then I considered Doc Evatt and the support for the establishment of the great multilateral institutions of the post-war era.

But I assumed Stephen was referring to my role as a member of the Inaugural Advisory Council of the Australian Development Assistance Agency (ADAA) in 1974. It was a great learning experience for me. I served with some great men – and they were all men, as I recall it – most notably Sir John Crawford, who was the doyen of Australian development experts and a globally significant Australian.

But there were some strange experiences too. We went to the first board meeting, it was a very interesting agenda and we had a good morning, and then we adjourned for lunch at what was probably the best restaurant in Canberra. Peter Wilenski and I subsequently protested that this was not an appropriate venue for a meeting to consider issues of global poverty.

The management responded, but not in the manner we envisaged: for the next meeting they got the chef from the restaurant to come to the meeting room and prepare an equally sumptuous banquet for us all. So we had exactly the same meal and it probably cost more!

So I learnt two lessons from that. One is that change is not always an improvement. I also learnt that it is necessary to be specific about your concerns for fear of being misunderstood.

There was one other relevant lesson too, which is of contemporary relevance. That was of the government of the day bringing together the diverse strands of development issues and activities across the government into one agency, within the Department of Foreign Affairs and Trade.

However, it was not always clear that it would be in Foreign Affairs, because Treasury of course had an interest as they represented a very big part of the aid program at that time through the World Bank and the Asian Development Bank.

Those of you who know or know of Gough Whitlam won't be surprised to hear that he settled the dispute in a very forthright manner. We went to a lunch at the Lodge, and Gough walked in and when he saw the then Secretary of the Treasury, Fred Wheeler, said, 'What are you doing here, Fred?' And that was that.

Whatever one's views about Gough Whitlam as a prime minister or his international views, there was no question that he saw Australia as a big country, as a country that had a role in the world, and had a vision for Australia as a player in the world, rather than a timid small player looking inwards on itself.

And that is really the question I want to talk about tonight.

Is Australia in the 21<sup>st</sup> century going to have a vision of itself as a big player or a small one?

The answer is not clear at the moment.

In the development space there are plusses and minuses. There are some areas, such as disability, where Australia leads and continues to lead. I am very pleased that the current government is continuing efforts in this area that were started while I was Parliamentary Secretary for International Development, and we continue to be a global leader. While I was in London, I went to the House of Commons Committee on Development (which is something we should have in Australia) and talked to them about Australia's disability strategy. They subsequently wrote an excellent [report](#) which formed the basis of a revised DFID [strategy](#) [pdf]. So I was very pleased to see that Australia is continuing to play a leading role in disability-inclusive development.

What that says to me is that if we are selective and do the ground work thoroughly, we can lead in almost any area we choose. We can't lead in everything, but that doesn't mean we can't lead in anything. You don't have to be able to everything before you do anything.

I'm very pleased about the role we have played in disability, but I'm not quite sure what our role is with regards to climate change financing, particularly since we now have a new prime minister. I know what his personal views are on the issue, and I share his views, but I'm not sure whether he will be able to act on them. And that's a key question for the future of Australia's role in the world, I think.

This is an area where I can draw on my experience at the European Bank for Reconstruction and Development (EBRD) on climate change financing, and that's one of the things that has changed in my thinking.

The EBRD is a small niche institution, it doesn't lead the world in very many things, but it leads the world in one: it is the most efficient, effective and successful investor and mobiliser of private investment for climate change mitigation. Up to now it has invested more than \$20 billion in more than 1,000 projects, with CO<sub>2</sub> emission reductions of approximately 75 million tonnes per annum. And the leader of that program, Josué Tanaka, is globally regarded as a world leader on climate change finance.

I was pleased to be a critical part of the board that endorsed that strategy. I say critical because what I found was that we were doing terrific work, but two things were not being done satisfactorily. One was that I was not convinced that we were properly measuring the carbon emission reductions, and I'm not sure we were properly assessing the price we were paying per tonne of carbon emission reduction. Now I think they have got the first one right; we still haven't got the second one right, perhaps because they don't like the answer. But in any case, it is world-leading work, and I don't see why Australia can't be playing a bigger role in that. Similarly I can't see why the Asian Development Bank can't be doing more in that area.

One of the questions is that you really, ultimately, are going to need a carbon price for that level private investment to continue, and that's an issue Australia is going to have to deal with sometime in the near future.

One of my concerns since I've come back to Australia is that there are definite signs of a re-emergence of a small country view in Australia as it relates to development.

We had the dubious honour of the biggest fall in aid levels of any OECD donor in 2014. You all know about that.

No developed country of our size participates in fewer regional multilateral development banks (MDBs) than we do. Of course, many smaller countries are in more of them. I was actively involved both as Parliamentary Secretary and then subsequently as the Prime Minister's Envoy to Africa in the campaign to get Australia to join the African Development Bank, which it should do. We had bipartisan support for it, but it has evaporated along with all of our development activity in Africa. Now it is not really for me to comment at this stage when we should resume that, but it is just frustrating to see the shrinking vision of Australia's role in the world.

We are ignoring the challenges and opportunities in Africa. I'm an optimist about Africa essentially because when you look to the rest of the 21<sup>st</sup> century, or the first half of it anyway, the world is going to need more food and more minerals. The part of the world with the greatest capacity to increase production of both is Africa. And there's no country more capable of providing assistance to them to do that than Australia.

Because we have the Australian Centre for International Agricultural Research (ACIAR), we do a lot to help agricultural production. When I used to visit African countries on behalf of Australia, I'd meet with African leaders and we'd talk about Australian programs to do with maternal and child health, and scholarship programs to bring African students to Australia, amongst other things. And when I'd finish they'd say, 'Thanks very much, but what about mining?' Every time. Almost without exception.

Not that they wanted us to teach them how to dig holes in the ground - they already knew that and the companies did that very well - but they wanted us to help them with the regulation of mining, the land registration, environmental regulation, the health and safety activities. We started to do that and I think it was a significant contribution that enhanced our reputation in the region, because there are lots of Australian mining companies in Africa. Most of them do very good work, but not all of them do, and occasionally we run some reputational risk. It's a controversial, difficult industry and occasionally things go wrong. We want to be a part of the solution to those problems as well as being beneficiaries of the investment. And I think one of the saddest signs of our shrinking vision is that we're not engaged in Africa and we're not playing a similar role in mining to the one we have played in agriculture.

As a country we don't have a development finance institution. I've [written about that](#) previously so I won't go into detail here. And we don't have yet an internationally respected institution like ODI or CGD - I think the Development Policy Centre will become Australia's equivalent. But we need to be putting some more effort and resources into it.

So my principal message to you all is that we need to think big, to be proud of what we have achieved and to not be afraid to share our good fortune.

My second point, which flows on from that, to all of you who are here - whether you are from the academic community, from NGOs or other service providers - is that we shouldn't be afraid to stand up and fight for more and better aid. In 2014 there were big cuts. They were met with a whimper, not a roar.

I remember when my party was in government in 1987, I was the National Secretary at the time. We had an economic crisis and the Foreign Minister offered up cuts to the aid program as part of the solution. I was sitting there at the centre of a political communications web, waiting for the response. There was nothing. Nothing.

I've spent a quarter of a century now talking to aid organisations, encouraging them to be more actively engaged, not to be so timid when speaking out. And the reason why I so much welcome that this conference is growing and developing, and being so strongly supported, is that it should provide that unity of purpose that should give people more courage to speak up, to think big, to be brave, not just to hope for the best but to advocate, to work for it, to call out for it. And to challenge the way things are done. To speak up for the fact that we're the 12<sup>th</sup> biggest economy in the world, we have an opportunity and an obligation to do more than we do. I hope that as this conference goes on year after year, we'll see more people using it as a platform and spinning off from it more activity that says Australia should be doing more, doing better, choosing selectively the areas where we can lead, and not being afraid to do so.

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*You can listen to the podcast of Bob's address [here](#), and other keynotes and presentations from the 2016 Australasian Aid Conference [here](#).*

## About the author/s

### **Bob McMullan**

Bob McMullan has had a long and distinguished career in the Australian Parliament as one of Australia's pre-eminent Labor politicians. He is a former Parliamentary Secretary for International Development (2007-2010) and Executive Director for the European Bank for Reconstruction and Development. He is now Adjunct Professor at Crawford School of Public Policy and a Visiting Fellow at the Development Policy Centre.