

# Australia set to take a tumble in international aid rankings

by Stephen Howes and Jonathan Pryke  
22 December 2014

According to the latest World Bank data, Australia is the tenth largest OECD economy and the fourth richest (that is, it has the fourth highest income per capita). In 2013, the last year for which official data are available, our aid program was the tenth largest among OECD donors, our aid per capita was the ninth highest, and our aid/GNI ratio, our generosity ranking, was thirteenth.

Now Australian aid has **been cut**, and hard. Where will we stand in the ranks after the cuts? Of course, it depends on what other countries will do, but let's assume that their aid outcomes are unchanged from 2013 levels. The value of our aid also depends on the dollar – the depreciating Australian dollar further reduces our aid's value in US dollars, the currency conventionally used for international comparisons – but let's assume that the current exchange rate prevails. This round of aid cuts concludes in 2016-17, when aid will be \$A3.8 billion, or \$US3.1 billion at today's exchange rate. With our projections for GNI and population, our aid/GNI ratio will be 0.22% and our aid per capita will be \$US127. Using today's values for other donors, this would drop us to thirteenth in the total aid rankings, fifteenth in the aid per capita rankings, and nineteenth in the aid/GNI ratio rankings.



We will look slightly better in 2015-16. On 2013 values for other donors, we will be tied with Italy in tenth spot for total aid, as Julie Bishop has **pointed out**. But, on the same assumptions, we will already next year be 15<sup>th</sup> for aid per capita, and 17<sup>th</sup> for aid generosity. And our ranking for total aid will fall in 2016-17 to 13<sup>th</sup> unless other donors cut, or the Australian dollar strengthens.

Of course, we don't know exactly what other donors will do with their aid in the coming years, and, yes, they can't keep all three of their aid, aid per capita, and aid/GNI fixed. Nevertheless, the overall **trend** worldwide is one of aid constancy, and most donors have low economic and population growth as well, so using today's values to project 2016-17 outcomes is reasonable as a first approximation. Between now and 2016-17, aid in other OECD countries might be slashed as well, and it is always difficult to predict what will happen to exchange rates, but our best guess is that it is Australia's ranking, and reputation, that will take a severe hit.

The graphs follow below, and you can find the spreadsheets **here**.

## ODA volumes



## Aid per capita

### ODA/GNI over time



## Author/s:

### **Stephen Howes**

Stephen Howes is Director of the Development Policy Centre and Professor of Economics at the Crawford School of Public Policy at The Australian National University.

### **Jonathan Pryke**

Jonathan Pryke worked at the Development Policy Centre from 2011, and left in mid-2015 to join the Lowy Institute, where he is now Director of the Pacific Islands Program. He has a Master of Public Policy/Master of Diplomacy from Crawford School of Public Policy and the College of Diplomacy, ANU.

Link: <https://devpolicy.org/australia-set-to-take-a-tumble-in-international-aid-rankings/>