

Lazy and crazy arguments for cutting aid

by Stephen Howes
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In the just-released ASPI publication *Agenda for change: strategic choices for the next government*, ASPI Executive Director Peter Jennings argues that DFAT's budget should be expanded by \$100 million at the expense of AusAID. Remarkably, Jennings gives no reason why AusAID should foot the bill for the expansion in funding he recommends be directed to DFAT. Instead, the argument proceeds by fiat.

Last year, I [wrote](#) on common arguments against aid to Asia, and the fallacies in them. Here is my take on the sort of argument Jennings is making, and which Greg Sheridan has made before him:

A second argument is that we should spend aid funds on things that would more directly advance our national interest. Hugh White has [called](#) for aid to Indonesia to be used for language training in Indonesian for Australians. Greg Sheridan of *The Australian* has [argued](#) that we should use aid funds to pay for more diplomats. These are lazy arguments. Perhaps language training and diplomat hiring are good uses of tax revenue, but why pick on aid to fund them? Why not defence? Or welfare payments? Or industry support? Based on the arguments I provided in the previous two posts, aid is one of the most productive forms of government spending around. Increase it, and argue the case for more spending on other items at the expense of something else.

If the ASPI argument is lazy, the [DLP advertising campaign](#) arguing that we should cut aid to Indonesia because Indonesia has a military is crazy. Here's my take on that line of argument from the same blog post of last year:

Another common argument against aid begins by noting that countries in Asia can afford to, and indeed do, spend on X, where X might be their own overseas aid program, or defence or education. Therefore, the argument continues, why should we help them by giving aid? This argument has political salience, but is spurious. Of course governments spend money on a range of activities, some better, some worse. But this says nothing about whether we should provide them with aid.

Interestingly, the DLP is not opposed to aid per se. To the contrary, it [wants Australia to be one of the world's top 10 donors](#). Its opposition to aid to Indonesia

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would seem to stem from its support for West Papua (and also Timor-Leste—the leader of the DLP [visited earlier this year](#) on a [private fact-finding mission](#)). Though the DLP [also says that](#) “We must work more closely with our regional neighbours, particularly Indonesia,” on asylum seeker issues. Cutting aid to Indonesia would be an odd way to go about achieving that goal.

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.

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