

March blog digest: Countdown to the May budget | Fear and violence

By Stephen Howes 28 March 2013

Countdown to the May budget

Remarkably, on March 20, the UK <u>increased</u> its aid by 3 billion pounds. That's an increase of about two-thirds of the Australian aid budget, in one year, when times are tough. Devpolicy's Robin Davies and Jonathan Pryke provide <u>their analysis</u> of the bold UK aid budget, and of this long anticipated, but never-quite-believable, massive aid increase.

The increase takes UK to the long-cherished target of 0.7% of GNI for its aid budget. That's a long way ahead of Australia. Senator Carr, our Foreign Minister, <u>likes to say</u> that we are a very generous aid donor, but we're not. Our aid to GNI ratio is only 0.35%, which <u>puts us</u>

[pdf] 13th out of the 23 OECD donors. Will we see an increase in the 2013 aid budget? The government has promised to take us to 0.37% of GNI in this budget, another tiny step on the long and tortuous road to 0.5 by the now delayed target of 2016-17. You'd have to be naïve to think that the \$600 million required was in the bag. Still, as Robin and Jonathan argue, the UK has raised the bar for Australia.

Fear and violence

Three contributions to this month's set of posts show the contribution that quantitative research can make even in difficult and inherently qualitative areas such as fear and violence.

In <u>this post</u>, Dinuk Jayasuriya of the Development Policy Centre summarizes his recent <u>Devpolicy Discussion Paper</u> with John Gibson of Waikato University in NZ on fear in the former conflict areas of Sri Lanka. There are lots of anecdotal stories of how good (or bad) things are in this region, but no-one has done a systematic survey, until now.

Dinuk and John use a technique which presents separate randomly selected groups of respondents with different lists of statements and requires them to reveal how many statements they agree with, but not which ones. This allows the respondent to mask their answer to sensitive questions and makes it more likely that respondents will give truthful answers.

When they ask people directly, 19% of Tamils and only 4% of Sinhalese in the post-conflict areas surveyed say that they are fearful of "death, abduction and torture." But if asked using this indirect technique, the numbers shoot up to 29% for both groups. This suggests the importance of using the technique, and also sheds light on the nature of violence in post-conflict Sri Lanka: it seems less a matter of ethnic targeting, and more a matter of a general breakdown in law and order in post-conflict areas.

In another post this month, my ANU colleague Kamalini Lokuge and I dig into some data concerning sexual violence in PNG. We compared the number of women presenting as survivors of sexual violence to the Lae Family Support Centre (a medical service) with the number of sexual violence trials and convictions in Lae, PNG's second largest city. Since on average it takes 2 years to take a case to trial, we compare 2010 medical numbers with 2012 legal ones. The comparison is a shocking: of 338 sexual violence cases, only one made it to trial. In the rest of the article, we try to find an explanation, but also highlight the efforts being made in Lae to turn the situation around. Our article is a call to action, not a counsel of despair.

Also on sexual violence, and in the category of quantitative research, Andrew Rowell from CARE Australia <u>reports</u> some <u>research</u> [pdf] from Bangladesh on the costs of sexual violence. What to make of these estimates of the costs of sexual violence is an open question, but what's definitely useful is the survey underlying the estimates. Kaniz Siddique, who conducted the work on behalf of CARE-Bangladesh, interviewed 500 victims of intimate-partner violence and their families. She asked about reasons as well as consequences. The most common cause given for the violence is the practice of dowry

payment: in PNG, many would say it is bride price.

Women's empowerment and the private sector

It's not all doom and gloom on the gender front. Kate Nethercott and Marianne Jago-Bassingthwaite <u>report</u> on the research they've just completed on the AusAID Enterprise Challenge Fund (ECF) pilot investigating the role it has played in gender empowerment. Even though womens' empowerment was not a specific objective of the ECF, they find that, across a number of case studies "encouraging gains" with increases in earnings as well as influence. Which of course raises the question once again of what AusAID plans to do with its pilot ECF, which began in 2007, and which ends later this year. AusAID has a new strategy committing it to work much more with the private sector, and here is a mode of engagement which has been piloted and in general evaluated pretty favourably. Yet, there is no sign of a decision relating to the ECF2.

Why do nations fail?

In March, we continued our discussion (<u>begun</u> last year by Richard Curtain, and <u>continued</u> by Neil McCulloch) of Daron Acemoglu and James A. Robinson's influential blockbuster *Why Nations Fail* with a two-part contribution (<u>here</u> and <u>here</u>) by Cory Smith of the Brookings Institute.

Cory is impressed by *Why Nations Fail* but ultimately is not convinced. Perhaps the book's most famous (and controversial) claim is that non-"inclusive" governments can take development so far but no further because only inclusive or pluralistic governments will support the openness and innovation needed to support prosperity after an initial catch-up period. One of the counter-examples Cory cites is Singaore. Singapore's record of one-party rule doesn't make that country look very inclusive or pluralistic yet it just seems to keep on growing (it is now richer than the US). If Singapore can do it, then can we so confidently predict, as Acemoglu and Robinson do, that China, unless it undergoes fundamental political reform, will at some point stop growing? Cory concludes that *Why Nations Fail* "deserves a permanent place in the development canon" but "falls short as a guide for the complex trajectories of nations." Perhaps that's a shortfall we'll just have to learn to live with.

Summary of posts

You can find a summary of all March posts in the list below. Don't forget our expanded set of buzzes. We provide monthly wraps (buzzes) on, <u>global development</u>, <u>education &</u> <u>development</u>, and <u>aid & Asia</u>, as well as fortnightly wraps on the <u>Pacific</u>.

Aid

CoST's benefits: an interview with Chrik Poortman by Chrik Poortman and Robin Davies.

"[The Construction Sector Transparency Initiative] ticks a whole series of important boxes—anticorruption, transparency and accountability, allocative efficiency, good public sector management and, ultimately, growth. It is something that, to my mind, is a nobrainer."

<u>Careers in development: an interview with AusAID Chief Economist Michael Carnahan</u> by Michael Carnahan and Jonathan Pryke.

"It's really hard to do effective policy in rich or poor countries without quantitative skills. Being able to undertake qualitative analysis is very important, but if you don't have quantitative skills you can't effectively assess poverty."

<u>UK high jump to 0.7 per cent shows Australia how it's done</u> by Robin Davies and Jonathan Pryke.

"The UK has raised, not lowered, the bar for Australia—but then Australia is economically much stronger, and has promised a more modest leap than that achieved by the UK. A jump of \$600 million in the next budget doesn't look so infeasible for this country of athletes."

<u>Aid, democracy and rights</u> by Terence Wood.

"EU aid very likely helps promote human rights and democracy."

Global development policy

<u>Measuring fear in post-conflict environments: evidence from Sri Lanka</u> by Dinuk Jayasuriya.

"Results suggest that data sourced from sensitive questions asked directly in post-conflict areas or fragile states may be inaccurate and lead to potentially counter-productive policy prescriptions."

<u>Gender based violence - exploring the social and economic costs</u> by Andrew Rowell.

"[T]he total cost of domestic violence in Bangladesh in 2010 equated to over 143 billion taka (over USD 1.8 billion at current exchange rates). This amounted to 2.05% of GDP, or the equivalent of 12.65% of government spending that year."

<u>The private sector: the new black in women's economic empowerment</u> by Kate Nethercott and Marianne Jago-Bassingthwaighte.

"Our research found that across a number of [Enterprise Challenge Fund] case studies, even though women's economic empowerment was not a specific program objective, there were encouraging gains in women's economic empowerment."

Debating Why Nations Fail, part II by Cory Smith.

"Why Nations Fail tells us what inclusivity is and why it matters, but it falls short as a guide for the complex trajectories of nations that occupy a middle ground between extractive and inclusive."

<u>Towards a bloc identity for fragile states: the Dili international conference on the post-2015</u> <u>development agenda</u> by Robin Davies.

"While I'm generally content to observe the smokestacks of the post-2015 industry from a safe distance, and am not a fervent believer in the value of UN high-level panels, I do think Timor-Leste's decision to convene this discussion was a wise and well-timed one."

Debating Why Nations Fail, part I by Cory Smith.

"Without specifics, it is easy to pick and choose inclusive or extractive aspects of a nation's government to fit a particular story."

The Pacific and PNG

<u>PNG slowdown pushing regional growth lower in the Pacific in 2013</u> by Christopher Edmonds and Aaron Batten.

"As growth remains sluggish to moderate across the Pacific region and the broader global economy as well, a worrying trend is the increasing number of countries turning to fiscal stimulus to try to push growth higher."

We think it might work, but will it be implemented? By Steve Pollard.

"Given the still evolving nature of the islands' institutions and political systems, all reforms and all development assistance should embody processes that strengthen transparency, participation and accountability."

<u>A big day in the region</u> by Tess Newton Cain.

"The process [in Fiji, of moving to democracy] is becoming increasingly opaque and hard to predict."

What do big miners contribute to Papua New Guinea's development? By Margaret Callan.

"The largest contribution to national development by the big four mining companies in Papua New Guinea was taxes and other statutory payments paid to the national government, PGK1568.4m."

Sexual violence in Lae: impunity and resistance by Stephen Howes and Kamalini Lokuge.

"The incredibly low number of adult sexual violence trials (one in 2012) suggests that the rape of a woman is not in fact seen as a crime."

<u>Urban primary schools in Papua New Guinea: A decade of (rusty) swings and roundabouts</u> by Grant Walton.

"For the schools we visited, while there have been some improvements, the blight of under-spending, possible mismanagement and misdirected funding is apparent."

Online innovation primes Pacific private sector growth by Andrew Iffland.

Following business law reform and the establishment of an online company registry in, for example, the Solomon Islands business incorporation fees nearly halved [and] the number of companies formed more than doubled..."

Peter Forau on why the Melanesian Spearhead Group is a success by Tess Newton Cain.

"Current [regional] structures are not working well. For example, on the issue of climate change, ... 'We have failed terribly to make an impact internationally because we have almost three regional organisations trying to help the region but in different directions.'"

<u>Challenges and opportunities at the frontline of service delivery in PNG: Enga province</u> by Andrew Anton Mako.

"[S]eeing dedicated teachers and health workers, paid and unpaid, continue to provide services to their communities in the most difficult conditions was also inspirational. It

taught me that we must not give up, and that things can get better."

Stephen Howes is Director of the <u>Development Policy Centre</u>.

About the 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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