Nation Building through Bilateral Education Aid: Commonwealth Policies 1945-2000

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Australian education aid to developing countries in the post-war era to the year 2000 can be divided into four main historical periods. The first phase, lasting roughly to the early 1970s, emphasised political and strategic reasons as the main criteria for giving aid to developing countries: the education of Asian elites, for example, was seen as a means of influencing the region along westernised, anti-communist lines. The 1970s saw a slightly more humanitarian, altruistic approach to aid adopted by the Commonwealth and a subsequent rise in the professionalisation and co-ordination of education aid. The next phase (roughly 1979 to 1996) was punctuated by a stronger emphasis on the commercial spin-offs of assisting developing countries, with domestic educational concerns partly shaping the direction of education aid. This increased concern with commercialisation accentuated the Commonwealth's already strong tradition of tying educational aid to Australian goods and services, especially through scholarships to Australian tertiary institutions. The fourth and final phase has seen a decline in the commercial agenda and a greater concentration on the basic literacy needs of developing countries. A shift away from tertiary scholarships in Australia towards improving primary and secondary education within recipient nations consequently occurred, assisted by strong international pressure from organisations such as the World Bank and the United Nations. Australia's bilateral education aid policy since the post-war period has thus been influenced by three main factors: geopolitical considerations, altruism and commercial self-interest. Getting the "right" balance between these three reasons for giving overseas aid continues to occupy the minds of policy-makers in the 21st century.

The 1950s and 1960s

The geographical focus of Australian education aid in the 1950s and 1960s was governed—and largely remains governed—by regional security concerns. Naturally, Australia's colonial territories in what is now the nation of Papua New Guinea (PNG) received the most bilateral aid in the 1960s because of the rush to independence. Indonesia rapidly became the next important aid destination after mid-1965, presumably to strengthen the anti-Communist regime of President Suharto.[1] The discourse surrounding education aid during this early period stressed the importance of international

[1] Anthony Clunies-Ross, "Foreign Aid", in Gordon Greenwood and Norman Harper (eds), *Australia in World Affairs 1966-1970*, University of British Columbia Pres, Vancouver, 1974, pp. 160-165.

goodwill, but the more compelling justification within Government circles was the perceived need to eradicate Communist influence in developing countries. In 1964 Academic commentator, Roy Adam, echoed contemporary Foreign Affairs thinking on providing aid to the Asia-Pacific[2] when he wrote,

> Ambassadors from the Soviet Union and from Communist China may be found throughout Asia making glib promises of assistance. If we are not prepared to give generously from our amply-stocked reservoirs of knowledge and skill, we shall lose friends to those who are prepared to do so.[3]

Despite the fact that the overseas student program constituted the vast majority of the education aid budget during the 1950s and 1960s, there was little evidence of a broad policy framework for dealing with these students beyond anti-communist and (to a limited extent) pro-British Commonwealth rhetoric. The overseas student cohort was dominated by private tertiary, secondary (and some primary) students, principally from Asia. Like full-fee paying domestic students, private overseas students undertaking tertiary training were heavily subsidised by the Commonwealth and the States.[4] The other, much smaller category of students were sponsored,[5] the majority of whom were studying under the Colombo Plan (established by the British Commonwealth in 1951 to provide technical and economic assistance to developing countries in Asia).[6] On the whole, the overseas student program suffered from an *ad hoc* approach to policy-making. Federal policy towards sponsored and private students was largely limited to finding solutions to negative

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[2] See Elizabeth Anne Cassity, Spheres of Influence and Academic Networks: A History of Official Australian Aid to the University of the South Pacific (USP), 1960-1990, PhD thesis, Columbia University, 2001, pp. 151-157.

[3] Roy Adam, "Exporting Education", *Australian Quarterly*, Vol. 36, No. 4, December 1964, p. 74.

[4] Tuition fees for domestic and international students constituted around 10-15% of the total cost of a higher education course in the 1950s and 1960s. See Ainsley Jolley, *Exporting Education to Asia*, Victoria University Press, Victoria University Press, Melbourne, 1997, p. 65.

[5] Sponsored students under the Colombo Plan and smaller schemes represented 23% of the total number of overseas students in tertiary institutions in 1955; this had dropped to 16% in 1964. See Anon., "Overseas Students in Higher Education in Australia", *Education News*, Vol. 10, No. June 1965, p. 15. The number of private overseas students in any educational institution (primary, secondary or tertiary) rose from just over 1,500 in 1951 to 12,200 in 1966. See Private Students- policy review- Part 4 [3cm], file no. A446/158 1970/95151, National Archives of Australia; Cabinet Submission No. 494, dated 4 October 1967, National Archives of Australia.

[6] For further details on Australian Government involvement with the Colombo Plan sponsorship program in the 1950s and 1960s, see Alex Auletta, "A Retrospective View of the Colombo Plan: Government Policy, Departmental Administration and Overseas Students", *Journal of Higher Education Policy and Management*, Vol. 22, No. 1, 2000, pp. 47-58; Daniel Oakman, " 'Young Asians in Our Homes': Colombo Plan Students and White Australia", *Journal of Australian Studies*, No. 72, 2002, pp. 89-98.

problems identified in the field, such as students remaining in Australia without official permission.[7]

Neither was there much sense of co-ordinated policy within the other major element of the early years of the education aid program: the provision of Australian experts for development projects overseas. By 1967, 867 experts had acted as advisers under Australia's Colombo Plan contribution at an estimated cost of $8.1 million.[8] The experts were engaged in development projects initiated by the recipient country in which research and the enhancement of local skills and knowledge were gained through Australian training and assistance. Although the situation gradually changed as the 1960s progressed, the Australian expert program suffered from a lack of interest in aid issues among career diplomats and the Foreign Affairs Department generally. Experts were given little preparation for the cultural environment they would be working in, and long delays in receiving vital project materials (e.g. textbooks) occurred because of a policy stipulating that goods used generally had to be two thirds Australian in origin. The recruitment of experts was hampered by the failure of the Foreign Affairs Department to accumulate and update its knowledge of Australian expertise in a variety of fields; moreover, there was little Australian-initiated evaluation of the success of otherwise of the projects to which experts had been assigned.[9]

The 1970s and the Growing Professionalism of Aid

The 1970s saw a massive increase in Australian aid spending: by 1977 overseas aid spending constituted 0.45% of Gross National Product, which measured up well when set against an average of 0.31% in Western countries.[10] This was a reflection, in part, of a growing commitment to "good" international citizenship beyond the notion of aid spending as a kind of geopolitical insurance policy. Foreign Affairs Minister (1973-1975) Don Willesee reflected this new, altruistic Commonwealth attitude in a defence of public aid:

> I see our aid relationship as more than a one-way traffic in financial resources and technology, in that it offers opportunities for many Australians to expand their

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[7] See for example Colombo Plan- Training policy and procedure- Overseas student return on completion of study, file no. A1838/308 2008/1/24 PART 4, National Archives of Australia.

[8] A.H. Boxer, *Experts in Asia: An Inquiry into Technical Assistance*, Australian National University Press, Canberra, 1969, p. 3.

[9] Boxer, *Experts in Asia*, p. 15, p. 28, pp. 34-39, pp. 66-68, and pp. 121-122. See also Anthony Clunies-Ross, "Foreign Aid", in Gordon Greenwood and Norman Harper (ed.), *Australia in World Affairs 1966-1970*, University of British Columbia Press, Vancouver, 1974, p. 161.

[10] Owen Harries (et al.), *Report on the Committee on Australia's Relations with the Third World*, Australian Government Publishing Service, Canberra, 1979, p. 136.

> perceptions of the cultures of Asia and developing countries elsewhere; to reach a better understanding of the world.[11]

Humanitarian rhetoric was combined with an increasing concern for the quality and appropriateness of aid, as well as a greater commitment to encouraging sustainable development.[12] Although these factors were most prominently pushed by the Whitlam Labor Government of 1972 to 1975, they were already present in foreign aid policy at the beginning of the decade. For example, whereas Colombo Plan advisers in projects traditionally engaged as the sole authority in short-term projects with locals, by 1972 the advisers were generally working in teams on long-term ventures such as agricultural research. This was clearly a reflection of the growing Australian concern for ensuring that their contribution made a lasting, rather than cosmetic, impact on developing countries.[13]

The Whitlam years saw the establishment of International Training Courses centred around infrastructure needs of developing countries, such as air traffic control and road engineering. The courses were run by the former Australian School of Pacific Administration, reconstituted as the International Training Institute on 1 December 1973. This mirrored a conscious decision by Australian Governments since the late 1960s to move away from educating elites through undergraduate courses towards more non-formal short courses focusing on specialised developmental needs. Sponsored students undertaking undergraduate courses declined from around fifty per cent of the total number of sponsored students in 1967-68 to roughly one-third in 1973-74.[14]

Labor also sought to strengthen and professionalise the aid sector by creating the Australian Development Assistance Agency (ADAA). Initially set up as a branch of the Department of Foreign Affairs on 1 December 1973, ADAA became an autonomous agency twelve months later. For the first time, the aid responsibilities which had previously been administered separately by Foreign

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[11] Senator Don Willesee, "New Direction in Australia's Development Assistance", *Australian Foreign Affairs Record*, Vol. 46, No. 5, May 1975, p. 233.

[12] John Cleverly and Phillip Jones, *Australia and International Education: Some Critical Issues*, Australian Council for Educational Research, Hawthorn, 1976, p. 22.

[13] Nigel Bowen, *Australian Foreign Aid: Statement by the Minister for Foreign Affairs The Honourable Nigel Bowen, Q.C., M.P.*, Australian Government Publishing Service, Canberra, 1972, p. 19.

[14] John Cleverly and Phillip Jones, *Australia and International Education: Some Critical Issues*, Australian Council for Educational Research, Hawthorn, 1976, pp. 21-22; Australian Development Assistance Agency, *Australian Aid to Developing Countries*, Australian Government Publishing Service, Canberra, 1975, p. 13.

Affairs, Education and External Territories were now to be co-ordinated through a single organisation.[15]

The concept of a single agency to handle aid policy and practice appealed to the Whitlam Labor Government for several reasons. In the first place, it lifted the profile of aid administration as a professional career, which would have the effect of encouraging aid officers to have greater commitment to the aid program. Next, in theory at least, it allowed aid policy to concentrate on developmental rather than political concerns. Finally, it encouraged aid policy to be integrated, instead of serving the narrow goals of three separate Government Departments.[16]

ADAA was built on high ideals. It was designed to improve the living standards and equality of opportunity for the poorest groups in developing societies, and the agency hoped to foster better planning and administration so that aid delivery would be targeted more appropriately, taking into account the full complexities of third world countries.[17] As Willesee noted,

> [W]e believe that its is not sufficient to construct, say, a road, without asking who will benefit from it, and without looking at other social and economic benefits which can be derived in the area where the road is being built.[18]

The ADAA did not have sufficient time to make much of an impact. The agency was abolished in February 1976, and was re-constituted as a branch of the Foreign Affairs Department (ADAA had never been popular with Foreign Affairs, which regarded aid as its natural territory).[19] The ADAA subsequently became the Australian Development Assistance Bureau (ADAB). Some of the reflective multi-faceted aid attitudes encouraged by the ADAA remained current in the new institution, as the following extract from ADAB's 1977-78 annual report indicates:

> Australia is aware that important as it may be much of its education assistance is reaching only the urban elite and it is keen to diversify into areas such as non-formal education, technician training and agricultural extension.[20]

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[15] N. Viviani and P. Wilenski, "Politicians, Bureaucrats and Foreign Aid: A Case Study", in R.T. Shand and H.V. Richter (eds), *International Aid: Some Political, Administrative and Technical Realities*, Australian National University, Canberra, 1979, p. 94 and p. 109.

[16] *ibid*., pp. 91-94.

[17] See Don Willesee (introduction), in Australian Development Assistance Agency, *Australian Aid to Developing Countries*, Australian Government Publishing Service, Canberra, 1975, pp. 1-3.

[18] Senator Don Willesee, "New Directions in Australia's Development Assistance", *Australian Foreign Affairs Record*, Vol. 46, No. 5, May 1975, p. 237.

[19] See N. Viviani and P. Wilenski, "Politicians, Bureaucrats and Foreign Aid: A Case Study", in R.T. Shand and H.V. Richter (eds), *International Aid: Some Political, Administrative and Technical Realities*, Australian National University, Canberra, 1979, pp. 91-127.

[20] Australian Development Assistance Bureau, *Australian Development Assistance Annual Review 1977-78*, Australian Government Publishing Service, Canberra, 1979, p. 16.

The ADAA experiment did not result in much change in the overall direction of education aid, however. The 1970s maintained the long-term trend of concentrating its education aid on the education and training of sponsored students in Australia or, less commonly, by Australians in developing countries. The Australian Government soundly rejected calls from non-government aid organisations such as Community Aid Abroad to focus more on the specific educational needs of the poorer villages.[21] The Government's position reflected the continued need to balance diplomatic, commercial and humanitarian goals in the Australian aid program. Educating students in Australia commercially benefited Australians and Australian institutions, it avoided the charge of interfering with another countries domestic education policies and fostered technical skills that facilitated economic growth and greater self-reliance (thus satisfying aid's ultimate humanitarian objective).[22]

The 1980s: Education Aid as a Commodity

The 1980s ushered in massive changes to Australian Government thinking on education aid issues. As the decade progressed, the rhetoric of humanitarian development which had dominated discussions on aid was replaced by the notion that overseas development aid should be predominantly focused on Australia's "national interest". While humanitarianism remained in the background as a reason for giving aid, aid discourse in Government circles became dominated by calls for aid to complement and assist Australian trade objectives in Asia and the Pacific. The education sector was no exception to this partial commodification of the aid program.

The Australian Government became more keenly aware of the potential commercial spin-offs of education aid because of the results of changes to private overseas student policy implemented in 1980. In that year, an annual Overseas Student Charge (OSC) of $1,500-$2,500 on private international students was introduced, payable to the Federal Government. Since January 1974 both private and sponsored students had had their university costs fully subsidised, and the Overseas Student Charge was designed to ensure that private overseas students paid at least some of their own tuition costs. PNG and the South Pacific private and sponsored students had their OSC's paid for by the Government after 1981, however. Perhaps inspired by a desire to maximise Federal revenue, the Commonwealth subsequently allowed overseas students to enrol in junior secondary

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[21] See James B. Webb, "Educational Aid in Australia or in Asia", *Australian Outlook*, Vol. 27, No. 1, April 1973, pp. 34-38.

[22] See Owen Harries (et al.), *Report of the Committee on Australia's Relations with the Third World*, Australian Government Publishing Service, Canberra, 1979, pp. 136-137.

schools for the first time since 1966. The Government simultaneously dropped the ceiling of 10,000 private overseas students (brought in by Whitlam) and replaced it with a country quota system decided according to Australia's strategic interests.[23]

During the early 1980s, the Australian Government became somewhat alarmed to discover that Australia was becoming a dramatically popular destination for private overseas students. With the overseas student market in the UK drying up because of the imposition of full-fees, Australia became one of the few affordable options for overseas study. Private overseas student numbers increased from 8,167 (1979) to 16,053 (1983) during a period when local demands for higher education were very high.[24] The new Hawke Labor Government (1983-1991) subsequently appointed a *Committee of Review of Private Overseas Student Policy*, which it hoped would find an appropriate balance between the desire for more revenue from private overseas students while avoiding the displacement of Australian students. In other words, John Goldring and his fellow committee members were to

> Recommend changes to the private overseas student program which will have the effect of achieving government objectives INCLUDING THE ENCOURAGEMENT OF OVERSEAS STUDENTS TO STUDY IN AUSTRALIA WITHOUT REDUCING OPPORTUNITIES FOR AUSTRALIAN RESIDENTS AND WITHOUT INCREASING PUBLIC SECTOR OUTLAYS.[25]

The committee's 1984 report (known generally as the Goldring Report) proved influential in two respects. First, it persuaded the Australian Government to view the private student subsidy as a form of aid to be factored into the annual aid budget. Second, the Commonwealth in 1985 accepted the committee's recommendation to administer overseas student policy via an overseas student's office within the Department of Education.[26] The Government was less impressed with the Goldring Report's rejection of market-driven educational policy in favour of moderate private overseas student fees (30-40 per cent of the full cost) which would go to the Australian Government rather

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[23] Committee of Review of Private Overseas Students Policy, *Mutual Advantage: Report of the Committee of Review of Private Overseas Student Policy*, Australian Government Publishing Service, Canberra, 1984, p. 31-34; Ken Back, Dorothy Davis and A. Olsen, *Internationalism and Higher Education: Goals and Strategies*, IDP Education Australia and Australian Government Publishing Service, Canberra, 1996, p. 6; Bruce Williams, "Overseas Students: Costs and Benefits", in Bruce Williams (ed.), *Overseas Students in Australia: Policy and Practice*, IDP, Canberra, 1989, p. 11.

[24] Committee of Review of Private Overseas Student Policy, *Mutual Advantage: Report of the Committee of Review of Private Overseas Student Policy*, Australian Government Publishing Service, Canberra, 1984, pp. 33-34.

[25] John Goldring, "Aid and the Overseas Student", in Janet George (ed.), *Aid to Asia: Theory and Practice*, Centre for Asian Studies, University of Sydney, Sydney, 1986, p. 59. Goldring's emphases.

[26] *Ibid*., p. 59-60.

than educational institutions. The Goldring Committee feared that educational standards would be in jeopardy if marketing became a focal point for the higher education sector.[27]

Firmly committed to a policy of cutting public expenditure, the Labor Government rejected Goldring's anti-commercial education agenda in favour of recommendations offered by the *Committee to Review the Australian Overseas Aid Program* (1984).[28] Headed by Gordon Jackson, the committee was comprised of three businessmen and three economists with a strong attraction to the "belief that economic growth is most effectively and efficiently achieved through the unfettered market."[29] The Jackson Committee emphasised the "national interest" aspect of bilateral education aid, recommending that Australia provide technical assistance to the Asia-Pacific region while simultaneously encouraging Australian educationalists to market their services within developing countries:[30]

> The demand for education services throughout the Asian region is likely to be quite large in the next 20 or so years. The expansion of Australian education to meet this demand would encourage cultural exchanges and tourism. It would provide jobs for Australians directly, and there would be multiplier effects through the provision of food, shelter, clothing and entertainment for students.[31]

Acting on the advice of the Jackson Committee, the Australian Government instituted a new Overseas Student Policy in 1985 which encouraged Australian educational institutions to compete against each other to attract full-fee paying overseas students. The private overseas student subsidy was to be gradually phased out over the next decade. The Government encouraged an international student market by allowing higher education institutions to collect student fees and providing financial incentives to recruit overseas students. Consequently, total overseas student numbers rose to 48,900 in 1988, with students especially attracted to fee-paying short courses such as English language training.[32]

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[27] Jing Shu and Lesleyanne Hawthorne, "Asian Student Migration to Australia", *International Migration*, Vol. 34, No. 1, 1996, p. 69.

[28] Bruce Williams, "Overseas Students: Costs and Benefits", in Bruce Williams (ed.), *Overseas Students in Australia: Policy and Practice*, IDP, Canberra, 1989, p. 13.

[29] W.R. Stent, "The Jackson Report: A Critical Review", *Australian Outlook*, Vol. 39, No. 1, April 1985, p. 33.

[30] Committee to Review the Australian Overseas Aid Program, *Report of the Committee to Review the Australian Overseas Aid Program*, Australian Government Publishing Service, Canberra, 1984, pp. 87-101.

[31] *Ibid.*, p. 93.

[32] Ken Back, Dorothy Davis and A. Olsen, *Internationalism and Higher Education: Goals and Strategies*, IDP Education Australia and Australian Government Publishing Service, Canberra, 1996, p. 6; Jing Shu and Lesleyanne Hawthorne, "Asian Student Migration to Australia", *International Migration*, Vol. 34, No. 1, 1996, pp. 69-70; Bruce

The financial success of the new international education industry had a strong influence on the way bilateral education aid policy was formed. Education aid by the early 1990s was routinely justified in terms of its capacity to foster international markets in education and other industries. Emphasising tertiary training was seen by the Australian Government as a vital tool in serving the dual masters of aid and trade:

> The tertiary subsector will continue to dominate [education aid] … spending in foreseeable future, paralleling Australia's commercial interests in the export of educational services.[33]

The greatest proportion of Australia's education aid in the 1980s and early 1990s was spent on scholarships within Australia itself. This was justified by the Government in terms of its capacity to encourage awareness of Australia's educational opportunities within developing countries (thereby encouraging non-sponsored students to study in Australia in the future); the possibility of further trade by exposing overseas students to Australian products during educational courses; and finally, the Australian Government's firm belief that the future business and government elites studying in Australia would prove influential in encouraging Australian trade with the Asia-Pacific.[34]

Critics of the Australian Government's aid effort, especially non-government aid organisations, believed that the stress on the tertiary sector was inappropriate. Literacy levels and teacher training in the third world remained extremely inadequate by developed world standards in the 1980s, yet the Australian Government was largely neglecting primary and secondary education in the aid budget. NGOs thus called for greater emphasis on alleviating poverty through promoting basic literacy. This was a sharp contrast with official Government attitudes, which reflected a belief that promoting economic growth generally within developing nations was more beneficial to poverty alleviation than concentrating on the problems of individual communities at the local level.[35]

Williams, "Overseas Students: Costs and Benefits", in Bruce Williams (ed.), *Overseas Students in Australia: Policy and Practice*, IDP, Canberra, 1989, pp. 11-13.

[33] AIDAB, *Australian Development Cooperation in the Education and Training Sector: Report 1990-91*, Australian Government Publishing Service, Canberra, 1991, p. 15.

[34] AIDAB, *Australian Development Cooperation in the Education and Training Sector: Report 1990-91*, Australian Government Publishing Service, Canberra, 1991, p. 46; Australian International Development Assistance Bureau, *Australia's Overseas Aid Program: Helping Australian Industry Too*, Australian Government Publishing Service, Canberra, 1990, pp. 7-8.

[35] Russell Rollason, "Aid Programmes in International Perspective: Issues of Theory and Practice", in Janet George (ed.), *Aid to Asia: Theory and Practice*, Centre for Asian Studies, University of Sydney, Sydney, 1986, pp. 1-5; C.D. Throsby and L.R. Maglen, *Australian Aid for Education in the Pacific*, National Centre for Development Studies, Canberra, 1988, pp. vii-ix; W.R. Stent, "The Jackson Report: A Critical Review", *Australian Outlook*, Vol. 39, No. 1, April 1985, pp. 33-36.

The stress on Australian scholarships also gave rise to criticisms by Australian educators such as Ken Back that Australia was strengthening its own institutions at the expense of local institutions, especially in the South Pacific. A 1982 report on Australian assistance to the universities in the South Pacific implied that the Commonwealth was ignoring the important aid goal of regional self-reliance in its education aid budget. The Australian Government provided funds for the infrastructure of local universities, while concurrently spending vast sums on the education of South Pacific students in Australia:

> It is scarcely logical for Australia to support a university that is already short of students and funds and at the same time finance a substantial program that deprives it of students.[36]

The Joint Committee on Foreign Affairs, Defence and Trade concluded in 1989 that perhaps Australia had spent too much on tertiary education in the South Pacific and not enough on glaring problems within the primary and secondary subsectors (e.g. lack of teaching aids, poorly qualified teachers, limited access to learning materials etc.). Yet the committee was unwilling to criticise the practice of providing scholarships to study in Australia, citing the need for educational choice and the opportunity of learning from a broad range of experiences as crucial benefits of the existing scheme.[37]

Thus as the 1980s drew to a close, the dominance of the tertiary scholarship as the major source of bilateral education aid seemed non-negotiable in the opinion of the Australian Government. The next decade, however, was to see a gradual shift in official government policy on education aid for developing countries.

Bilateral Education: The Early 1990s

At the start of the 1990s, around seventy-five per cent of education aid was poured into higher education, mostly in the form of in-Australia scholarships and private student subsidies (largely phased out by 1995).[38] There was a strong strategic basis for this, reminiscent of ancient arguments about Australian-trained elites spreading Australian influences current during the height of the

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[36] D.A. Low, K.J.C. Back and C.E.T. Terrell, *Australian Assistance to the Universities of the South Pacific Region*, Australian Government Publishing Service, Canberra, 1982, p. 18.

[37] Joint Committee on Foreign Affairs, Defence and Trade, *Australia's Relations with the South Pacific*, Australian Government Publishing Service, Canberra, 1989, pp. 81-84.

[38] AIDAB, *Australian Development Cooperation in the Education and Training Sector: Report 1990-91*, Australian Government Publishing Service, Canberra, 1991, p. 15; Bob Stensholt, "Australian Education and Training Aid to South East Asia", in Pamela Thomas (ed.), *Teaching for Development: An International Review of Australian Formal and Non-formal Education for Asia and the Pacific*, Australian Development Studies Network, Canberra, 1995, p. 14.

Colombo Plan era. The education aid program for Indonesia in 1990/91 eloquently highlights this traditional faith in elites. $27.3 million out of a total $39.3 million dollars worth of education aid to Indonesia was spent on the tertiary training of Indonesians in Australia during 1990/91, largely in the hope of fostering "a significant group of people in the Indonesian hierarchy who understand Australia and relate well with Australians."[39] As Alison Broinowski recently pointed out, the idea that that Australian-trained elites will naturally benefit Australia's diplomatic relations with Asian countries is highly simplistic:

> Tony Tan, a former Colombo Plan student, was deputy prime minister of Singapore in the 1970s when official antagonism towards Australia was recurrent … Ratih Hardjono and Dewi Fortuna Anwar, both Australian graduates, were advisers to Indonesian presidents Habibie and Abdurrahman Wahid during the years when Australia's reputation hit bottom. It didn't help that in Indonesia in 2002, four cabinet ministers were Australian alumni.[40]

To give the Australian International Development Assistance Bureau (AIDAB; formerly ADAB pre-1987) its due, there was also a focus on equity issues within tertiary training via Equity and Merit Scholarship Scheme (EMSS), introduced in 1990. The EMSS applicants were selected from developing countries partly on a merit criterion, but they were often also selected because of equity concerns (for example, a bias towards "elite males" in other scholarship schemes could be redressed via an EMSS focus on women and other under-represented groups). The EMSS changed its name to the John Crawford Scholarship Scheme, and later to the Australian Development Cooperation Scholarship scheme (ADCOS).[41] One of the success stories of the ADCOS scheme was that enabled the Australian Government to strike a more equitable balance between male and female scholarship holders: 44 per cent of higher education students from overseas countries under Commonwealth sponsorship by 1995 were women.[42]

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[39] Australian International Development Assistance Bureau, *Review of the Effectiveness of Australian Development Cooperation with Indonesia*, Australian Government Publishing Service, Canberra, 1992, pp. 7-8.

[40] Alison Broinowski, *About Face: Asian Accounts of Australia*, Scribe Publications Pty Ltd, Carlton North, 2003, p. 129.

[41] AIDAB, *Australian Development Cooperation in the Education and Training Sector: Report 1990-91*, Australian Government Publishing Service, Canberra, 1991, p. 29; Bob Stensholt, "Australian Education and Training Aid to South East Asia", in Pamela Thomas (ed.), *Teaching for Development: An International Review of Australian Formal and Non-formal Education for Asia and the Pacific*, Australian Development Studies Network, Canberra, 1995, p. 14.

[42] Development Assistance Committee, *Development Co-operation Review Series: Australia: 1996 No. 18*, Organisation for Economic Co-operation and Development, Paris, 1996, p. 10. The ADCOS scheme and the other major Australian scholarship scheme, the Australian Sponsored Training Scholarship (ASTAS), were combined on 1 July 1997 to form the Australian Development Scholarship Scheme.

Basic Education or Tertiary Education? Shifting Priorities

International opinion in the early 1990s had shifted on towards an aid emphasis on basic education, highlighted by the International Year of Literacy (1990) and the UN Declaration on Children (1990). The World Bank had also increased its funding of basic education from under ten per cent of its education aid budget to twenty-five per cent in the late 1980s, reasoning that higher economic returns could be gained by educating the masses rather than the elites.[43] Emboldened by this support, calls for the Australian Government to change the emphasis of its education aid budget grew louder and more confident.

Commentators such as Anne Byrne and David Burch argued that the glaring problems in basic education in areas such as the Pacific were being ignored because tertiary training in Australia suited the domestic marketing ambitions of Australian institutions and companies.[44] Certainly, the Australian Government highlighted the commercial and strategic benefits of aid so much in the early 1990s that the benefits to the developing countries themselves seemed less obvious. Partially using aid as a means of facilitating commercial relationships with other countries was open to potential abuse. As Andrew Hewett argued, Australia's increasing share of the world's overseas students (from 1.6 per cent in 1985 to 2.9 per cent in 1992) introduced the temptation of targeting scholarship programs to areas with a proven market for Australian educational services.[45] Moreover, prominent Fijian politician Tupeni L. Baba expressed the fear in 1990 that treating education aid as a commodity would lead to the neglect of disciplines which were not as easily marketed as those with a high technology/economic content. If humanities, arts and social sciences were not studied by people from developing countries, Baba asserted, "we run the risk of producing narrowly educated technocrats who will be expected to make important decisions on the future of our children."[46]

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[43] AIDAB, *Australian Development Cooperation in the Education and Training Sector: Report 1990-91*, Australian Government Publishing Service, Canberra, 1991, p. 39 and p. 45; Anne Byrne, "Australia's Programme of Educational Assistance to Developing Countries: The Place of Basic Education", *International Review of Education*, Vol. 40, No. 6, 1994, p. 463.

[44] Anne Byrne, "Australia's Programme of Educational Assistance to Developing Countries: The Place of Basic Education", *International Review of Education*, Vol. 40, No. 6, 1994, p. 459-467; David Burch, "Aid, Trade and Exports: The Commercialisation of Australia's Aid Program", in Patrick Kilby (ed.), *Australia's Aid Program: Mixed Messages and Conflicting Agendas*, Monash Asia Institute and Community Aid Abroad, Clayton, 1996, pp. 32-33.

[45] Andrew Hewett, "Australia's Aid Program: An Agenda for Reform", in Patrick Kilby (ed.), *Australia's Aid Program: Mixed Messages and Conflicting Agendas*, Monash Asia Institute and Community Aid Abroad, Clayton, 1996, p. 277.

[46] Tupeni L. Baba, "Australian Educational Aid in the Pacific", *Current Affairs Bulletin*, Vol. 66, No. 10, March 1990, p. 25.

AIDAB (renamed AusAID from 1995) was not very responsive to criticisms of its focus on tertiary education. It argued that Australia had special expertise in the higher education sector that could be utilised effectively by developing countries. It was, moreover, in the interests of the higher education sector to have access to new markets of overseas students, and in any case, it was the Australian Government's position that primary education was the responsibility of individual nations.[47] Still, there was a slight increase in funds directed towards primary and secondary education, from 8% of the total education budget in 1989-90 to roughly 10% in 1994-95.[48]

Change in Focus: 1996 and Beyond

The change in Government from the Australian Labour Party to the Liberal-National Coalition in March 1996 became the impetus for the first serious rethink of the direction of Australian education aid policy since the Jackson Report of 1984. Alexander Downer, the new Foreign Minister, announced a new education and training policy in August 1996. Downer stated that basic education and vocational and technical training were to be allotted greater resources than they had in the past. In doing so, the Minister cited humanitarian motivations (Downer pointed out the high illiteracy levels in third world nations), but there also may have been more pragmatic reasons behind the shift in policy focus. For example, the Australian Government may have finally felt the weight of international pressure. The World Bank, an influential international financial institution, was heavily supporting the primary subsector in its lending for education, and a growing number of donor countries were expressing a greater commitment to "basic education" in their aid policy statements.[49] It can also be speculated that in an election year, the incoming government may have been more receptive to the "basic needs" views of non-government organisations at a crucial time when the new regime needed to develop working relationships with a broad range of lobby groups.

The Liberal-National education aid policy was backed up in 1997 by the Simons Review Committee on Australia's Aid Program (or Simons Committee), which appeared to reject a lot of

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[47] AIDAB, *Australian Development Cooperation in the Education and Training Sector: Report 1990-91*, Australian Government Publishing Service, Canberra, 1991, pp. 45-46; Anne Byrne, "Australia's Programme of Educational Assistance to Developing Countries: The Place of Basic Education", *International Review of Education*, Vol. 40, No. 6, 1994, p. 458.

[48] David Burch, "Aid, Trade and Exports: The Commercialisation of Australia's Aid Program", in Patrick Kilby (ed.), *Australia's Aid Program: Mixed Messages and Conflicting Agendas*, Monash Asia Institute and Community Aid Abroad, Clayton, 1996, p. 32; AIDAB, *Australian Development Cooperation in the Education and Training Sector: Report 1990-91*, Australian Government Publishing Service, Canberra, 1991, p. 16.

[49] Alexander Downer, *Education and Training in Australia's Aid Program*, AusAID, Canberra, 1996 [http://www.ausaid.gov.au/publications/pdf/education_policy1996.pdf], pp. 3-7.

the policy assumptions of the previous ten years. While acknowledging that foreign policy and trade were an inevitable considerations when planning an aid program, the Simons Committee argued that they had recently overshadowed what they argued were the prime objectives of aid:

> The commercial orientation of the aid program has, at times, been a major factor in determining both the types of activities undertaken and where they are targeted … the priorities of aid programming should be promoting the basic prerequisites for broad-based economic growth, overcoming structural disadvantage and discrimination against the poor and increasing their productivity.[50]

The focus on a basic needs approach to poverty led the Simons Committee to recommend that education aid be shifted decisively towards projects and training that were achieved within the developing country itself.[51] The Australian Government's accepting of this finding resulted in a rapid decline in AusAID-funded students between 1996 (6,000) and 2000 (around 3,000).[52]

The decline in sponsored international students studying at Australian educational institutions co-incided with a steady rise in the number of "in-country" projects devised by AusAID. In 1996/97 80 per cent of the education aid budget was spent on education and training within Australia, with only 20 per cent going to in-country activities. By 1998/99 the in-country component of education aid had risen to roughly 40 per cent.[53]

The focus on "basic needs" meant that the Australia Government became less worried about the diplomatic dangers of interfering with the basic education needs of other sovereign countries. 58 per cent of basic education funding in 1999-2000 went to PNG, where the goal of universal literacy was perhaps most pressing.[54] AusAID spent $14 million in PNG on the establishment of vernacular schools (covering the first three years of school). This project encouraged equity of access for women by fostering village schools in remote areas and through ensuring that around half of teachers trained via the project were women. By securing the services of women teachers, AusAID hoped to create role models for female students to emulate. This project reflected the values of

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[50] Committee of Review, *One Clear Objective: Poverty Reduction through Sustainable Development: Overview and Recommendations*, AusAID, Canberra, 1997, p. 3.

[51] *Ibid*., p. 15.

[52] E. Craven, Development Discourses and Australia's Assistance for Human Resources Development in Vietnam, Ed.D. thesis, University of Sydney, 2002, p. 108.

[53] AusAID, *AusAID's Education Sector Interventions: Gender and Education Group*, Commonwealth Government of Australia, Canberra, 1999 [http://www.ausaid.gov.au/publications/pdf/AusAID_Education_Sector_Interventions.pdf], p. 3.

[54] Alexander Downer, *Australia's Overseas Aid Program 1999-2000*, Commonwealth of Australia, Canberra, 1999, p. 28.

AusAID's gender and development policy (1997), which stressed the importance of ensuring that aid for development equally benefited both genders.[55] Similar projects stressing the importance of gender equity in basic education were occurring in South Asia.[56]

The Australian Government's education aid response to the East Asia financial crisis of the late 1990s is indicative of the extent to which "basic needs" has developed a firm place in the official aid program. Beginning in July 1997, the East Asia financial crisis occurred because of a loss of investor confidence in Asia due to rising foreign debt. Many banks closed down, starving businesses of capital and creating widespread unemployment. Alongside its other emergency aid measures, the Australian Government included substantial education projects in its contribution to stemming the East Asia crisis. In Indonesia for example, Australia gave $5 million to a "Back to School" multilateral aid program which provided scholarships to poor children, increased funding for schools in poor areas, and launched an information campaign designed to encourage students to remain at school.[57] Part of the reason for funding basic education in the wake of the East Asia crisis was because newly impoverished parents could no longer afford private school fees, placing pressure on the public school systems of Asia.[58] This of course begs the question: is basic education aid allowing foreign governments to avoid creating an adequate and equitable education system that can withstand the pressure of external crises? It is, however, too early to assess the overall effectiveness of the relatively new policy of making basic education the dominant focus of Australian education aid to developing countries.[59]

Conclusion

By the year 2000, education aid was a more complex policy area than it had ever been before. With greater funding for basic education and other in-country initiatives becoming crucial components of the aid program, education aid policy in the 21st century will involve increasing, rather than decreasing, Government input. The need to find the right balance between foreign policy,

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[55] Alexander Downer, *Gender and Development: Australia's Aid Commitment*, AusAID, Canberra, 1997, pp. 3-8.

[56] Alexander Downer, *Australia's Overseas Aid Program 1999-2000*, Commonwealth of Australia, Canberra 1999, p. 66.

[57] AusAID, *Working Together for Sustainable Recovery: Australia's Response to the East Asian Financial Crisis*, AusAID, Canberra, 2000, p. 9. [http://www.ausaid.gov.au/publications/pdf/east_asia_crisis.pdf].

[58] *Ibid*., p. 8.

[59] It has been projected that 37% of the education aid budget will be allotted to basic education projects in 2004-05. See *Australia's International Development Co-operation, 2004-2005: Statement by the Honourable Alexander Downer MP, Minister for Foreign Affairs, 11 May 2004* [see AusAID website http://www.ausaid.gov.au for access].

humanitarian and commercial objectives will prove even more problematic and value-laden now that the Australian Government has abandoned its simplistic focus on the tertiary sector in favour of a wider variety of educational solutions to aid and development concerns.

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