



Submission No 35

**Review of Australia's Relationship with the  
Countries of Africa**

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Joint Standing Committee on Foreign Affairs, Defence and Trade  
Inquiry into Australia's Relationship with the Countries of Africa

Dear Members

I make this submission in an individual capacity, as an academic who teaches African politics at undergraduate and postgraduate levels and carries out research on current southern African politics, especially in South Africa and Zimbabwe. I am also a member of the African Studies Association of Australasia and the Pacific (AFSAAP) and co-editor of its journal (the *Australasian Review of African Studies*) and am aware that our Association will make a submission that I would like to support in a number of respects mentioned below.

Official and public views of Africa

Members of the committee probably do not need to be convinced about the importance of African countries to Australia's broad interests – strategic, security, economic and cultural – but members of the Australian public probably do. Africa has stood at the margins of Australian life for many generations. It remains in many eyes the 'dark continent', enmeshed in poverty, corruption and illness.

That is far from being an adequate representation of the state of affairs across the continent now. In both economic and political terms, for example, African countries have made great progress in recent years. Still, the full development of the countries of Africa constitutes probably the greatest test for governance and human equity that the First World faces. Dealing with such issues is international business, and in recent years both the USA and China have shown an increasing awareness of their own responsibilities for African development – and the benefits that can accrue to them. More than 'national interest' is involved, though often bilateral and multilateral relations are couched in those terms. For the world to be free, Africa must also be free. Similar statements might be made about other parts of the world – South America and the Pacific for example – but Africa is in most senses the key test of democracy and development, and of the contested meaning of those terms.

Australia is but a small player, as is so often said. Australia's best interests are, however, best served by doing what it can. As a middle power with aspirations across a range of policy areas that might make Australia 'punch above its weight', as the cliché has it, African countries are as important to Australia as to the bigger players. In certain ways, Australian entities compete in Africa with their Chinese, American and other counterparts and it is neither possible nor desirable for Australia to stand still.

The relationship of Australia to Africa is one of substantial benefit to Australia, though this fact is seldom recognised. There is a false perception in wide currency that this nation gives more to Africa than it gets and that somehow Australia's 'generosity' is not recognised in Africa. This is far from the truth, in view both of the substantial trade advantages that Australian companies enjoy with Africa and, especially in very recent years, the returns on investment that are beginning to flow to Australian investors from extractive industries operating across the Africa continent

in growing numbers. It is true that Australia helps African countries with aid monies and that the Australian government has increased its contribution of late, but is still small in relative terms within the aid budget and small in absolute terms in comparison with the sums that private donors provide. Aid of public and private character does not equal (if the comparison is admitted as legitimate for the moment) the profits coming from trade and investment. Australia also takes an increasing numbers of African immigrants including refugees, but it is wrong to see this inflow as somehow a 'benefit' extended from Australia to the African countries concerned, as these immigrants provide Australia with needed skills (see Negin and Denning 2008: 5)

From the viewpoint of many African countries, these are rather obvious and uncontroversial points. From an Australian viewpoint, propositions such as these doubtless need some expansion and verification, and some elements of that are offered below. The importance of Australian trade and investment in Africa has received recognition in official circles in recent years, including under the previous government, when a number of important analyses were made especially by the Department of Foreign Affairs and Trade (DFAT) of trade opportunities. It is difficult for government to lead in these matters – though trade support and diplomatic representation is needed and is emphasized below. And any government needs an integrated approach to African issues as these are manifested within Australian domestic affairs.

Thus my initial, major point in this submission, that I make now, is that our external relations depend on internal understanding and support for policies adopted across a broad range – exactly that range that the Committee is inquiring into. In short, the successful handling of settlement issues within Australia on the one hand, and the promotion of understanding about the 'African situation' in the continent, on the other, are the essential pre-conditions for positive relations with the countries of Africa. In this way I support the submissions from a number of members of AFSAAP.

#### Institutional mechanisms of interaction

There is merit in the proposal floated for some years now by business groups for the establishment of an Australia-Africa Council, broadly along the lines of those that already exist to support bilateral relations with India, Indonesia, Japan and other countries. The fact the Africa is not a country but a continent of countries means that the task of those existing Councils could not easily be replicated, and the largely cultural remit of those bodies, though not irrelevant by any means in the African context, indicates a broader mission for such a body. Trade is indeed relevant, but I would see such a Council focusing largely on awareness raising within Australia about the "African condition" and it would be necessary for non-government bodies to be closely involved in its activities.

A single institution cannot provide all the answers, however. From my perspective, the educational and nongovernmental organisations of Australia are the key, certainly over the long term. In the universities we receive increasing numbers of African students and the government's commitment to increased education aid through scholarships is welcome. It is important that Monash University has established a

campus in South Africa (in Johannesburg) and support is needed for other, smaller ventures that can generate cooperative links at the institutional level. At my university, for example, a close relationship has been forged with Rhodes University in South Africa, manifested in staff exchanges and, in the near future, placements of students in undergraduate and graduate classes across campuses. Internships are possible between African countries and Australia, and I am, for example, currently negotiating the placement of an intern in the Rwandan parliament. Our local ventures are small in the scheme of things, but such developments are needed to thicken relationships across a range of fields.

Support from the government need not be large or even financial in character but must be strategic. An example might be the work done by parliaments in Australia in support of staff training for the officials (and sometimes the members) of African parliaments. Such work has been carried out sporadically for years but could be much better coordinated and systematically developed. The work of the Centre for Democratic Institutions at the ANU (<http://www.cdi.anu.edu.au/>), focused on the countries of the Pacific, is one model worth examining. The Australasian Study of Parliament Group (with which I have been associated for years as an executive member of the NSW Chapter) is also a body that could have a leading role in promoting and managing parliamentary exchanges.

As another concrete example, it would be appropriate for AFSAAP to sponsor one of our regular conferences in Africa to showcase the substantial research that is done on Africa in Australia. This is a matter for our own initiative, to be sure, and I have hopes that such a conference will soon be held. There would be benefits for research in such an enterprise and, I believe, some benefits for Australia's reputation more generally. (If our timing were better, it should already have been arranged at a venue in South Africa to coincide with a World Cup venue when an audience drawn from across Africa would be accessible... )

There is no single way to invigorate the existing interaction of private, educational and voluntary bodies with the countries of Africa, but the Committee may have enough evidence before it to indicate that a sound base for expansion does exist. It will be very important for the bodies concerned that the Committee recognizes their role and supports their work where it feels able to do so. I do not dwell further on these points here, but I do regard them as critical for any proper examination of the issues before the Committee.

### Substantive issues of development

As the Committee will know, a number of excellent reports with a strong research base that relate to Africa have been released over the last year, especially those from the Lowy Institute for International Policy and the Australian Council for International Development (ACFID). I do not attempt to repeat the detail of those reports though I draw on them below.

The present government has signified its intent to augment the Australian- African relationship (or rather, set of relationships) in a number of ways, and the terms of reference of this committee can be regarded as evidencing that orientation. I readily acknowledge that the committee is a parliamentary and not an executive body and

carries with it a bipartisan spirit of investigation, which is exactly what is needed to invigorate the polity about substantive issues of African development. It can only be good for an authoritative body like the Committee with cross party membership to expose the important issues. Whilst I would hope not to be naive about the nature of party politics in this country (and indeed, like most university teachers of politics, I celebrate clashes of ideology and policy and seek to expose students to a sense of their importance), I do also believe that there is space for bipartisan agreement around certain issues, at least from time to time.

Apart from general considerations of development as outlined above, which I regard as critically important, there is no doubt that Australian engagement with Africa is driven by business opportunities now opening up on an unprecedented scale (see generally Donnelly and Ford 2008 for a recent analysis). Trade in commodities and services is increasing rapidly and investment and operational development in extractive industries especially is of growing significance. As noted in passing above, the previous government, or at least its official advisers in DFAT, were well aware of these developments and opportunities, and a number of publications reflected that awareness and sought to guide business interest and, no doubt, to educate the public generally about the benefits of trade and investment (see for example DFAT 2003).

But the shortfalls between the rhetoric and practice of governments (of whatever stripe) have to be acknowledged frankly. These gaps are very large in the Australian case. Here I consider just three: Australia's level of diplomatic activity in Africa; the level of development assistance accorded to African countries; and the relationship between Australian business activities in Africa and Australian government policies on corporate good governance. These are all "framework issues": getting them right could deliver good outcomes on the more specific issues that the Committee is considering. If they continue to be inadequately addressed, it seems very unlikely to me that much progress will be made on those more specific issues.

### Trade and investment

The significance of Australian investment and trade should be noted first. That is where immediate benefits to this country are evident, and also the source of a number of problems that need to be addressed urgently. Successive Australian governments increasingly have seen their principal mission in Africa as supporting Australian business. Raw politics has been paramount in the past, as in the case of the liberation struggles a generation ago, when African politics was a divisive issue domestically in Australia. But things are different now. "Good governance" remains a popular term and drives at least the rhetoric of development plans. But it is trade, finance and investment that really matters. I cannot say that it is a bad thing that Australian companies are making money from their trade with Africa, or that mining companies are well under way with operations that are critical to their future. But these benefits carry responsibilities; if they do not, then Australians will be seen just as another set of exploiters who care nothing for the long-term development of the countries of Africa.

The fact that the two-way trade between Australia and African countries has increased considerably in recent years, from a very low base, can be a benefit to both sides of the relationship, and it is not necessarily a matter of concern that the trade is markedly

in Australia's favour. The table following shows in broad terms the movement of the equation in trade and services in recent years. (No doubt the Committee will have available to it figures that are more detailed, precise and up to date.)

Table 1. Australian - African Trade 2005 and 2009 A\$m

	2006	2008
<i>Commodities</i>		
Aust to Africa	3503	3882
of which RSA	2293	2449
Africa to Aust	1756	1745
of which RSA	1578	1592
Net African balance	-1747	-2137
<i>Services</i>		
Aust to Africa	789	1213
of which RSA	531	836
Africa to Aust	532	723
of which RSA	273	384
Net African balance	-257	-490
Total net African balance	-2004	-2627

Sources: Commodities: courtesy DFAT, STARS database; Services, ABS cat. 5368.055.003

### The extractive industries

The operations of Australian owned extractive industries are of more concern, however, in part because the financial aggregates involved are already considerable, thus raising issues about the benefits realised by Africans from these ventures. Of course local employment, government revenues from licenses and company taxation and technology transfer are amongst the benefits said to flow. It is not my purpose here to deny the importance of these things, though the facts on the ground would be interesting to verify. Nor do I wish to pursue an argument about the inherent problems of the extractive industries generally – in particular about the non-renewability of the resources they exploit and the need for compensation at least to accompany the depletion of finite resources and to finance sustainable alternatives for the future.

The key issue is that the Australian government stands largely apart from these issues. At home, industry of all sorts, including not least the extractive industries, is subject to detailed forms of 'good corporate governance' in terms of financial reporting and the like. Abroad, such considerations largely do not apply. The Australian

government 'talks up' the operations of local companies when they seek to operate abroad but those companies are then left largely to the regulatory regimes of the countries in which they operate. Such regimes are often defective and allow malpractice (on all sides) to flourish. I acknowledge at once that many companies have adopted voluntary codes of practice that are exemplary; that the Australian government has only a very limited capacity to intervene in foreign countries; and that the shared ideology of the major parties in Australia precludes direct intervention in the life of private companies to a very large degree. Thus the good conduct of Australian companies abroad is a vexed issue and one not easy to resolve.

There are, however, international initiatives that address many of the issues, including for example the Extractive Industries Transparency Initiative (EISA 2009), propelled largely by the USA. I understand the Australian government has so far declined to support this in any active way, but this very fact, and the whole set of issues relating to the behaviour of Australian companies in Africa, in the extractive industries in particular, is ripe for review. It might be seen as a large topic that is difficult to take to finality within the Committee's terms of reference, but that would not preclude examination of the issues, the taking of evidence and the promulgation of a range of policy options. Certainly, from an African perspective, it is not good enough simply to let the issues lie.

### Australian diplomacy

The weapons at the disposal of an Aust government are few, essentially consisting of day-by-day negotiations with individual African governments on the problems (such as those just outlined) that arise in any relationship, and the support of African government and peoples through financial aid. In short, diplomacy and aid are central, but also very limited instruments at present.

Australia's diplomatic presence in the world has been dwindling for two decades or so and the case for reversing the trend has been well made by the Lowy Institute (Gyngell 2009). It might be said by those hostile to the world of diplomacy that modern communications and international travel make an eighteenth century invention decreasingly relevant in the modern world. But travel has costs and requires support staff in any event, and it is not at all clear that direct negotiations between senior ministers can replace the long-term work of establishing trust and free exchange. In any event, the nation state, the foundation of the modern system of diplomacy, has not ceased to exist and African nations certainly look for recognition by First World states. Countries like Australia see the force of this cry for reciprocity when they seek, for example, non-permanent seats on the UNSC.

At other times an emerging globalization seems to call for multi-lateral diplomacy, though the proliferation of multi-lateral posts created by the Australian government in recent years has a somewhat ad hoc look about it, and stands in contrast with the declining numbers in bilateral missions. The present prime minister and the previous foreign minister enjoyed careers as professional diplomats and it might seem ironic that they have presided over such a marked run down; but then poachers usually make good gamekeepers. The problem is that economies are no longer best sought, if ever they were, in further running down Australian diplomacy. In terms relevant to the

present inquiry, it is notable that Africa has suffered most, as the following table summarises.

Table 2 Australian Diplomatic Missions: selected years

	1974	1986	2009
Multilateral	2	3	10
Europe	18	19	21
Americas	6	8	6
Asia/Pacific	21	28	28
Mid East	5	6	10
Africa	6	7	6
Total	58	71	81

Source: DFAT annual reports

Resources for any governmental activity are always limited to be sure and it is pious simply to call for an increased Australian representation in Africa without specifying the where and the why. DFAT surely keeps the issues and the possibilities under constant review and has been willing, over the years, to respond to cost pressures by cutting missions whether relatively long established (as in Tanzania) or only briefly in existence (as in Ethiopia), and has responded to economic especially mining opportunities by re-opening another (Ghana). An outside observer is not well placed to balance all the considerations that weigh African posts against the non-African and the balance of possible African posts within the continent. Geographical balance and issues of cross-post efficiency, trade and broader economic possibilities, and strategic, political, budgetary and to some extent personal factors are all involved. Whilst a case could be made for those countries that have staffed diplomatic posts in Australia without reciprocity (Botswana, Uganda and Eritrea), the former missions in Ethiopia, Zambia and Tanzania no doubt have claims also.

The table following may suggest how lop-sided diplomatic and consular representation looks from the African perspective, though it is important to note that Australia now has accorded diplomatic recognition to virtually every African country, even if many are serviced by cross-postings from resident embassies some thousands of kilometers way. (The table is not a complete representation of arrangements and the Committee might find value in a complete tabulation with verified historical data.)



Table 3 Diplomatic and Consular Relations Australia - Africa

<i>Reciprocal diplomatic</i>	<i>Aust in Africa</i>	<i>Africa in Aust</i>	
South Africa (1946 - )			
Nigeria (1960 - )			
Ghana (1960-85, 2005 -)			
Tanzania (1960-85)			
Kenya (1966 - )			
Zimbabwe (1980 - )			
Mauritius (1985 - )			
		Botswana	
		Uganda	
	Ethiopia (1984-87)	Eritrea 2002-	
	Zambia (1980-1990)		
	Tanzania (1960 - 87)		
Added 2008-2009			
Burkina Faso		Dip cross-posts	African Consulates
Liberia		Angola	
Repub Congo			Botswana
Equatorial Guinea		Benin	
Sao Tome & Principe			Cameroon
Togo		Djibouti	
		Ethiopia	Ethiopia
			Gabon
		Guinea	
		Lesotho	Lesotho
			Madagascar
		Malawi	
		Mali	Mali
		Mauritania	
			Mozambique
			Namibia
		Rwanda	Rwanda
		Seychelles	Seychelles
		Sierra Leone	
			Senegal
		Sudan	
		Swaziland	
		Tanzania	Tanzania
		Zambia	

The single most effective choice of further representation in Africa would in my view be a mission at the headquarters of the African Union (AU) in Addis Adaba. Already Australia is accredited to the AU, along with some fifty other countries, and recently has initiated a permanent presence there with the appointment of a military attaché. The prospects of Australian engagement with the AU on military and defence matters, especially in collaboration with our chief ally, the USA, has been persuasively made in a recent paper by Major Matthew J Cuttell (Cuttell 2008). Certainly the mission of the AU is broader than even that large field: it ranges continentally, across all policy fields, and involves an ambitious ensemble of new institutional arrangements that are only haltingly coming into place. It would be something of a leap of faith for Australia to essay recognition along the lines that it accords the EU, and indeed the differences would be profound. In the longer term, I venture the thought that Australia might lead its own version of regional representation to the regional entity that the AU seeks to become: that is, that the states of Oceania might support a diplomatic relationship with the AU that would signify something quite new in international affairs.

### Government ODA

If Australia's diplomatic representation is tightly focused in Africa, then that is true also of the allocation of aid. Overall Australian aid declined from an historical peak in 1983/84 of almost 0.5% of GDP to half that in 2005, though it is predicted again to rise, according to the statements of the present government, to 0.5% or better by 2015 – which would still be well short of the Millennium Development Goal (MDG) of 0.7%. Australia is a small player in world terms, and most aid in any event goes to the Pacific/Melanesian region.

It is hard to dispute the inevitability of Australia's concentration on the nation's immediate region, but the shortfall of the 0.7% target must give rise to comment. Aid is one of those policy areas that are, in their detail, in contention between the parties without occasioning full-scale debate around the principles or aggregates of the substantive issues. In a sense, there is agreement between the parties that the matter is best kept to the margins of public debate, perhaps lest an ill-informed public take fright and call for a reduction in what is already a modest compromise.

This seems to me to be mistaken. Though the observation has been made frequently, it is worth repeating that Australian private aid – made largely by individual donors through NGOs – exceeds official ODA by a considerable margin, and markedly so in the case of Africa. This is because need tends to be the basis of such allocations, rather than considerations of a strategic nature, including the capacity of Australian personnel to support funded projects as in ODA. Thus countries that are little touched by ODA may benefit considerably from private aid, though the integration of public and private aid is then moot. But the weight of private aid is notable, some 33.58% of the A\$ 780m raised in 2007 going to Africa (which figure excludes funds from overseas multilateral donors, AusAID and other Australian agencies), or approximately A\$ 262m (ACFID 2009). Though ODA that goes to multilateral institutions and is ultimately channeled to Africa would alter the equation somewhat, it is likely that some 60% of total aid to Africa from Australia currently comes from private hands. Here is a basis both for extending aid generally towards the 0.7% goal as quickly as possible, and for re-calibrating the share that Africa gets. The

Committee would render a great service to the countries of Africa, and to the substance of public debate in Australia, if it were able to commend movement towards the 0.7% goal within a period of a decade or so.

There is much distance to go with official aid to Africa. The 2009/10 aid budget allocates a total estimated ODA to Africa of A\$ 163.9m, a considerable increase from the A\$ 116m of the previous year, equivalent to an increase of 42.5% after inflation (ACFID 2009). Still the quantum is small (under 4%) as a proportion of the overall aid budget. For better or for worse – but inevitably given the quantum – it is tightly focused on the countries of southern Africa in the main, though humanitarian and food relief can extend more widely. Observers have noted that an increase in the percentage to Africa – to say 5% - would mean close to a trebling of the aid budget at approximately A\$ 343 million in a few years and some have urged a greater increase, to 7.5% or even 10%, the latter figure bringing imagined Australian aid to some A\$700m in current values by 2015 (Negin and Denning 2008:6).

In times of scarcity in the aid budget – that is, at almost all times – a necessary focus on projects with high potential is warranted, and the emerging debate is about what areas of policy within development can be advanced by Australian support. A consensus is building around efforts in primary health care, food security, and water and sanitation provision (see Negin and Denning 2009: 10 – 16). Though public and privately funded projects operate with some degree of cooperation at present, it seems obvious that closer collaboration would bring benefits to the peoples of Africa. There are limits to how far this can extend before the independence of NGOs is breached, but some further degree of cooperation is surely possible.

## Summary

In this submission I have addressed a number of broad areas that need investigation if Australia's relations with African countries are to be developed on a mutually satisfactory basis. Whilst I have not addressed the terms of reference systematically in turn, I believe that the issues covered – the need for healthy debate and understanding within the Australian polity about the 'condition of Africa' and the significance of the continent for Australia's international well being, including the settlement of Africans in Australia; the reciprocal obligations that should underpin the profitable activities of Australian companies, especially those in the extractive industries, in a growing number of African countries; and the need to strengthen the instruments of Australian policymaking in diplomacy and aid – are all pre-conditions for the resolution of the more particular issues before the Committee.



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## References

Elements of this submission, including the tables, are drawn from an earlier paper presented to the annual conferences of the Australian Political Studies Association (Macquarie University, September 2009) and the African Studies Association of Australasia and the Pacific (University of Queensland, October 2009), and from a revised version to be published in *Australian Quarterly* (December 2009).

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