

# Submission

(Don Veitch)

## Independent Review of Aid Effectiveness Australian Government

Submitted Tuesday February 1 2011

- This submission directs attention to: (a), (b) and (c) of the “Scope” in the Terms of Reference of the Inquiry. In particular (b) “...*the appropriate sectoral focus of the program, taking into account Australia's area of comparative advantage and measured development effectiveness results...*”(emphasis added)
- This submission refers to personal experience in Solomon Islands, and Malaita in particular.

### Conclusions.

**Australian aid is based on false axioms - “comparative advantage”**

**Australian aid verges on racism - “kanakanomics”;**

**Australian aid (in my experience) is ineffective – people need tools;**

**Australian aid is corrupted - RAMSI billions/report writing.**

**Australian Aid should focus more on developing productive powers of the individual, community, region and nation – tools, hydro electricity, skills and the like – start a “tool up” program.**

### Preliminary Declaration

My name is **Donald Alexander Veitch**, Australian citizen. I have been involved in teaching, small business, research and government over 40 years. My Australian address is

I am a private researcher, with no affiliation to any political, religious, educational, business or non-government organisation (NGO) entities.

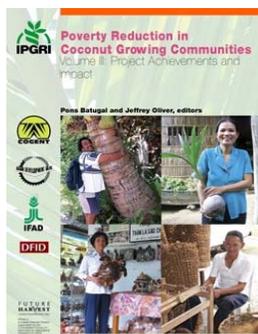
This submission is based on personal experiences in Malaita, Solomon Islands in 2010/11 and a lifetime interest in development economics. I have a degree in economics.

#### 1. Query on terms of reference

The Inquiry’s misguided faith in the falsity of the regions “comparative advantage” (see its own Terms of Reference) prevents a genuine investigation of aid effectiveness.

“Comparative advantage” is an archaic, classical economics “axiom”. In the current context it is backward looking, reactionary and arguably, racist. The nonsense of “comparative advantage” dooms “natives” to merely being kanakas and growing bigger coconuts. Comparative advantage economics is what I dub, “kanakanomics”.

One Report (not AusAid funded) is titled “*Poverty reduction in coconut growing communities*”. This is one example of “comparative advantage” kanakanomics. Most AusAid funded Reports are premised on this “kanakanomic” thinking.



Comparative advantage does not exist. With modern science, technology and communications it is possible to grow pineapples in the Antarctic! Solomon Islands citizens need to develop their own useful local manufactures.

**The Independent Review panel should reject “comparative advantage” and its racist connotations when evaluating aid effectiveness.**

## 2. **Too many reports. Time to do something!**

From my observations, the aid game for NGOs and others seems to be:

- find/invent/exaggerate a perceived need to suit ones bias and private agenda (gender issues, global warming, youth alienation, domestic violence, preparing for the disaster etc, etc) **then** ;
- gain some funds **then**;
- visit areas, survey local opinion and **then**;
- write a report, publish the Report, **then**;
- further discussion and lobbying, **then**;
- apply for more funds (more reports/research).

Thus ones career is advanced. Move on.

Local farmers in Malaita hand across information which is written up by “experts”. This is telling locals what they already know. It is stealing their ideas. Nothing eventuates at the farm level. In one instance I am aware of, AusAid people have erected an unauthorized sign on wantok land falsely claiming credit for local work – this has created resentment and criticism against the Australian aid program. Now, Aus Aid people are allowed back, but only if they donate a tool.

Under the current flawed aid program (as exemplified in Malaita), locals are not even given tools or seeds to assist their farming. Reports claim, they must use “sustainable” native practices – not even an iron yam spade or some chicken wire. This strategy (“kanakanomics”) is now an object of derision and contempt from locals. This discredits the aid program. It harms Australia.

**The Independent Review panel should investigate the effectiveness of Report writings and what “hands on” (if any) action eventuates. The Independent Review panel should study ROC and Japanese aid which is more “physical”.**

### 3. **Economic development, not “security”**

Australia’s aid program is largely inefficient, ineffective, self-serving and muddle-headed. Australia’s aid program is largely “*boomerang aid*”. The aid program has a reactionary “panopticon” approach – more jails, security and tax collections. The RAMSI component devours billions, merely to constrain a few hundred juvenile delinquents in the Burns Creek area. Roads are unrepaired even though security would dictate they be repaired – and this would also help locals.

Funds rarely reach rural areas. The rural development program is “miniscule” (quote from conversation with AusAid official). Farmers have few tools, no electricity, poor and expensive transportation

Locals denounce Australian “aid” as “*bullshitem fren*”. They are skeptical about the slogan ‘*helpem fren*’.

The Independent Review panel should reject the “panopticon” and military “solution” in Solomon Islands (in particular) and focus on genuine economic development.

4. In a meeting with AusAid officials in Honiara in 2010, I presented a list of urgent needs for locals in the Malaitan highlands (farmer/local clinic) and asked for some help and advice. The AusAid officials laughed. They said the locals must set up a committee, draw up a proposal and that, anyway, money could not be advanced for containers and tools. I was presented with a written 30 page academic treatise to guide me against error. Australian aid is Honiara based and out of touch. In the officials defense, they were only following flawed Canberra line.

The Independent Review panel should urge AusAid personnel to get out of their air-conditioned offices, live with locals, be sensitive to local needs and have some real understanding of local difficulties. The Independent Review panel should advise AusAid personnel to be less bureaucratic, more realistic and more helpful.

### 5. **Producers need tools**

I have worked with about 10 micro-projects and their individual owners in Malaita and Honiara. The overwhelming need is for modern tools to be able to develop their own productive powers – seed capital. I have attempted to help these people from my own limited resources. I have developed the following logo to promote the idea of “tooling” up the Solomon Islands business people. (the art work was done by Graham Strack). I would



be prepared to donate the logo to an AusAid tool program if asked. I believe it captures the Australian ethos of helping and directs Australian aid to genuine development and away from mere report writing.

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The people involved n these businesses are enterprising, intelligent have initiative, are hardworking and capable. They are not kanakas; they do not need “kanakanomics”; they are capable of things greater than just growing larger coconuts.

Their consistent comment was that no aid ever reaches them to develop business. They need skills and tools (marketing on internet, laptops; mattresses; stoves; chain saws; boats; buses for tourists) NOT more studies and reports or “boomerang” aid.

The Independent Review panel should recommend the initiation of a “tool up” project.

The Independent Review panel should advise delivery of tools to local farmers, eco-tourist operators and local micro-manufacturers.

The Independent Review panel should recommend for low cost container shipping from Australia to Solomon Islands to support Australians who wish to send “recycled” tools, equipment, clothes & etc. to Solomon Islands.

### **Specific Recommendations:**

- A. **fund tools** (yam spades, mattocks, hammers, chain saws, lap tops etc);
- B. **fund resources** (batteries for hydro schemes, chicken wire, nails, tin for roofing etc);
- C. **fund skills** training (auto repairs, IT, accounting);
- D. **fund peco hydro-electricity** schemes;
- E. **provide free/subsidized container** transportation from Australia for “recycled” goods possibly working through religious groups and some NGOs.

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