



Effective Altruism Melbourne

Foreign Policy White Paper

Submission

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The Life You Can Save Melbourne

Effective Altruism Brisbane

Effective Altruism Perth

Summary of Recommendations:

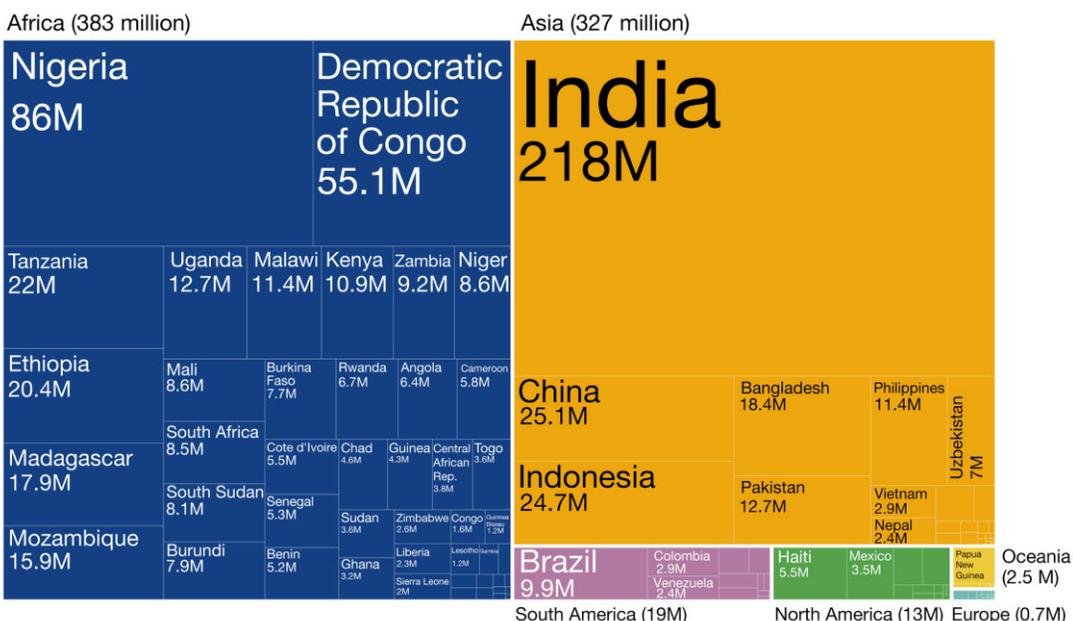
- Foreign aid should be re-focused on serving altruistic aims, rather than Australia's national interest
- Decisions under the foreign aid program should be motivated in large part by cost-effectively saving and improving lives
- Foreign aid spending should be increased to at least represent 0.7% of GNI by 2030
- Australia should make a greater effort to research and mitigate global catastrophic risks

1. Foreign aid should focus on helping people, not merely protecting our national interests

Despite great progress in some areas,¹ the world today contains almost incomprehensible amounts of hardship and suffering, concentrated almost entirely in developing countries. 746 million people live under the global extreme poverty line and millions more live just barely above it.² Life for these people was described by the former President of the World Bank as "...a condition so limited by malnutrition, illiteracy, disease, squalid surroundings, high infant mortality, and low life expectancy as to be beneath any reasonable definition of human decency".³ Poverty, and the resulting lack nutrition, education, and healthcare means that more than 200 million children alive today will not reach their cognitive development potential and millions more will die each year from preventable causes.⁴ The overwhelming majority of those living in extreme poverty - 710 million - live in Africa and Asia as can be seen in the figure below.⁵

Globally there are 746 million people in extreme poverty (in 2013)

Extreme poverty is defined as living with less than \$1.90/day.
This is measured in international dollars (i.e. price differences between countries are taken into account).



Data source: World Bank (PovcalNet)
The interactive data visualization is available at OurWorldInData.org. There you find the raw data and more visualizations on this topic. Licensed under CC-BY-SA by the author Max Roser.

¹ United Nations Population Fund 'How has the world changed in the last 20 years' 7th April 2014 <http://www.unfpa.org/news/how-has-world-changed-last-20-years>; See also, on violence, Stephen Pinker 'Better Angels of Our Nature'.

² World Health Organization 2013; Max Roser and Esteban Ortiz-Ospina, "Global Extreme Poverty," 2017, *Published online at OurWorldInData.org*, <https://ourworldindata.org/extreme-poverty/>; Organisation for Economic Cooperation and Development, "Purchasing power parities," 2016, <https://data.oecd.org/conversion/purchasing-power-parities-ppp.htm#indicator-chart>;

³ United Nations, "Report of the World Summit for Social Development", March 6–12, 1995

⁴ United Nations International Children's Fund, "Child Survival: Under Five and Infant mortality rates and number of deaths," 2016, <https://data.unicef.org/topic/child-survival/under-five-mortality/>

⁵ Max Roser and Esteban Ortiz-Ospina, "Global Extreme Poverty," 2017, *Published online at OurWorldInData.org*, <https://ourworldindata.org/extreme-poverty/>

As Australians, whether by emigration or the lottery of birth, we are lucky to be sheltered from this widespread suffering. Australia's life expectancy is high compared to most of the world,⁶ and in 2016 we ranked second globally in average wealth per adult.⁷ We thus have a great opportunity, and obligation, to help others. In fact we do fulfill this obligation in part - spending \$5 billion on aid last year.⁸

Unfortunately however, Australia's current aid policy frames aid primarily as a tool to promote our national interests, rather than to actually help those in need. The central tenant of our current aid policy is as follows:

*"The purpose of the aid program is to promote Australia's national interests by contributing to sustainable economic growth and poverty reduction"*⁹

This self-prioritising approach can be seen at all levels of our aid program, from high level strategy to individual project assessments. Both when dividing the aid budget between different regions and planning the aid investments for a particular country, decision-makers must be guided by Australia's 'long-term strategic and economic objectives'.¹⁰ Further, decision-makers are expected to consider the risks to Australia, 'prospects to strengthen trade and investment, and the potential to extend Australia's influence'.¹¹ Similarly, in the aid program performance framework, the Department of Foreign Affairs and Trade (the Department) states that they aim to "ensure that aid dollars are spent to help Australia thrive in a safer and more prosperous region".¹²

¹³

A particularly notable manifestation of this approach is our current focus on the Indo-Pacific. Currently, the Department aims to ensure that 90 percent of country program aid is spent in the Indo-Pacific region.¹⁴ This is explicitly justified as "an expression of our national interest - stronger growth, prosperity and stability in the region is of direct benefit to Australia". Simultaneously though, the policy argues "it is also where Australia's aid can make the biggest difference", citing reduced administration costs.¹⁵ Although it may be true that some aspects of the aid program will see efficiency gains when focused on our surrounding region, it is highly unlikely that an aid

⁶ Australian Institute of Health and Welfare, "Life Expectancy," 2017, <http://www.aihw.gov.au/deaths/life-expectancy/#data>

⁷ Credit Suisse, "Global Wealth Report 2016," 2016, <http://publications.credit-suisse.com/tasks/render/file/index.cfm?fileid=AD783798-ED07-E8C2-4405996B5B02A32E>

⁸ Commonwealth of Australia, "2015-16 Development Assistance Budget Summary Mid-Year Economic and Fiscal Outlook Update," 2016, <http://dfat.gov.au/about-us/corporate/portfolio-budget-statements/Documents/2015-16-development-assistance-budget-summary-feb16.pdf>

⁹ Commonwealth of Australia, DFAT, "Australian aid: promoting prosperity, reducing poverty, enhancing stability," 2014, <https://dfat.gov.au/about-us/publications/Documents/australian-aid-development-policy.pdf>

¹⁰ Ibid.

¹¹ Ibid, 37, Test No. 1

¹² Department of Foreign Affairs and Trade, "Making Performance Count: Enhancing the Accountability and the Effectiveness of Australian Aid," June 2014

¹³ Also note that when the Department is designing the aid program for particular countries, "the balance of investments will be tailored to country context and reflect Australia's national interest" - *Australian aid: promoting prosperity, reducing poverty, enhancing stability*, 6.

¹⁴ Department of Foreign Affairs and Trade, "Making Performance Count: Enhancing the Accountability and the Effectiveness of Australian Aid," June 2014, Strategic performance target no. 5

¹⁵ Commonwealth of Australia, DFAT, "Australian aid: promoting prosperity, reducing poverty, enhancing stability," 2014, <https://dfat.gov.au/about-us/publications/Documents/australian-aid-development-policy.pdf>

program focussed entirely on effectively doing good would benefit from restricting the range of possible investments so drastically.¹⁶

We believe, along with 75% of Australians,¹⁷ that the primary aim of aid should be to help others, not to further our own interests. It is when aid is treated as an end in its own right that we can expect to achieve most improvement. When, however, we decide that doing the most good is not the primary goal of aid and instead prioritise self-interest,¹⁸ we risk squandering much of the good aid can do - we choose to reject the option that helps more people escape poverty and disease in favour of the option that helps fewer people but improves our own economic position.

We therefore express concern, as do the majority of Australian aid stakeholders interviewed in a recent survey, that Australia's current Aid program focusses too much on strategic and commercial goals and not enough on poverty reduction.¹⁹

Recommendations:

- Ensure that altruistic aims (improving and saving lives) are the primary criteria for aid program decisions; OR
- Set aside additional funding to be distributed solely for altruistic aims and not for Australia's national interests

2. Foreign aid should be effective

When we decide to help people with our aid, we should try to achieve the most good possible with the budget we have. Aid can achieve many benefits - it can provide for life-saving and life-changing medical treatment, improve an individual's economic and political position, and result in a wide range of less tangible and longer term positive consequences. Whatever the benefit sought however, it is possible to come up with metrics by which to measure progress. To ensure we help the most people with our aid, every aspect of our aid program should aspire to reliably measure its impact in terms of the real good it achieves or can be expected to achieve for the people we are trying to help. Our resources should then be invested in where this good (whether measured in disability-adjusted life-years [DALYS], quality-adjusted life-years [QALYs], economic improvement, or other metrics) can be achieved most cost-effectively.

This is particularly important given the fact that development aid resources will never be sufficient to satisfy all potential uses, and therefore must be allocated to some programs rather than others. As the European Commission notes:

¹⁶ For more, see: Gregory Lewis, "Beware the Surprising and Suspicious Convergence," *Effective Altruism, Epistemology, Statistics*, 2016, <http://www.thepolemicalmedic.com/beware-surprising-and-suspicious-convergence/>

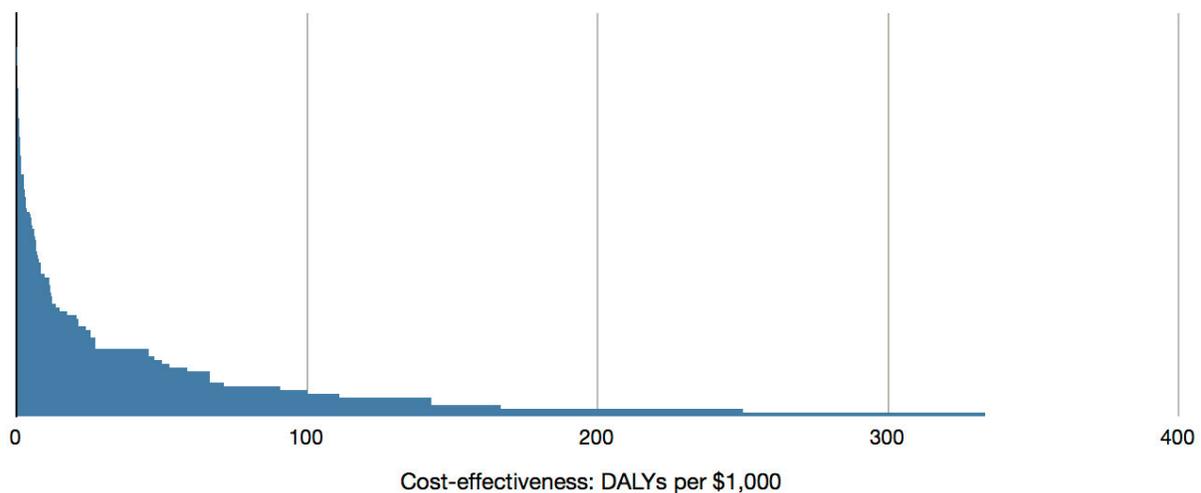
¹⁷ Alex Oliver, "The Lowy Institute Poll 2014," 2014, https://www.loyyinstitute.org/sites/default/files/2014_lowy_institute_poll_0.pdf

¹⁸ Commonwealth of Australia, DFAT, "Australian aid: promoting prosperity, reducing poverty, enhancing stability," 2014, <https://dfat.gov.au/about-us/publications/Documents/australian-aid-development-policy.pdf>

¹⁹ Terence Wood, Camilla Burkot and Stephen Howes, "Australian aid: signs of risk – the 2015 Australian aid stakeholder survey," The Development Policy Centre, 2016, <http://devpolicy.org/publications/reports/2015%20Stakeholder%20Survey/2015%20Australian%20Aid%20Stakeholder%20Survey%20Final%20Online.pdf>

“Development aid is a limited resource, which needs to be spent as effectively as possible in order to achieve results.”²⁰

Cost-effectiveness, often referred to as efficiency, is critically important because it can vary wildly between interventions.²¹ For example, in the health development field, some interventions are 1,000s of times more cost-effective than others. This can be seen in the chart below, which lists cost-effectiveness estimates for 108 developing world health interventions.²² It is likely that similar disparity exists for other targets of aid. As a result, moving from less the cost-effective to the more cost-effective investments can often make as much additional impact as increasing total funding.²³ Conversely, if our aid program is not managed correctly, much of the value we could potentially create will be squandered.



Unfortunately, our high level policy priorities do not currently focus on cost-efficiently helping people,²⁴ and annual performance reports do not do enough to disentangle performance towards self-interested goals and performance towards purely altruistic goals.²⁵ At the regional level, we

²⁰ European Commission, International Cooperation and Development “The EU approach to development effectiveness,” http://ec.europa.eu/europeaid/policies/eu-approach-aid-effectiveness_en

²¹ Toby Ord, “The Moral Imperative of Cost-Effectiveness,”

https://www.givingwhatwecan.org/sites/givingwhatwecan.org/files/attachments/moral_imperative.pdf

²² Figure from Toby Ord, 2013 based on data from: Dean Jamison, et al. (eds.), 2006. Disease control priorities in developing countries, 2nd edn., (Oxford and New York: Oxford University Press).

²³ Toby Ord, “The Moral Imperative of Cost-Effectiveness,”

https://www.givingwhatwecan.org/sites/givingwhatwecan.org/files/attachments/moral_imperative.pdf

²⁴ DFAT Aid Evaluation Policy Nov 2016 (<http://dfat.gov.au/aid/how-we-measure-performance/ode/Documents/dfat-aid-evaluation-policy-nov-2016.pdf>)

²⁵ DFAT Aid Evaluation Policy Nov 2016 (<http://dfat.gov.au/aid/how-we-measure-performance/ode/Documents/dfat-aid-evaluation-policy-nov-2016.pdf>); Performance benchmark 5 for the aid program requires 90 per cent of our aid to be spent in the Indo-Pacific, citing decreased administration costs. As mentioned, this actually makes our aid less efficient as it restricts our investment options. Performance benchmark 7, “working with the most effective partners” bases an assessment of a partner’s effectiveness on “the extent to which partners are working effectively to achieve Australia’s strategic objectives for our region and delivering results strongly aligned with our national interests”; The Department’s performance framework (Making performance count) is underpinned by the Department’s

would like to see the focus placed on regions where the least money attains the greatest improvement of lives, typically those areas with the the most extreme poverty, not just on our regional neighbours or those offering strategic military and economic partnerships. As mentioned, our strategic focus on the Indo-Pacific may lead to loss of the cost-efficiency of our aid as we restrict kinds of problems we can work on and the interventions we can fund by region.²⁶ Similarly, on the level of individual aid investments, we encourage efforts by Australian Aid and the Department to determine and be guided by cost-effectiveness estimates for particular investments/classes of investments (e.g. in DALYs per \$1,000 spent), though we acknowledge the inherent uncertainty involved and the need to engage with risk.

Clearly, Australia could improve the cost-effectiveness of its aid program. A 2014 report from the Center for Global Development ranks Australia only 28th on cost-efficiency out of 31 OECD countries and aid agencies.²⁷ Further, a 2015 stakeholder survey showed that a majority of stakeholders thought the aid program's effectiveness had declined since 2013.¹⁸

Recommendations:

- Improve data collection techniques, processes, and outcomes-focussed accountability in recipient countries and organisations to allow us the better asses the cost-effectiveness of our aid.
- Provide incentives for openness, transparency, and admitting mistakes at all levels of the aid program.
- Consider how the information gained from potential aid investments be used to improve cost-effectiveness in future investments

3. Foreign aid spending should be increased

Despite the problems mentioned above, our aid does have an impact. In 2014-15 Australia's aid efforts helped almost 1.4 million children enrol in school, helped vaccinate nearly 36 million children against measles, provided drinking water to 4.3 million households, and helped halve the proportion of people living below in poverty in the pacific.²⁸ Nevertheless, we could be helping millions more in their struggle with poverty and disease. By increasing our aid budget, Australia could save millions more human lives with relatively little cost to ourselves.

The latest budget shows that Australian aid as a proportion of GNI (Gross National Income) is projected to decline 0.22% in 2016-17,²⁹ despite our domestic and international commitments to reach 0.5% and 0.7% (respectively) by this time.³⁰ This risks us dropping even further in the OECD

statement: "We need to know that the aid program is... promoting prosperity, reducing poverty and enhancing stability in the Indo-Pacific region."

²⁶ DFAT, 'Performance of Australian Aid 2013-14', Feb 2015 <http://dfat.gov.au/about-us/publications/Documents/performance-of-australian-aid-2013-14.pdf>

²⁷ Klaus Schwab, World Economic Forum, "Global Competitiveness Report", 2016. Retrieved from: http://www3.weforum.org/docs/gcr/2015-2016/Global_Competitiveness_Report_2015-2016.pdf

²⁸ RESULTS 2017, compendium on submissions

²⁹ Australian Government, Budget 2012-13 http://www.budget.gov.au/2012-13/content/ministerial_statements/ausaid/html/ausaid-03.htm (section 1.4)

³⁰ 2005 bipartisan commitment to reach 0.5% by 2015-16, <http://past.electionwatch.edu.au/australia-2013/policy/foreign-aid>; MDGs (2000)

rankings for aid spending, where we are currently only 16th, and well behind comparable countries such as the UK - which sits at 0.7% of GNI.³¹ This also represents the nadir of a slow decline in the level of aid given since a peak in 1975 at 0.65% of GNI.³¹

Our most recent international commitment is to reach 0.7% of GNI by 2030 as part of the Sustainable Development Goals - a goal which has been set by the UN since 1970. Achieving this level of aid would help to continue the remarkable progress the world has made lifting millions out of poverty in the last 50 years. In addition, it would not only strengthen our relationship with other countries and increase the stability of international relations globally; but it would signal that Australia is genuinely committed to improving conditions for those less fortunate, extending access to a 'fair go' further beyond our borders.

Recommendation:

- Increase the proportion of the Federal budget spent on aid to at least represent 0.7% of GNI by 2030

4. Our foreign policy should do more to address global catastrophic risks

A strong foreign policy should be guided by a clear-eyed assessment and comparison of the many risks posed to Australia and the international community as a whole. As behavioural psychology has shown us however, the scope of risk does not always match up with the level of resources we direct towards preventing it.³² 'Global catastrophic risks' - defined as events that would result in the death of 10% or more of the global population³³ - present an area where this scope insensitivity could be particularly dangerous. Several 'high priority' global catastrophic risks that have been identified include nuclear war, catastrophic or 'runaway' climate change, global pandemics, and risks from powerful artificial intelligence.³⁴

Even if the probability of these events is low their overall expected harm can be substantial.^{34, 34} Further, in addition to the aforementioned scope insensitivity, there are reasons to expect global catastrophic risks currently receive less attention than they merit. Most importantly: reduction of these risks is a global public good - the benefits affect everyone, regardless of who pays the costs; these risks disproportionately affect future generations, who cannot have a say in how the risks are managed today; these risks are extremely rare making them less politically salient. Nevertheless even novel global catastrophic risks, such as powerful artificial intelligence, are starting to receive more attention from policy-makers.³⁵

Since global catastrophic risks may impact everyone, it is in Australia's (and the world's) interests to work to prevent these as much as possible. These are issues that one country alone

³¹ Organisation for Economic Co-operation and Development, Net ODA, <https://data.oecd.org/oda/net-oda.htm>

³² Wikipedia contributors, 'Scope Neglect,' https://en.wikipedia.org/wiki/Scope_neglect

³³ Cotton-Barratt et al. "Global Catastrophic Risks 2016," 2016, *Global Challenges Foundation/Global Priorities Project*

³⁴ Open Philanthropy Project, "Report on Global Catastrophic Risks," 2014, http://www.openphilanthropy.org/research/cause-reports/global-catastrophic-risks/global-catastrophic-risks#footnote8_1ed34pw

³⁵ For example, see: Kirstin Lee, "Artificial Intelligence, Automation and the Economy," 2016, <https://obamawhitehouse.archives.gov/blog/2016/12/20/artificial-intelligence-automation-and-economy>

will not be able to solve, and therefore require effective foreign policy to ensure collaborative actions are being taken that manage and address these risks. It is recommended that Australia builds on work with already existing institutions such as the UN, WHO, relevant specialist academics on existential risk, and other multilateral channels.

Key recommendations:

- Invest resources in investigating Australia's role in reducing the probability of global catastrophic risks.
- Try to minimise the ways in which our foreign policy decisions contribute to these risks.