



Save the Children
Australia

Foreign Policy White Paper Submission

Save the Children
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Save the Children Australia

Save the Children is a leading independent international organisation for children. Our vision is a world in which every child attains the right to survival, protection, development and participation. Our purpose is to inspire breakthroughs in the way the world treats children and to achieve immediate and lasting change in their lives. We work towards this vision in Australia and more than 120 countries across the globe.

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1. Executive Summary

Australia has enjoyed seven decades of peace and prosperity. We are now at a critical juncture where the global stability that has underwritten Australia's prosperity is facing serious threats. These include: rising inequality, lack of respect for human rights, mass displacement and climate change.

In responding to these threats, Australia has a choice: do we continue to define our foreign policy through the narrow lens of pursuing trade, economic growth and stronger defence capability? Or do we take a more strategic view which recognises that, in a highly interconnected world, Australia's prosperity, stability and security is tied to that of other nations?

Save the Children believes that Australia must choose the latter. The Australian Government should adopt a foreign policy goal that recognises the interdependence of prosperity, stability and security – both between and within nations.

We believe this requires pursuing the **foreign policy goal of human security**: supporting the safety, dignity and development of individuals. A failure to do so means there is an ever present risk of instability within nations, which in turn impacts on the stability of other nations in a globalised world. We need only look at Syria to see how inequality and a lack of respect for human rights has resulted in an intractable conflict that has spawned the world's largest humanitarian and displacement crisis since World War II - one that is impacting on nations as far as Australia.

We acknowledge that it is not realistic to expect a middle power such as Australia to promote human security across the globe – it does not have the economic might, political clout or military muscle to do this. However, in this submission **Save the Children argues there are three key ways in which Australia can leverage its international standing as a stable, liberal democracy to enhance human security**:

1. **Increasing overseas aid** to reflect our values as a nation and extend our geopolitical influence, particularly in the Indo-Pacific region.
2. **Prioritising overseas aid investments and diplomacy aimed at enhancing human security**, particularly those aimed at promoting inclusive and equitable development, climate change adaptation and mitigation, and solutions to address mass displacement.
3. **Strengthening support for international law and institutions**, particularly respect for human rights.

This requires a foreign policy approach that harnesses the complimentary and interdependent tools that currently exist across multiple portfolios. These include diplomacy, trade, defence, aid and development, and cultural interaction. For too long, these foreign policy tools have been employed within the siloed constructs of departments or ministerial portfolios. This has resulted in fiscal allocations that are not based on a comprehensive analysis of how each foreign policy tool may be leveraged to advance our national interests. For example, there is bi-partisan recognition that defence and overseas aid both contribute to stability and security. However, the defence budget (\$33 billion in 2016-17) is now eight times the size of the overseas aid budget (\$4 billion in 2016-17). This is despite compelling evidence showing that the greatest threats to Australia's security are not

posed by other nation states, but by non-state actors and extremist groups spawned from social marginalisation – a consequence of inequality.

Australia's overseas aid program is a powerful foreign policy tool to address the greatest threats to prosperity, stability and security in the world today. In particular, it can be used to address the interrelated challenges of poverty and inequality, and lack of respect for human rights. This can be done through prioritising investment in the building blocks of equitable, stable and inclusive societies: education, nutrition and health. It can also be done through strengthening support for international law and institutions, particularly respect for human rights.

Not only are there compelling economic and security reasons for Australia to increase its investment in overseas aid, there are also strong geo-political reasons for doing so. As emerging economies in Asia become more central to the global economy and global decision-making, Australia will face increased competition for access and influence. The trajectory of aid spending by China and other emerging donors reveals the importance of overseas aid to extend geo-political influence.

This approach will require the Australian Government to maintain a workforce with the right skills and experience. Effective policy implementation is perhaps more important than policy development and requires a different set of capabilities. The decision to merge AusAID and DFAT led to a significant loss of aid and development expertise, and a practice of outsourcing to private contractors. Ensuring value for money in such circumstances is extremely challenging and, combined with limited investment in evaluation, means that success is measured simply in effective contract administration rather than in real outcomes for the poor and marginalised.

Australians have a proud history of giving others a 'fair go', so it is fitting for us as a nation to increase our investments in human security, particularly in countries where it is most at threat. It reflects our values as an egalitarian, inclusive and democratic nation. But most importantly, it is Australia's national interests to promote a more prosperous, stable and secure world – not just for our generation, but for future generations.

2. Values

The White Paper presents an opportunity for Australia to articulate a foreign policy that reflects our values as a nation – who we are, and who we aspire to be.

Australia is regarded internationally as a liberal, stable democracy. Unlike the majority of countries in the world, Australian citizens are mandated to participate in political decision-making and can express their opinions without fear of state violence. Although the foundations of Australia's democracy were shaped by Britain, we did not inherit its class-based social hierarchy. Instead, Australia is largely an egalitarian society where people prefer to be called 'mate', rather than 'sir' or 'madam'.

Linked with 'egalitarianism' is the notion of giving others a 'fair go'. In the last half century, Australia has made a remarkable transition: from the days of the White Australia Policy to becoming one of the most multicultural, multiracial societies in the world. Differences of opinion may arise as to whether Australia is an 'inclusive' society given the treatment of asylum seekers and so-called irregular migrants. However, the fact remains that one in four Australians were born overseas.¹ As noted by the former Secretary of the Department of Foreign Affairs and Trade, Peter Varghese, "this is not a transition that could have been made if Australia's DNA was racist."²

In view of the above, we believe there are three distinct values that characterise our nation:

- Democratic
- Egalitarian
- Inclusive

We believe these values should be reflected in Australia's foreign policy framework, most crucially the overseas aid program. This requires scaling up aid investments that promote more inclusive, equitable and democratic societies where each person is given a 'fair go'.

It also requires strengthening support for the international law and institutions, which have underwritten Australia's peace and stability. Australia was instrumental in developing multilateral frameworks in the aftermath of mass human rights violations in World War II. The opening words of the 1948 Universal Declaration of Human Rights are just as relevant today as they were seventy years ago:

"recognition of the equal and inalienable rights of all members of the human family is the foundation of freedom, justice and peace in the world"

If Australia fails to lead by example in respecting and promoting human rights through international mechanisms, it undermines the very basis of foreign policy – the understanding of a shared humanity.

This submission outlines how Australia's foreign policy approach can reflect and promote our values as a nation.

3. Threats to Human Security

3.1 Rising inequality and marginalisation

Over the past two decades, the world has experienced dramatic technological, social and economic change. Since 1990, GDP per capita in low- and middle-income countries has more than doubled in real terms.³ Over this period, the number of people living in extreme poverty has more than halved – the largest decline in human history.⁴

Despite these impressive gains, inequality is rising within and between nations. The richest 1 percent of the world's population own about 40 percent of the world's assets, while the bottom half owns no more than 1 percent.⁵ Population-weighted averages of income inequality have increased by 9 per cent in developed countries and by 11 percent in developing countries between 1990 and 2010.⁶ The sharpest increases in income inequality have occurred in those developing countries that were especially successful in pursuing vigorous growth and managed, as a result, to graduate into higher income brackets. Economic progress in these countries – such as Brazil, China, India, Russia and South Africa - has not alleviated disparities, but rather exacerbated them. The most marginalised children are being left further behind.⁷

Inequitable resource allocation creates barriers to economic and social inclusion. Those trapped in poverty cannot afford to pay for and thereby access basic services - such as education and health - that facilitate human development and productivity. Those seeking these services are often pushed further into poverty, with over 1 billion people in low-middle income countries currently in financial difficulty as a result of paying for health services, while others are completely excluded from these services.⁸ Discrimination based on ethnicity, religion, race, gender and geographic region at the local and national levels create further barriers preventing individuals from receiving good-quality education, accessing nutritious food and healthcare services.⁹ This is how inequality can be perpetuated across generations.

There are three key reasons why addressing inequality should be a foreign policy priority for Australia. First, extreme inequality is inconsistent with our nation's egalitarian values and those underpinning the international rules-based order upon which Australia's current prosperity has been secured. As reflected in the opening words of the 1948 Universal Declaration of Human Rights, written in the wake of one of the most brutal times in human history: "*the recognition of the inherent dignity and equal and inalienable rights of all members of the human family is the foundation of freedom, justice and peace in the world.*"

Second, rising inequality can impede sustainable economic development and thereby impact on Australia's future prosperity. Global economic growth has been subdued in the last decade as economies around the world struggle to overcome the adverse effects of the 2008 global financial crisis. Though emerging market and developing economies account for the majority of global growth, they have been subdued as well.¹⁰ Generally, the outlook is not glowing, with heightened policy uncertainty and poor rates of investment expected to restrain growth before a return to global average.¹¹ Rising and extreme levels of inequality can harm the rate of growth and the duration of growth spells by reducing the propensity of large segments of the population to invest, thereby limiting the ability of the middle class to be a driver of economic progress and encouraging

rent-seeking behaviour, among other things.¹² Australia's prosperity is tied to that of other nations, so it is critical to address inequality as a barrier to sustainable economic growth.

Third, persistent inequality can entrench discrimination and disadvantage, thereby undermining social cohesion. Sharp differences in wealth, education, healthcare and other material resources influence the way in which people view themselves and others.¹³ This can increase political and social tensions, and, in some circumstances, drive extremism, instability and conflict.¹⁴

As recognised at the time of committing to the Sustainable Development Goals, it is in Australia's national interests to use its overseas aid program to address rising inequality – not only because it is the right thing to do, but because there are compelling economic and security reasons for doing so.

3.2 Lack of respect for human rights and the changing nature of conflict

Linked with inequality is the abuse of power and lack of respect for human rights. Rising inequality distorts political processes and budgets, further entrenching political elites and democratisation.

This can exacerbate discrimination, often placing those who are marginalized at a further disadvantage. It can make the equal participation of citizens in political and public life almost impossible.

Why is discrimination and the lack of respect for human rights in other countries a pressing foreign policy issue for Australia? Aside from the moral imperative to promote the universality of human rights, discrimination and lack of respect for human rights is linked with terrorism and conflict.

If individuals cannot live in safety, dignity and freedom, there is an ever present risk of instability within nations, which in turn impacts on other nations in a globalised world. The most brutal and protracted conflicts of our time are not being waged between nations, but within nations between state and non-state actors – particularly terrorist groups.¹⁵

In line with contemporary academic thought, there is no single root cause for why individuals commit acts of violence or terrorism. However, key push factors include a sense of injustice, marginalisation or discrimination either experienced by a person or others and a lack of social purpose or utility. The sense of purpose offered by terrorist groups is then a key pull factor to join these groups and commit terrorist acts.¹⁶

Another major factor contributing to the rise of terrorism is state-sponsored violence and conflict. As documented in the *Global Terrorism Index 2016* report,¹⁷ statistical analysis shows that terrorist activity is closely linked to political violence committed by the state and the presence of a conflict. The research found that 93% of all terrorist attacks between 1989 and 2014 occurred in countries with high levels of state sponsored terror, involving extrajudicial killing, torture, and imprisonment without trial.¹⁸ Similarly, over 90% of all terrorist deaths occurred in countries already engaged in some form of conflict whether internal or international.¹⁹ Significantly, only 0.5% of terrorist attacks occurred in countries that did not suffer from conflict or political terror underlining the close link between existing conflicts, grievances and political violence with terrorist activity.²⁰

We need only look at Syria to see how lack of respect for human rights and state-sponsored violence sparked an intractable conflict, which spawned a range of terrorist groups such as Islamic State that have perpetrated gross violations of human rights. This civil conflict and the rise of terrorism has led

to the largest humanitarian and displacement crisis since the Second World War. This crisis shows that countries such as Australia cannot afford to ignore lack of democracy and violations of human rights in countries far from our shores.

Nearly half the world's population, or 3.34 billion people, live in proximity to or feel the impact of political violence and it is predicted that by 2030, 60% of the global poor will live in fragile contexts.²¹ It is now more pressing than ever for Australia to use diplomacy, its overseas aid program and engagement with international mechanisms to promote respect for human rights in countries where they are most under threat. Our future security and stability depends on it.

3.3 Climate change

Climate change is not a challenge for the distant future. The impacts of our greenhouse gas emissions are already being felt around the world. Globally, 2016 was the hottest year on record – the third year in a row to break temperature records.²² Extreme weather events – like as Cyclone Winston which left a trail of destruction in parts of Fiji, and massive heatwaves across Asia which resulted in hundreds of deaths and reduced economic activity – are becoming more frequent and more intense. These events should serve as a warning of the future that awaits much of the world if greenhouse gas emissions are not rapidly reduced.

The Indo-Pacific is particularly vulnerable to the impacts of climate change and is the most disaster-prone region in the world, accounting for 47% of all disasters in 2015.²³ The poorest and most marginalised groups are acutely aware of these impacts and yet have the least capacity to cope and adapt. Poor communities have less secure access to emergency assistance in times of crisis, like health care, safe drinking water, temporary shelter, and emergency livelihood assistance; or to the essential proactive assistance that allow them to anticipate, prepare for, manage and adapt to the impacts of disasters and climate change.

The direct impacts of extreme weather events (like heatwaves and tropical cyclones) in developing countries are clear and tangible. However, it is the indirect economic impacts of climate change and disasters – including breakdowns in supply chains, disruptions to tourism and trade revenue, interruptions to educational continuity, and reduced health outcomes – that will ultimately undermine human security and weaken economic and development outcomes across the Indo-Pacific. Many of these secondary impacts of climate change and disasters in poorer countries have yet to be quantified, are poorly understood and under-addressed. For example, health shocks triggered by climate change affect the poor more acutely. The diseases most likely to expand in a changing climate (like malaria and diarrhoea) disproportionately affect the poor. Added to this, health expenditures are often regressive and poor households remain largely uninsured; so, the loss of income for the sick or the caregiver can have a large impact on family prospects.²⁴ Children are the most vulnerable to many climate-related shocks and can suffer irreversible impacts (like malnutrition) that affect lifetime earnings potential and lead to the intergenerational transmission of poverty.²⁵

We believe it is in Australia's national interests to play a constructive role in mitigating a future of rapidly increasing disaster risk and environmental degradation. Unaddressed, rising temperatures will exacerbate existing tensions in our region; increase societal instability; drive large scale migration; and be a trigger for conflict.²⁶

3.4 Mass displacement

One of the greatest challenges to human security of our times is providing protection and assistance to the rising number of people displaced across the globe. Forced migration is on a scale never seen before – more than 65 million forced migrants globally, with children representing about half of the refugees under the UNHCR's mandate.²⁷ Numerous protracted conflicts around the world are driving up the number of forcibly displaced people, with the availability of durable solutions not keeping pace. In 2015, only 107,100 refugees were able to access resettlement places globally, leaving the vast majority of the world's 21 million refugees with little prospect of resettlement in a safe country.²⁸ If the world's displaced people formed a country, it would be the 21st most populous nation, but it would be one of the most disadvantaged nations when it comes to access to education and health.²⁹

In the Asia Pacific region, the number of internationally displaced persons sits at approximately 3.8 million.³⁰ According to UNHCR figures, the number of refugees and asylum seekers in Thailand, Indonesia and Malaysia appears to have increased by more than 35 percent over the last three years.³¹ Those who cannot access resettlement face a precarious existence and uncertain futures in transit or host countries which are typically unable or unwilling to offer durable and effective protection to all who require it. The escalating violence and persecution experienced by Rohingya people, which the UN considers a possible 'ethnic cleansing', is of particular concern and a potential source of another regional crisis in the future.³²

Irregular forced migration is inevitable while refugees in host countries such as Thailand, Indonesia and Malaysia lack effective protection and while resettlement opportunities and other durable solutions are not accessible in a timely manner to the majority of refugees.³³ These conditions are a major incentive towards irregular migration.³⁴

Australia's current deterrent migration policies are not likely to be sustainable, particularly at a cost of over AUD\$9.6 billion.³⁵ As Dr Khalid Koser of the Lowy Institute has observed: *First, it is important to pre-empt future shocks that may result in an increase in asylum applications. There is no guarantee that Operation Sovereign Borders will be sustainable; it may be overwhelmed by large numbers of boats or undercut by legal challenges and financial constraints. In the next decade, Australia should also expect growing pressures from people seeking to escape the effects of environmental change, especially in the South Pacific.*³⁶

It is therefore in Australia's national interests to use its diplomatic influence to help develop global and regional solutions to address the immediate and longer term needs of those displaced. The current and projected numbers of people displaced across the globe, including in South East Asia, requires shared responsibility and shared action. No one country can offer a solution alone.

4. Strategic Opportunities to Enhance Human Security

4.1 Increasing overseas aid to reflect Australia's values and extend its geopolitical influence

The Government has explicitly stated that the purpose of the overseas aid program is to promote Australia's national interests through supporting economic growth, reducing poverty and enhancing stability.³⁷ It is therefore not necessary to explain *why* it is in Australia's interests to provide overseas aid. Instead, at a time when the aid budget has been drastically cut by \$11 billion since 2013, it is pertinent to ask: what amount of overseas aid is commensurate with the aim of promoting Australia's national interests?³⁸

It is difficult to directly compare the costs and returns on investment for overseas aid and defence in promoting our national interests. They serve different purposes, have different implementation modalities and resourcing requirements. However, a broad comparison of Australia's level of expenditure on overseas aid and defence is warranted to the extent that they both contribute towards peace and stability in a mutually reinforcing way. Indeed, the OECD's decision to allow defence expenditure to be categorised as aid expenditure confirms that they have inter-dependent and mutually reinforcing outcomes.

The current defence budget (\$33 billion in 2016-17) is eight times the size of the overseas aid budget (\$4 billion in 2016-17). It is important for Australia to have a well-equipped and trained defence force, including assets to respond to natural disasters in the region when required. However, it is questionable whether such a large disparity in defence and aid expenditure can be justified in light of the upward trajectory of aid budgets of other OECD donors and non-traditional donors, such as China, Saudi Arabia and the UAE, who are rapidly increasing their investments in overseas aid to increase their degree of geo-political influence.

Australia's declining aid expenditure sharply contrasts with the aid budget trajectories of many other OECD countries. The United Kingdom, Netherlands, Luxembourg, Denmark, Norway and Sweden spent more than 0.7% of their gross national income (GNI) on ODA in 2015, exceeding the UN's suggested level of aid spending for rich countries.³⁹ Australia's expenditure is less than half this level at 0.27 per cent of GNI in 2015.⁴⁰

Emerging donors are also increasing their aid expenditure. China now has a larger program than Australia, spending US\$6.4 billion in 2013.⁴¹ While China's budgeting and delivery is not completely compatible with OECD conventions, it is clear that its aid spending is on an upward trajectory, with an estimated average annual increase of almost 7 per cent over the last five years.⁴² The investment of aid has enabled China to influence its 'soft power' and degree of political influence in the developing world. And this is happening in our own backyard. In 2015, the Lowy Institute estimated that China had invested USD\$1.78 billion in 200 aid and diplomatic projects across the Pacific region.⁴³ In some countries, like Fiji, China has even overtaken Australia as an aid donor.⁴⁴

India has also been rapidly scaling up its aid program to a point where it now, on Purchasing Power Parity, rivals Australia's in size.

The United Arab Emirates is another example of a non-traditional donor scaling up its aid program. In 2014 it provided US\$5.1 billion of ODA⁴⁵ (bigger than Australia's A\$5.03 billion in 2014-15), a staggering seven-fold increase from the amount it contributed in 2012 at \$US760 million.⁴⁶ While much of this is attributed to its support for the Middle East, the UAE has grand ambitions to be a significant global aid donor.

Australia's decision to drastically reduce its expenditure on overseas aid means it has dropped out of the club of top ten OECD donors and to rank 16th largest donor in 2015.⁴⁷ This will likely see

Australia lose geo-political influence with some development partners and with its peers in framing the global debate on development.

It is not in Australia's national interests to lose geo-political influence through declining aid expenditure, particularly at a time when non-traditional donors such as China and India are seeking to increase their degree of influence.

Most importantly, we do not consider that the current level of Australia's aid program reflects our values as a nation. Australia is a wealthy nation. Our GDP per capita is the seventh largest in the world,⁴⁸ and Australians are ranked the second wealthiest in the world in terms of assets.⁴⁹ Despite this, inequality is on the rise within Australia. There are extremely vulnerable and disadvantaged groups of children in our society who do not enjoy the same promising future as their peers. Further afield, there are many more children in our region and beyond who lack the basics to survive, let alone thrive. This poses a threat to Australia's own interests because history shows that inequality drives insecurity and instability.

Australia's aid program is a clear demonstration of our priorities and values as a nation. We acknowledge that tough choices need to be made to bring the budget back to surplus over the medium term. Nonetheless, making the right investments to support inclusive and equitable development will yield strong economic and security returns over the longer term.

In addition to increasing the volume of Australia's overseas aid, it is also important to ensure that its implementation modalities are likely to advance Australia's national interests – both in terms of value for money and extending Australia's geo-political influence. This approach will require the Australian Government to maintain a workforce with the right skills and experience. Effective policy implementation is perhaps more important than policy development and requires a different set of capabilities. The decision to merge AusAID and DFAT led to a significant loss of aid and development expertise, and a practice of outsourcing to private contractors. Ensuring value for money in such circumstances is extremely challenging and, combined with limited investment in evaluation, means that success is measured simply in effective contract administration rather than in real outcomes for the poor and marginalised. As recognised by the World Bank, defining the delivery of ODA purely according to the technical arrangements for governing the disbursement and management of funds and policy conditions is insufficient for conceptualising and pursuing approaches that positively affect institutional change.⁵⁰ To achieve this, donor business cases must move beyond tick-box exercises regarding the 'disbursement' and 'procurement' arrangements of aid programmes to more careful consideration of the degree to which programmes build on a political momentum for change, move beyond policy advice to facilitate local problem solving, and encourage adaptation by learning.⁵¹

4.2 Prioritising overseas aid investments and diplomacy to enhance human security

4.2.1 Increased support for inclusive and equitable development

As detailed above, it is in Australia's national interests to use its overseas aid program to address rising inequality – not only because it reflects our egalitarian values, but because there are compelling economic and security reasons for doing so.

Some have argued that high and rising inequality is inevitable in the early stages of economic growth. However, empirical evidence lends no support for this theory.⁵² A number of countries over the past ten years have managed to significantly reduce income and non-income inequality through a combination of progressive economic and social policies, often accompanied by the greater participation and empowerment of those who have been left behind by the development process.⁵³ These countries – many of which are Latin America – were able to maintain growth and a high level of integration with the global economy despite having social policy interventions aimed at overcoming barriers to social and economic inclusion.⁵⁴

Although the drivers of inequality are complex and multi-dimensional, evidence shows that it is necessary to focus on the needs of the most disadvantaged populations to reduce inequality. Inclusive growth occurs when every woman, man and child has the opportunity to participate in improved income-generating activities and has equal access to public services, including education and health, and availability of decent work.

It is important for Australia to make strategic choices about the type of aid it provides in support of inclusive growth. Evidence shows that it is crucial to invest in programs aimed at increasing the capability, productivity and participation of the most disadvantaged. More specifically, this requires increased investment in three key areas shown to have the greatest returns in terms of overcoming barriers to economic and social inclusion:

- **Education** – there is compelling evidence of the social and economic returns on investing in education, with data indicating that one additional year of education yielding a 10 per cent increase in income⁵⁵ and each additional year of education is associated with 35% higher GDP per capita.⁵⁶ The positive link between education and health outcomes is also clear, particularly when gender equity in education is addressed. Studies have traced increased women's education to half the reduction of under-five mortality from 1970-2009.⁵⁷ Educated women are also more likely to seek professional pre-natal care, vaccinate their children, visit a doctor if they or their children are sick and other beneficial healthcare practices.⁵⁸
- **Nutrition** – the economic rationale and evidence base for greater investment in nutrition is also extensive. If a child fails to receive adequate nutrition in the first 1000 days of its life, it can suffer permanent and irreversible cognitive impairments. This impacts on a child's education, employment prospects and physical productivity later in life. The World Bank further estimates that under nutrition in childhood results in 10 per cent lower life-time earnings.⁵⁹ Reduced individual income-earnings, lower productivity and increased health care costs ultimately translate into reduced economic growth of up to 11 per cent of gross GDP in developing countries every year.⁶⁰ The long term impact of undernutrition on the health and productivity of individuals should be of concern for Australia, given that its neighbours in the Pacific have some of the highest child undernutrition rates in the world – particularly in Papua New Guinea where almost one in two children are stunted from undernutrition.⁶¹

- Health** - Targeted investment in health can substantially contribute to economic growth, with mortality reductions in low and middle income countries estimated to have contributed between 11-24 per cent of recent growth.⁶² Conversely, inequitable access to health care impacts on economic growth through lost productivity and increased healthcare costs associated with preventable illness and disease. It can also exacerbate inequality, with over 1 billion people in low-middle income countries currently in financial difficulty as a result of paying for health services. Not only does inequitable access to health care impact on economic growth, it also poses health security risks through the transboundary transmission of disease. This is of particular concern for Australia given the number of health risks in our immediate region including multi-drug resistant tuberculosis (57 per cent of cases occur in the Asia Pacific region, with a high incidence in PNG), artemisinin-resistant malaria and anti-microbial resistance. Regional economic development is also leading to a larger number of people migrating temporarily and permanently to Australia, which poses greater risks for the transboundary transmission of disease. As seen clearly with the Ebola outbreak, international air travel also exposes Australia to disease outbreaks from distant regions, such as West Africa. These risks warrant increased support for disease prevention, early detection and containment systems, particularly in the Asia Pacific region.

4.2.2 Supporting climate change adaptation and mitigation

Conservative estimates indicate that the direct and indirect impacts of climate change will result in more than 100 million additional people being pushed into poverty by 2030.⁶³ Already more than 175 million children are affected by disasters each year⁶⁴ – as climate change impact intensify, more children will be placed in harm’s way. Climate change and disasters clearly pose risks to all areas in which the Australian aid program has made an impact; including: economic growth, poverty reduction, education, health, and the empowerment of women and girls. For the multiple threats climate change and disasters present to poor and vulnerable communities to be averted, risk reduction and resilience building need to be a core part of the business of the aid program.

Addressing the risks of climate change and disasters for communities in our region does not always require establishing stand-alone programs. Integrating climate and disaster risk and resilience across the aid program is likely to prove the more effective means of ensuring these impacts do not derail hard won development gains slowly built over decades. Integration can also increase the reach of climate change adaptation and disaster risk reduction programming from a select number of communities to most people reached through the aid program. Integration is also likely to be more cost effective than supporting separate climate change and Disaster Risk Reduction (DRR) programs as it avoids potential duplication and overlap of effort.

The Australian aid program has a strong track record of supporting communities in the Indo-Pacific to manage the unavoidable impacts of climate change and reduce the risk of disasters. The DFAT Humanitarian Partnership Agreement mechanism (HPA) address not only humanitarian needs in times of crisis but also invested 16.5 million AUD in disaster risk reduction and disaster risk management capacity building, an invaluable contribution to communities on the frontline of climate change and disasters. The new commitment to replace the HPA, the Australian Humanitarian Partnership (AHP) will invest 50 million over 5 years to boost the capabilities across the Pacific to manage the impacts of disasters. Furthermore, from 2011-2016, the aid program supported NGOs to work directly with communities in our region to address priority adaptation needs. Many of the projects supported through the Community-based Climate Change Action Grants program (including those implemented

by Save the Children) worked to integrate climate change and disaster risks into key development programs already working at the community level. Successful programs like these⁶⁵ should serve as a model for future efforts to ensure the impacts of the aid program at the local level are sustainable in a changing climate. With the economic and social impacts of disasters increasing year on year the need to invest in risk reduction and resilience through the aid program has never been more important than it is today.

4.2.3 Global and regional solutions to address mass displacement

Mass displacement is a symptom of the push factors described above, including poverty, rising inequality, marginalisation, lack of respect for human rights and climate change. While the drivers of displacement are complex and multi-dimensional, the failure to provide durable solutions for the millions of people forcibly displaced across the globe will further undermine social cohesion and therefore pose risks to regional and global stability. Nowhere is this more apparent than in the Middle East where the failure to find durable solutions for millions people forcibly displaced by conflicts in Syria and Iraq have led to the greatest humanitarian and displacement crisis since World War II – one that has polarised politics in the United States, Europe and even in Australia.

The enormous scale of displacement globally requires a global solution. No one country can offer a solution alone. It is therefore in Australia's national interest to constructively engage in the development and adoption of the Global Compact for Safe, Orderly and Regular Migration and the Comprehensive Refugee Response Framework. It is critical to ensure that these global frameworks result in a comprehensive and humane response to the challenges presented by global forced migration.

Given the number of people forcibly displaced in Asia Pacific, it is also in Australia's interests to engage constructively in bilateral and multilateral mechanisms to promote the formation of a regional protection framework designed to ensure all forced migrants in the region have access to effective protection and socio-economic inclusion.

Finally, it is important for Australia to abide by the spirit and letter of its international commitments under the Refugee Convention and all other relevant international human rights treaties and declarations to which it is a party. This requires abandoning the harmful, costly and divisive policies of offshore processing.

Australia's asylum seeker policies carry very significant human costs to a great deal of children and adults in Australia, Nauru, PNG and the wider region, which erode the hope, dignity and safety of forced migrants. Our policies of deterrence also come at a very high economic cost to Australia at an estimated \$9.6 billion⁶⁶ and have a significant negative impact on Australia's strategic interests internationally. It is time for Australia to turn away from a short-sighted focus on deterrence and to engage more constructively with the real challenge at hand. It is time to find solutions for those caught within the web of offshore processing; time to engage with the region in constructing regional systems and services that offer protection and support to a much larger number of people; and time to lift our humanitarian intake to reflect our true capacity and generosity as a nation.

4.3 Strengthening support for international law and institutions, particularly respect for human rights

In 1945 – in the aftermath of one of the most destructive wars in human history – Australian Foreign Minister Doc Evatt advocated for the establishment of the United Nations: a forum where every nation has an empowered voice, not just great powers. This vision is all the more important today when leaders of some of the most powerful nations, such as the United States and United Kingdom, are indicating a retreat from the multilateral frameworks that have underwritten Australia's peace and security for decades.

Australia has played an important part in the development of the international human rights system over the past seventy years. In the aftermath of mass human rights violations of World War II, there was a clear and urgent need to establish a rules-based international order and Australia was instrumental in the development of the founding UN documents and institutions, including the United Nations Charter, the Universal Declaration on Human Rights and the UN Security Council.

As detailed in section 3.2 above, the lack of respect for human rights – particularly in countries experiencing protract conflict – poses the risk of increased terrorism, more conflict and global instability. Accordingly, it has never been more important for Australia to strengthen its support and engagement with the international law and institutions that have served as a foundation for peace and development. This international rules-based order is at threat if countries such as Australia fail to hold others to account for lack of respect of international law, particularly human rights violations. Australia can do this through strategic diplomacy, its overseas aid program and its bid for a seat on the United Nations Human Rights Council. However, it must also lead by example in addressing its own violations of international law, particularly those concerning asylum seekers and refugees.

Australia does co-operate on many human rights issues, ranging from constructive participation in UN Human Rights Council discussions and fulfilling its reporting requirements to UN human rights bodies, to contributing funds to the UN Office of the High Commissioner for Human Rights and the conduct of human rights dialogues with neighboring states. However, Australia has been criticised for not implementing UN recommendations, failing to provide remedies when human rights complaints were upheld by UN treaty committees,⁶⁷ not adopting key international human rights treaties (such as the Migrants Workers Convention),⁶⁸ rejecting the legitimacy of the UN Special Rapporteur on Torture views on human rights in Australia and failing to properly facilitate the visit of the UN Special Rapporteur on the Human Rights of Migrants.

We live in a world that is threatened by violent conflicts, the spread of weapons of mass destruction, disintegration of states, ideological extremism, mass migrations and environmental degradation. The need for effective multilateralism to address common problems and challenges is more pressing than ever. No one country alone can solve these global challenges. Australia has a key role to play in preserving the common good and standing together with other states to address international human rights violations, promote and protect universal values and combat some of the biggest threats of our times, including instability and terrorism.

In these changing times and shifting politics, where governments who are gaining influence may not share Australia's values, Australia will need to work even harder to ensure a rules-based

international system is respected and supported. As a consequence, strengthening respect for international law and human rights, and the mechanisms that monitor their implementation, should be central to Australia's foreign policy approach.

¹ Peter Varghese, AO, Former Secretary Department of Foreign Affairs and Trade, *Bruce Allen Memorial Lecture – Building Australia's Soft Power*, 17 October 2013.

² Ibid.

³ World Bank, 2016, *Shock waves: managing the impacts of climate change on poverty*, <<https://openknowledge.worldbank.org/bitstream/handle/10986/22787/9781464806735.pdf>>, p.9

⁴ Ibid.

⁵ UNDP, 2013, *Humanity Divided: Confronting Inequality in Developing Countries* http://www.undp.org/content/dam/undp/library/Poverty%20Reduction/Inclusive%20development/Humanity%20Divided/HumanityDivided_Full-Report.pdf

⁶ UNDP, 2013.

⁷ UN DESA, 2013, *Inequality on the rise? An assessment of current available data on income inequality, at global, international and national levels*. Background document for the WESS 2013

http://www.un.org/en/development/desa/policy/wess/wess_bg_papers/bp_wess2013_svieira1.pdf

⁸ Save the Children UK. 2016, *Every Last Child*

⁹ Ibid.

¹⁰ The outlook for global economic growth is outlined in World Bank. 2017, *“Global Economic Prospects: Weak Investment in Uncertain Times,”* International Bank for Reconstruction and Development/World Bank, Washington D.C.

¹¹ Ibid.

¹² UNDP, 2013.

¹³ UNDP, 2013.

¹⁴ UNDP, 2013.

¹⁵ http://files.prio.org/Publication_files/prio/Dupuy%20et%20al%20-%20Trends%20in%20Armed%20Conflict%201946-2015,%20Conflict%20Trends%208-2016.pdf

¹⁶ Council of Europe: Parliamentary Assembly, *Preventing the radicalisation of children by fighting the root causes*, 1 April 2016, Doc. 14010, available at: <http://www.refworld.org/docid/58373dae4.html>, p.9.

¹⁷ Institute for Economics and Peace, 2016. *Global Terrorism Index 2016: Measuring and Understanding the Impact of Terrorism*, p. 3.

¹⁸ Ibid, p. 3.

¹⁹ Ibid, p. 3.

²⁰ Ibid, p. 3.

²¹ OECD, 2016. *States of Fragility 2016: Highlights*.

²² NASA, 2017, *NASA, NOAA Data Show 2016 Warmest Year on Record Globally*, <https://www.nasa.gov/press-release/nasa-noaa-data-show-2016-warmest-year-on-record-globally/>.

²³ UNESCAP, 2015, *Disasters in Asia and the Pacific: A Year in Review 2015*, <http://www.unescap.org/sites/default/files/2015_Year%20in%20Review_final_PDF_1.pdf>, p.1.

²⁴ World Bank, 2016, *Shock waves: managing the impacts of climate change on poverty*, <<https://openknowledge.worldbank.org/bitstream/handle/10986/22787/9781464806735.pdf>>, p.9.

²⁵ World Bank, 2016, p.9.

²⁶ Climate Council of Australia, 2015, *Be Prepared: Climate Change, Security and Australia's Defence Force*, <https://www.climatecouncil.org.au/uploads/fa8b3c7d4c6477720434d6d10897af18.pdf>>, p.i.

²⁷ See <http://www.unhcr.org/en-au/figures-at-a-glance.html>

²⁸ UNHCR Global Trends 2015, p 2, 8. This includes 5.2 million UNRWA.

²⁹ Save the Children, 2016. *Forced to Flee: Inside the 21st Largest Country* (<https://resourcecentre.savethechildren.net/sites/default/files/documents/the20journey20of20refugee20and20asylum-seeking20children20across20the20andaman20se.pdf>), p vi.

³⁰ UNHCR Global Trends 2015.

³¹ UNHCR Global Trends 2015.

³² See UN Office of the High Commissioner for Human Rights, *Flash Report: Interviews with Rohingyas fleeing from Myanmar since 9 October 2016*, 3 February 2017 (<http://www.ohchr.org/Documents/Countries/MM/FlashReport3Feb2017.pdf>).

³³ Refugees residing these jurisdictions do not currently enjoy effective protection and suffer a wide range of human rights abuses including indefinite detention and lack of access to livelihoods and basic services such as healthcare and education. See Save the Children, *At What Cost?* (2016) (<http://www.savethechildren.org.au/media/documents/about-us/publications/recent-publications/At-What-Cost-Report-Final>), p 36. See also Australian Human Rights Commission (AHRC), *Pathways to Protection*, (2016) (<https://www.humanrights.gov.au/our-work/asylum-seekers-and-refugees/publications/pathways-protection-human-rights-based-response>), p 5.

³⁴ The UNHCR has estimated that global resettlement opportunities will likely be available to approximately 170,000 people in 2017, which means that only 14 percent of the 1.19 million people who the UNHCR assesses to be most in need of resettlement would be resettled this year (See UNHCR, *Projected Global Resettlement Needs 2017*, p 18). See also Khalid Koser, *Understanding irregular migrants' decision making factors in transit*, (2016) (<https://www.border.gov.au/ReportsandPublications/Documents/research/occasional-paper-21.pdf>) and AHRC (ibid)

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³⁶ Khalid Koser and Katie Kuschminder, *Australian leadership needed to scale the refugee summit*, 2 September 2016 (<https://www.lowyinstitute.org/the-interpreter/australian-leadership-needed-scale-refugee-summit>)

³⁷ AT, *Australian aid: promoting prosperity, reducing poverty, enhancing stability*, June 2015.

³⁸ The commitment to reach 0.5% GNI is outlined in Australian Budget 2012-13 (http://www.budget.gov.au/2012-13/content/ministerial_statements/ausaid/html/ausaid-03.htm). The estimate of 0.22% GNI in 2017-18 is discussed in ACFID's 2017 Budget Submission, available at:

<http://www.treasury.gov.au/ConsultationsandReviews/Consultations/2016/2017-Prebudget-submissions/Submissions>

³⁹ OECD: <http://www2.compareyourcountry.org/oda?cr=oced&lg=en>

⁴⁰ OECD: <http://www2.compareyourcountry.org/oda?cr=oced&lg=en>

⁴¹ <https://www.lowyinstitute.org/chinese-aid-map/>

⁴² OECD: <http://www.oecd.org/dac/dac-global-relations/chinas-development-co-operation.htm>

⁴³ Lowy Institute, <https://www.lowyinstitute.org/chinese-aid-map/>

⁴⁴ <http://www.smh.com.au/world/chinas-aid-splurge-in-the-pacific-20150304-13unn3.html>

⁴⁵ OECD: <http://www.oecd.org/dac/dac-global-relations/uae-official-development-assistance.htm>

⁴⁶ OECD: <http://www.oecd.org/dac/dac-global-relations/uae-official-development-assistance.htm>

⁴⁷ OECD: <http://www.oecd.org/dac/dac-global-relations/uae-official-development-assistance.htm>

⁴⁸ In US dollars, current prices. World Bank World Development Indicators, 2015

⁴⁹ Based on median household wealth. Credit Suisse Research Institute (2016) Global Wealth Report 2016.

⁵⁰ Takovali H, *What do discussions about aid modalities and institutional change have in common?* World Bank Policy Blog, May 2013

⁵¹ Ibid.

⁵² UNDP 2013

⁵³ UNDP 2013

⁵⁴ UNDP 2013

⁵⁵ UNICEF. January 2015, *An Investment Case for Education and Equity*, p. 8

⁵⁶ Patrinos and Psacharopoulos. 2013, *How much Have Global Problems Cost the World? a scorecard from 1900 to 2050*, Cambridge university Press

⁵⁷ Ibid, p. 10

⁵⁸ Ibid, p. 10

⁵⁹ Hoddinott J et al. 2011, *The Consequences of Early Childhood Growth Failure over the Life Course*, IFPRI Discussion Paper 01073

⁶⁰ International Food Policy Research Institute. 2016. *Global Nutrition Report: From Promise to Impact, Ending Malnutrition by 2030*, p.1

⁶¹ Ibid.

⁶² Jamison D et al (2013) *Global Health 2035: a world converging within a generation*. The Lancet. Vol 382 pp 1898-1955.

⁶³ World Bank, 2016, *Shock waves: managing the impacts of climate change on poverty*, <<https://openknowledge.worldbank.org/bitstream/handle/10986/22787/9781464806735.pdf>>, p.191

⁶⁴ Save the Children, 2013, *Reducing Risks, Enhancing Resilience*, <http://www.preventionweb.net/files/globalplatform/5194f8f53c51bReducing_Risk_Enhancing_Resilience_WEB_Low_Res_FINAL.pdf>.

⁶⁵ The CBCCAG program received a highly favourable independent review < <https://dfat.gov.au/about-us/publications/Documents/community-based-climate-change-action-grants-independent-review-2016.pdf>> and DFAT management response < <https://dfat.gov.au/about-us/publications/Documents/community-based-climate-change-action-grants-independent-review-man-resp.pdf>>.

⁶⁶ Save the Children Australia, *At What Cost?*, 2016, (<http://www.savethechildren.org.au/media/documents/about-us/publications/recent-publications/At-What-Cost-Report-Final>)

⁶⁷ http://remedy.org.au/reports/2014_Follow-Up_Report_to_treaty_bodies.pdf

⁶⁸ <http://www.hrca.org.au/hrca-projects-and-resources/migrant-workers-convention/australian-ratification/>