"Regimes of Truth" : A Critical Theory Analysis of Australian Aid to Southeast Asia.

A Thesis in Political Philosophy

by

Wilfred Brett Aldam (B.A.Hon.)

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I hereby declare that to the best of my knowledge and belief, the ideas and methodology presented in this thesis are original, except where acknowledged in the text, and that this material has not been submitted in whole or in part at this or any other institution.

Wilfred Brett Aldam
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List of Abbreviations

The following is a list of abbreviations used both in the text, and the footnotes, of this thesis.

ACFOA.................Australian Council for Overseas Aid.
ADAB..................Australian Development Assistance Bureau.
AGPS..................Australian Government Publishing Service.
AIDAB............Australian International Development Assistance Bureau.
ANU........................Australian National University.
ASEAN..................Association of Southeast Asian Nations.
AUSTRADE..................Australian Trade Commission.
CSIRO..................Commonwealth Scientific and Industrial Research Organisation.
DIFF.....................Development Import Finance Facility.
EC..............................European Community.
EFIC....................Export Finance and Insurance Corporation.
EOIS.....................Export Oriented Industrialisation Strategies.
GDP..........................Gross Domestic Product.
GNP..........................Gross National Product.
ILO.........................International Labour Organisation.
LDC..........................Less Developed Country.
MIT....................Massachusetts Institute of Technology.
NGO..........................Non-Government Organisation.
NIC.......................Newly Industrialising Country.
NLB.......................New Left Books.
NLR.......................New Left Review.
ODA ......................Overseas Development Assistance.
OPM.........................Organisasi Papua Merdeka.
PNG.........................Papua New Guinea.
TNT.........................Trans National Transport.
UN..........................United Nations.
US............................United States.
ABSTRACT: The following paper attempts to analyse Australian aid using the Critical Theory of Max Horkheimer and Theodor Adorno. Accordingly, reason, or the development of thought and cognition, is examined within a nature dominating discourse. As for Horkheimer and Adorno, knowledge has been shaped by the need to comprehend and control nature. Unlike traditional theories of modernity and enlightenment, the history of humanity is not an inexorable movement towards the ultimate rational state. Instead, reason is located in history. It is an organic entity that changes pari passu with the society in which it is located. The history of humanity has thus been characterized by the ongoing reinterpretation of belief systems that afford humanity the opportunity to comprehend and control our surrounds. State-capitalism is the latest stage in this process. Given increased monopolisation and subsequent stagnation within Western economies, the state has had to intervene. Through expanding control it has provided the impetus for continued growth. As a result, nature-domination has translated into bureaucratic control for system preservation. To maintain our material standing over nature, prosperity must be safeguarded. As without it, our technological and scientific dominance, (or our ability to comprehend and control our surrounds), may be lost. Hence, aid policy and practice is formulated according to state capitalist reason. It is governed by the need for the state to act as a bulwark. That is, for the state to implement policies that will preserve and enhance our advanced material status.
Introduction

Broadly speaking, this study sets out to contest the basic precepts of humanist idealism found in orthodox Marxism and liberalism, through the fusion of the Critical Theory of Max Horkheimer and Theodor W. Adorno with the post-modernism of Michel Foucault. Central to both schools of thought is the shared problematic of a rational critique of rationality. Like Marx, Critical Theory and Foucault examine the effects of reification in social ordering and domination. Yet they do so without reverting to a modernist critique of the inexorable progress of reason which has been stalled momentarily by a rupture between true and corrupted reason. Hence, as is the case with Marxian philosophy, the role of philosophy is to uncover the moment of bifurcation and the time when true, unfettered reason will arrive. Conversely, Critical Theory and Foucault are critical sociologies of knowledge which seek to unravel the positedness of reified total concepts, or in Foucault's terms disciplines, within the specific moment of an ongoing process of rationalisation which itself is merely the reconstruction of reason and social order. Joining Critical Theory and Foucault is a shared critical materialism wherein the present dominant reason is shown to be but one form amongst others. Current truths are, therefore, specific to a historical moment rather than part of the movement toward true, moral reason.

The resultant model then examines the development of reason (or systems of cognition, beliefs and practices) within history. The synthesis model enables the theorist to explore how the development of reason has been shaped ultimately by the dual imperative of comprehending and controlling nature, and how various interpretations (or regimes of truth) have evolved in accordance with the material determinant of changes in society. When changes occur so the prevailing shape of the nature-dominating discourse is transformed. Moreover, the infusion of Foucauldian post-modernism allows the Critical Theory model to trace nature-dominating reason through all facets of society, in terms of discourse and practice, and illustrate how resistance to discourse takes place within a
grid of power relations that is still entrenched in present reason. In short, the synthesis model on which this study is based asserts that society is governed by the latest incarnation of a nature-controlling discourse - albeit with a degree of dynamism as dissenting views and opinions are expressed within a society's current belief-set.

The following appraisal of Australian aid, subsequently, is the vehicle used to demonstrate the overarching methodology stated above within a specific context. Obviously, therefore, it will not adhere to the customary examinations of the aid program with their emphasis on how aid should be directed. One conventional approach, the structural-functionalist approach, perceives aid purely as a means to an end. Using this paradigm, Australia articulates its self-interest via established diplomatic and economic institutions in an attempt to 'infiltrate' the lucrative Asian sphere. Aid is functionally determined and pursued through recognised channels in order to advance Australia's interests. This occurs at a domestic level also. Here, in keeping with functionalist accounts, groups petition the government through recognised structures in an attempt to integrate into the polity. Like the state at an international level, they are motivated, above all, by the need to politically legitimate their aims.

Such accounts are referred to by Horkheimer and Adorno as non-critical sociology. Basically, structural-functionalism ignores the undercurrents of consciousness, subjectivity and reason in the formation of attitudes and needs. When examining aid allocations and patterns, the parameters of these studies do not extend beyond the tangible actions of the agent. Not only does the positivism of structural-functionalist accounts

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1 An example can be found in Dean Forbes, 'Aid, Trade and the New Realism: Australia's Links with East and Southeast Asia', Australian Geographer, vol.19, no.1, (May 1988).


preclude metaphysics, their reliance on agency endows the decision-makers with the ability to form discourses and actions free of constraints.

Instead, this study of Australian aid rests on the Critical Theory of Max Horkheimer and Theodor Adorno. Commonly referred to as the Frankfurt School of Marxism, this paradigm starts from a critique of modernity. Both theorists, in their writings from the 1930s through to their latter works, strongly inveigh against the enlightenment tradition, or as they pejoratively call it, 'identity-thinking'. Articulated in the Liberal and Marxist traditions, these are systems that chart the development of reason in a humanist/idealist context. That is, the history of humanity has been shaped by agents whose knowledge is challenged and replaced by more truthful systems. From the time of rituals and mythology through to the present day, humanity has been impelled by the need to establish a rational society. Each epoch is, therefore, a step towards true, unfettered knowledge, or as Marx would put it, the emancipated society. To quote George Friedman:

The Enlightenment proper launched a campaign to demystify the world, which it saw as a fundamentally beneficent place, or one which could be made so if understood and manipulated correctly. Through demystification, the suffering ignorance, and injustice that had hitherto been the fate of the world would be abolished. 4

Conversely, the Critical Theory of Horkheimer and Adorno, fused to the post-modernism of Foucault with his belief that truths which are specific to a society beget a regime of power and resistance within that society, locates the development of reason in history, because according to Critical Theory, human cognition has been shaped by the need to comprehend and dominate nature. 5 Hence, Critical Theory asserts that successive totalities have been constructed in an attempt to


5 Max Horkheimer & Theodor W. Adorno, Dialectic of Enlightenment, (Great Britain: Allen Lane, 1973), p.3.
explain and coordinate the myriad phenomena surrounding humanity. In effect, human thought has been conditioned by the need to lift ourselves above nature's caprice. Yet these totalities are not constants. Rather, systems of knowledge, truths and beliefs have changed according to the configuration of society. So when a society undergoes change, so too does the means of comprehension and control. This is the materialism of Critical Theory. It believes that concepts describing objects are formed within the universal whole. The way we see, explain, and accept 'things' is determined by a shaped subjectivity, as is resistance to and formation of seemingly divergent discourses.\(^6\)

For Critical Theory, then, Western society has evolved within these parameters. Each 'societal moment' has constituted a revised form of the nature-dominating discourse. Beginning with ritual and myth, and continuing through the Judaeo-Christian tradition and the Liberal Enlightenment, societies have been predicated in terms of their ability to distance humanity from nature.\(^7\) Capitalism is the same. Referred to as 'state-capitalism' by Critical Theory, capitalism has inherited this tradition, only now it takes the form of bureaucratic guidance.\(^8\) Given the monopolisation and possible stagnation of the capitalist economy, Critical Theory perceives that the state has increasingly supplanted market mechanisms. The state acts to reinvigorate the capitalist structure by maximising profitability within the domestic market, whilst establishing markets overseas.\(^9\)

But unlike orthodox and even structuralist Marxism, with their idealist economic determinism, monopolisation does not

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\(^9\) *Ibid*, especially pp.204-207.
signal the end of capitalism. Instead, monopolisation illustrates how the structure of society has changed thus leading to a reinterpretation of the nature dominating-discourse. Now, the state’s functions are legitimised by its preservation of affluence and prosperity, both of which are seen as the means to extricating ourselves from nature’s grasp. Together, they provide the basis for technological, scientific, and ultimately material control of nature.

Aid is thus posited within this whole. Aid is formulated by the state and the administrative bureaucracy as part of the all-encompassing subjectivity. The state shapes aid according to the objectives of prosperity and advancement. Primary ‘truths’ such as economic goals, strategic imperatives and even ‘dissenting’ opinion are all grounded in state-capitalist reason. In the last instance, they all relate back to nature-domination through state sponsored activity. Economic needs equate with expanding markets and the preservation of Australian affluence. Likewise, strategic concerns arise from a fear of regional instability impinging on Australia’s well-being. Even the dissenting opinions expressed by the Australian Council for Overseas Aid and its member organisations, pertain to the need for stability and economic progress.

But this begs the question as to how the underlying discourse can be exposed. If we are inextricably linked to a shaped subjectivity, then how can we begin to examine its profound effects. Critical Theory obviates this problem through negative-dialectics. Broadly speaking, negative-dialectics involves contrasting a concept against the object it claims to represent. In this way, the irregularities of the concept can be drawn out thus exposing its hypostatised state.\textsuperscript{10} For aid, this involves a comparison of policy statements with the actual shape of the aid program. By contrasting the two, it can be shown that the concept (or purported aid philosophy) is undermined by the actuality of aid as an object. As such, the placement of aid truths, (economic, strategic and even humanitarian goals), within

state-capitalist reason will be drawn out.

In short, then, the Critical Theory of Horkheimer, Adorno and the post-modernism of Foucault revolves around reason in history. For them, other accounts of Western development have been erroneously grounded in the historical inevitability of idealism and the agency of humanism.

The Marxist tradition exemplifies this adherence to false subjectivity and the attainment of true reason. Despite Marxist theorists’ denunciation of Critical Theory as a pessimistically idealist doctrine lacking political understanding and a strategy of liberation, it is Marxism itself that lacks acuity. As in line with identity-thinking, it has constructed a philosophy of history based on humanist idealism. This is confirmed by Marxism’s relation to Hegel.\(^{11}\) For Hegel, history is governed by an order of intelligibility. Driven by an underlying belief in freedom, humanity is destined to arrive at a structure realising this goal.\(^{12}\) Through the counterposition of half-truths, new more accurate definitions are born, thus dialectically delivering humanity to the ideal state.

Hence, the development of thought is understood in Hegelian terms as a universal, pre-determined phenomenon. Agency and historical inevitability are the key. While Marxism debunks idealism as a transcendental philosophy which ignores material determination, Marxism itself locates reason in history with a dialectical twist. Despite assuming a materialist concept of reason, Marxism still introduces the absolute truth. History is understood as the ongoing rise and fall of systems of production leading ultimately to the emancipated communist society. Each develops its own systems of thought according to the mode of production (base). Yet through inexorable conflict with the relations of production, the mode of production


invariably collapses, until that is, communism arrives. Then, freed from repressive systems with their unjust ideologies, humanity will realise the rational state. So every society from the earliest times to now, is a part of this ultimate destiny.

But this has not happened. Despite the preconditions existing, capitalism has not collapsed. Nor has communism, with its unfettered reason, been ushered in. The reason is that humanity and knowledge are located in history, not above it. Reason is materially governed. It transmogrifies with different societies according to a nature-dominating discourse. Different societies have had varying interpretations of nature-domination viz-a-viz the formation of knowledge. This is the crux of Critical Theory. Throughout the ages, reason has been shaped by the need to comprehend and control nature. It is Critical Theory's adherence to reason in history which provides the nexus between Critical Theory and Foucault, as in line with Horkheimer and Adorno, Foucault believes that different systems establish different regimes of truth. Systems of thought remain specific to the society in which they develop, with a power grid developing out of contests over the systems truths and ideas. For Foucault, truth is constrained by the society in which it is posited. So, unlike advocates of modernity, reason is an organic concept that is ultimately shaped. It is specific to a societal type but governed in the last instance by the need to free humanity from nature. Thus while power is created by knowledge, and resistance is possible through alternative concept-formation, all thought is influenced by the present mode of nature-domination.

These are important qualifications. They differ from the rigid view of Marxian power and freedom. To a degree, everybody enjoys power through knowledge. By either adhering to, or reworking the main discourse built as it is on a fear

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of nature, networks of power are established. Unlike Marxist versions of the oppressed, debate and resistance are possible. And, unlike traditional idealism, reason-in-history dispenses with the idea of an absolute, rational state. Conversely, knowledge has been, and will continue to be, directed by instrumental reason, that is, the need to comprehend and control our surroundings. For Critical Theorists, this has been maintained through a lineage begun with systems of ritual and myth, which then led to the Judaeo-Christian tradition, the Liberal Enlightenment and now state-capitalism. Each has been a system promising to deliver humanity from nature. Although the instruments have differed, the focus has remained the same. Knowledge, or systems of belief, truths and ideas, have been constructed to extricate humanity from nature.

State-capitalism is the latest manifestation. Given the highly monopolised nature of capitalism, business enterprise has been lost. Increasingly, the system has looked vulnerable, hence the new role of the state. To preserve and invigorate the system's functioning, the state has had to intervene. Departments have emerged, and policies been developed as a stimulus to avert systemic stagnation. But of greater concern is the role that prosperity has played. Material advancement has translated into higher levels of scientific and technological domination of nature. Along with growing prosperity, we have acquired the means to repel nature. Reflected in virtually every aspect of life, from the development of modern science, medicine, production techniques, communication, down to the mundane levels of everyday life with its appliances of convenience used by most households, we feel we are the masters of our surroundings. We now have the ability to comprehend and control nature for our own benefit.

Yet, according to Critical Theory, all could be lost. If

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prosperity diminishes, this level of control might recede; whereas if it is maintained, we will continue to enjoy a commanding position. Indeed, it will be furthered, as science and technology will continue to push back nature's bounds. But to achieve this, the state must implement strategies that promote accumulation. It must act as a bulwark. This is state-capitalist reason. Born out of growing intervention, knowledge is now formed by the need for state preservation of the system. Our truths, beliefs and behaviour are shaped by this imperative. Spread through many disciplines, reason has inlaid the instrumental need for accumulation.

So it is with Australian aid. Increasingly, aid as a concept has been shaped by state-capitalist reason. Its truths have become grounded in the instrumentality of the state preserving prosperity, and with it, our material standing over nature. Aid is shaped by the need for bureaucratic guidance and system preservation. The underlying reason is humanity's irrational fear of nature. To prove this, one must employ the negative-dialectics of Critical Theory. By contrasting the claims of the concept against the object it identifies, its inadequacies can be drawn out. It can be shown that the concept says more than as it currently applies. For instance, the Jackson Report's conceptualisation of aid espouses humanitarian goals as being paramount, with economic and strategic concerns relegated to mere corollaries. These will follow once humanitarian objectives are fulfilled in our region.

However, this conflicts with the object's actuality. At a time when poverty is overwhelming the Third World, Australia's aid commitment has steadily diminished. In fact, in 1989 Australian aid fell to 0.33 per cent of GNP. However, this is part of an ongoing trend. Despite our support of the Development Assistance Commissions figure of 0.7 per cent for industrialised countries, since 1983 Australian aid has tapered away from an initial figure of 0.52 per cent. Even

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16 Budget Related Paper No. 4, Australia's Overseas Aid Program 1988-89, Table 6.1.
17 Ibid.
more anomalous is the allocation of the dwindling aid budget. While other more impoverished regions have received negligible amounts through multi-lateral agencies, one region has enjoyed constant largesse; that being Southeast Asia, or perhaps more accurately, the Association of Southeast Asian Nations (ASEAN). Now recognised as a group of middle-income countries whose real growth has surpassed that of any other region, they have continued to receive a disproportionately large share of Australia's overseas development assistance. Clearly, this cannot be vindicated by the humanitarian concept. Instead, it underlines the importance of the other instrumental considerations. Together, economic and strategic concerns predominate.

This is capitalist reason. Our definition and treatment of the object is shaped by the need for system preservation. As such, economic and strategic concerns translate into instrumental rationality. The state must use aid to avert threats to our material advancement. Economically, this demands an aid program that will provide overseas markets for Australian firms. It also means surmounting Australia's immediate economic malaise through tied aid. Strategically, it is feared that economic slowdown in Southeast Asia could precipitate unrest, and as Australia's main lines of trade, communication and transport traverse this area, the results could be disastrous. Any conflict could have dire repercussions economically. Or put another way, it could adversely affect our advanced level of control over, and comprehension of, nature. Hence the emphasis on Southeast Asia and ASEAN in particular. Not only does assimilation into Southeast Asia afford economic opportunities to Australia, but it can also act as a bloc against instability to the north.

Given this premise, the actual shape of the paper is formulated in four parts. Chapter 1 is devoted to an assessment of methodology. Basically, the differences between traditional definitions of modernity, and the Critical Theory of Horkheimer, Adorno and Foucault are discussed. Then in Chapter 2, the concept of aid is traced from its inception to

its latest articulation, the Jackson Report. The emphasis here, is on the dynamism of the concept. That is, how resistance to and revision of concepts is possible a la Foucault's power/knowledge paradigm, but at the same time how they are governed by present reason. Throughout, the instrumental consideration of system preservation has affected our treatment of aid. Then in Chapter 3, this study seeks to demonstrate how this has culminated with the Jackson Report. By comparing the actuality of aid against the Jackson Report's conceptualisation, inadequacies are drawn out. Above all, it is shown that economic and strategic considerations dominate because of state-capitalism's regime of truth. Aid is part of this whole. Chapter 4 concludes the paper with an examination of resistance and power within the totality. In particular, it examines the aid debate and seeks to locate the conflicting aid discourses within the constraint of the moment of societal totality, which at this moment is state-capitalism. As a consequence, it is shown that power is not a wholly repressive function which is built on, and in turn begets, false ideology and consciousness; but rather, power diffuses through society to nodal points wherein resistance occurs to the main concept, or discourse. But in the end, any alternative concept and power that is established is itself constrained by the present interpretation of nature-domination.
Chapter One
The Critical Theory of Horkheimer and Adorno.

The central concern of this chapter is to review the Critical Theory of Horkheimer and Adorno and then fuse their paradigm of reason-in-history via the recapitulation of a nature-dominating discourse with Foucauldianism. In this way, a methodology can be established which examines the formulation of Australian aid according to the materialism of Horkheimer, Adorno and Foucault.

Horkheimer’s formulation is based, in part, on an ambivalence towards Hegel. On the one hand, he accepts Hegel’s governing principle of dialectical thought.¹ For Hegel, subject and reason are independent of the object, or so it seems. Gradually, however, reason dissolves the subject/object dichotomy. Reason, according to Hegel, realises that the world mirrors its own constitutive practices. Universal truths suddenly appear vulnerable, thus opening the way for criticism and a reconstruction of knowledge. New concepts build on the old, but they do not totally obviate them. Instead, concepts are understood as moments of truth. Although former knowledge was ‘one-sided, limited and transitory in particular representations and opinions’, these views were not dismissed as untruths. Instead, they were partial or incomplete.² It is through this process of belief/rejection/synthesis that we shall inevitably move toward the universal, absolute Idea.

While agreeing with the limitedness of knowledge, Horkheimer opposes Hegel’s idealism. As he wrote:

With Hegel the complete theory is no longer integrated into history, there is an all enclosed (all-embracing) thinking, the product of which is no longer abstract and changeable : the Dialectic is

² Ibid p.177.
concluded.\(^3\)

Basically, Horkheimer disputes the notion of partial truths leading to a pre-determined, universal nature. For him, knowledge cannot be understood as something inherently progressive. It does not promise a deliverance to truth or Utopia. Conversely, despite its dialectical content, Hegel's idealism is weakened by its own assumptions. To lift reason above its secular context is to finish the dialectic. No longer governed by one-sidedness, knowledge will realise the absolute truth, with our essential nature coming into being. Given our inexorable movement there is no need to analyse the historical factors that could impede or even stop the dawning of a perfect state of affairs, as progress is guaranteed.

Or so the idealist project would have it. Yet according to Horkheimer, the dialectic is 'unconcluded'. The synthesis of contradictions does not ultimately lead to a better future. Reason is not impelled. Conversely, it is shaped and directed by material conditions.\(^4\) Human reality develops from sensible experience. The way we see the world corresponds with our life practices.\(^5\) Thought cannot be freed from everyday constraints as how people interpret their surrounds depends on particular social relations within a particular society.\(^6\) Materialism, in this sense, is historically determined. When a society is reconstituted, cultural change follows. The available knowledge and skills are transformed according to differences in the composition of society. Ostensibly society seems to have moved closer to enlightenment, yet it has not. Bearing in

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\(^3\) Max Horkheimer, *Critical Theory*, (New York : Herder and Herder 1972), section entitled 'The dispute over rationalism in contemporary philosophy'.


\(^6\) *Ibid* p.42.
mind that the Western cultural tradition has grown from the need to comprehend and control nature, our progress is nothing more than a reordering. Objects such as nature and society are still explained in terms of domination, only now the classifications have changed.

Thus, Critical Theory's aim is to 'confront the existent, in its historical context, with the claim of its conceptual principles, in order to criticise the relationship between the two and then transcend them'. Social theory developed through immanent criticism can accomplish this. What it does is undermine 'reality' from within by starting with the conceptual principles of an object and juxtaposing them against their consequences. Then immanent criticism re-examines and re-appraises the object in light of its implications. As a result, a new understanding of the object, its contradictions, and its possibilities can be attained. Through negation the existent has had to confront its own claims, and it is through this immanent criticism that flaws are found in the social totality. As Horkheimer puts it:

...the social agencies most representative of the present pattern of society will disclose a pervasive discrepancy between what they actually are and the values they accept. To take an example, the media of public communication, radio, press, and film, constantly profess their adherence to the individual's ultimate value and his inalienable freedom, but they operate in such a way that they tend to forswear such values by fettering the individual to prescribed attitudes, thoughts and buying habits. The ambivalent relation between prevailing values and their social context forces the categories of social theory to become critical and thus to reflect the actual rift between the social reality and the value it posits.

Indeed, Horkheimer believes that a rational society can only be known ex negativo. There will not be a concrete conception of a rational society until it comes about. Otherwise, the mythologising of rationality will continue unchecked. To promote an alternate order is to uphold the Western

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7 Held, Critical Theory, p.185.
intellectual tradition.9

On this point, Horkheimer and Adorno converge. Like Horkheimer, Adorno seeks to develop a materialist dialectic. To this end he too questions Hegel's idealism. For him, a critique of knowledge cannot transcend its historical context - 'reason is bound by historical circumstances which constrain thinking'.10 As such, Adorno opposes all theories of reality informed by the enlightenment tradition. Referred to pejoratively as 'identity-thinking', these philosophical systems claim to interpret the whole.11 Total systems demand an ordering and presentation of thought which show their concepts as adequately describing their object. In essence, 'identity-thinking' conditions society in that each member identifies with the constructed whole, given that the concepts seem to be vindicated by their object.

Yet according to Adorno, systems ultimately conflict with their claimed objectivity. Many facets of the object are conceded within the system only to later surface and contradict it. Negative-dialectics, or non-identity thinking, is central to this process.12 By negating conceptual systems which suspend the object, negative-dialectics challenges reality in an attempt to prove, (like Horkheimer), that the subject and object are interdependent but irreducible. Objects exist, but we grasp them within a historical context. Our practices dictate our conceptualisation.13 As such, negative-

9 That is, to construct an alternative order that promises to explain the world and secure our position within it.


11 Ibid, p.22.


13 That is, the material reformulation of self-preservation and fear; or the need to comprehend and control nature in its specific historical context. See 'Atonal Philosophy' in Martin Jay, Adorno, (Cambridge, Massachusetts: Harvard University Press, 1984) p.58.
dialectics seeks to expose the nexus by examining the formation of concepts and their incompleteness vis-a-vis their object. Above all, negative-dialectics intends revealing 'specific sides of objects which are inaccessible to identity-thinking and the dogmatic application of classificatory schema'.

So, in short, the project of Critical Theory is to discredit totality. Both Horkheimer and Adorno criticise the effect totalities have had on cognition. In essence, they target the object to undermine the concept and thus expose the fallacy of finished systems of thought. This is their dialectic. But unlike Marxist or Idealist dialectics, Critical Theory does not counterpose an alternative. Instead, negation is the key. Unless a critique of knowledge eschews identity-thinking, it will further the enlightenment process, with the mythologising of thought being further entrenched.


To elaborate, Critical Theory asserts that Western culture has developed within set parameters. The Western intellectual tradition has been informed by two basic needs: survival and fear. Both are the touchstones of enlightenment. While they have been reinterpreted in different material contexts, fear of the unknown and self-preservation have directly influenced cognition. Beginning with rituals and continuing through myth, religion, the Enlightenment, and capitalism, Western society has looked to master nature. Domination is couched in myth and reason alike. In contrast to the claims of 'enlightened' culture, which separates itself from the realm of superstition, magic, and ritual, there is no distinction. Just as myth sought to comprehend and control nature, reason also looks to intervene. In the process identity-thinking has come


15 Held, Critical Theory, 'Adorno's conception of negative dialectics', p.211.

16 Horkheimer and Adorno, Dialectic of Enlightenment, (Great Britain: Allen Lane, 1973), p.3.
to the fore. Human development has been marked by totalities attempting to classify and control nature based on the presupposition that as soon as we possess the formula we will have freed ourselves from its mire.\(^{17}\) Self-preservation and the end of fear will thus be assured.

To illustrate this point, Critical Theory observes that:

> Man imagines himself free from fear when there is no longer anything unknown. This determines the course of demythologising, of enlightenment. Enlightenment is mythic fear turned radical. The pure immanence of positivism, its ultimate product, is no more than a so to speak universal taboo. Nothing at all may remain outside, because the mere idea of outsideness is the very source of fear.\(^{18}\)

So ritual, myth, and enlightenment are the same. First, ritual and myth tried to organise nature and the unknown. Humanity was still linked to nature through mimesis. By reproducing and personifying unknown forces, 'pre-rational' humanity felt able to understand and direct the elements. Both myth and ritual were reassuring in that they conferred some control. Indeed, they were the first steps toward a discursive logic. Myth in particular, underlined this trend. When the concept of classification and influence was translated into gods who ruled over nature, the theoretical component of rituals won independence.\(^{19}\) For the first time the implicit understanding of domination had been realised. Whereas magic attempted to make sense of humanity in nature, myth put humanity in charge. Now, the world was our servant in that God's not only identified nature, they directed it (i.e. Apollo the sun, Zeus the sky and the weather, and so on).\(^{20}\) Thus humanity was empowered. People were given sovereignty over their lives through the belief that supplication of the Gods would confer control over nature.

The Judaeo-Christian tradition.

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\(^{17}\) Ibid, 'The Concept of Enlightenment', pp.3-42.

\(^{18}\) Ibid, p.16.


Of course, 'rational' society distanced itself from these superstitions. Beginning with religion, the enlightenment process banished these irrational beliefs. According to the various systems that have emerged, humanity has been freed from its past. Yet these very systems have reproduced myths' aims and effects through attempts to classify and dominate nature. In doing so, they have constructed totalities similar to myth. To understand and control, both within and outside, these systems have built a whole in which everything has a place and a function according to divine, natural, or scientific laws. Nothing exists outside of the order, and that which operates inside it is subject to control. Thus, nature has been enslaved. To liberate ourselves from its necessity we have had to understand, suppress, and direct it, or else we will return to nature's province. Self-preservation and fear have motivated enlightenment. As Horkheimer and Adorno state:

At the turning points of Western civilisation, from the transition to Olympian religion up to the Renaissance, Reformation, and bourgeois atheism, whenever new nations and classes more firmly repressed myth, the fear of uncomprehended, threatening nature, the consequence of its materialisation and objectification, was reduced to animistic superstition, and the subjugation of nature was made the absolute purpose of life within and without.

Now several points are raised here. First is the idea of different interpretations of survival and fear given different historical contexts. Not only perceptions of nature, but the means of domination have changed. Cognition has come to reflect the moment of societal totality. It has, in effect, come to represent identity. This leads in turn to the second point. By separating humanity from nature, identity-thinking has predisposed society to domination and instrumental rationality. To dominate is to be dominated. All objects are

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22 Horkheimer and Adorno, Dialectics of Enlightenment, pp.31-32.

23 Ibid, on sacrifice and renunciation: "Renunciation, the principle of bourgeois disillusionment, the outward schema for the intensification of sacrifice, is already present in nuce in that estimation of the ratio of forces which anticipates survival as, so to speak dependent on the concession of one's own defeat, and - virtually - on death". p.57.
seen as a means to an end; an end insofar as we must obey the dominant paradigm to be liberated. Until we exercise control, survival and knowledge cannot be guaranteed. Like myth, we must accept the whole to be the sovereign of our own lives.

Clearly then, identity-thinking and enlightenment have developed hand-in-hand. The growth of reason draws its vigour from myth. Nature is our greatest threat as well as our salvation. By comprehending and conquering our surrounds humanity will be released. The Judaeo-Christian tradition illustrates this process. Beneath its doctrines lurked domination and instrumentality. In the divine causal chain, God had sovereignty over the universe with humanity governing on Earth. Given this hierarchy, the devout's aim was to understand the whole and their place in it, as once this was achieved humanity would have discovered its relation to God and thus redeemed itself. No longer ruled by nature we would mirror God's image. Indeed, most 16th and 17th century philosophers saw arts and science as tools to further this quest. By unravelling the intricacies of our surrounds the arts and sciences would enable us to appreciate God's omnipotence and the need for devoutness. Otherwise humanity would return to savagery, and consequently be condemned.

The era of Liberal Enlightenment.

Nature was thus equated with corruption in the totality of ritual and myth. The world of impulses, vicissitude, and necessity threatened humanity. Yet it also led to salvation. When nature was domesticated, we could suppress its traits. humanity would, in effect, be elevated above its realm. Much the same emerged with the enlightenment and the liberal-democratic state, only now, cognition was shaped by a revised need to dominate. Motivated by changed material conditions the


The divine order was supplanted by the liberal-enlightenment. The liberty of humanity through the acquisition of knowledge and prosperity was the enlightenment's lofty goal. Once material satisfaction and a proper understanding of the world were attained, humanity would be free. Economic well-being would allow us to develop reason through observation, while constitutional government and justice mediated society. By smoothing over conflict between individuals who were pursuing their own material and cognitive satisfaction, liberty would be preserved; and with liberty, humanity would be able to develop its own rational being.

It was from this project that the key to enlightenment evolved. According to Critical Theory, reason culminated with modern science. Also referred to as positivism, this science established a purely rational, ideational world as the only true reality. Knowledge could be attained through immediate sensations, perceptions and experiences. The world was a scientific universe which could only be comprehended by science itself. As Horkheimer puts it:

> In principle, the whole world has its place in a fixed system...the statement that the correct form of knowledge is identical with physics is the great unity of science in terms of which everything must be stated, posits certain forms as constant.

Thus superstition and false belief could be negated through science. Any last vestige of the unknown would be cast off with the demystification of the world through ongoing analysis. Finally, irrationality and necessity would be superseded by reason and material comfort. So like the myths from which it dissociated itself, the Enlightenment provided a whole to be dominated. By its understanding, once we

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28 That is, to develop moral character and moral obligation leading ultimately to a truly harmonious, enlightened society. This could only be achieved by discarding false beliefs and by overcoming a capricious, precarious existence based on necessity. Held, *Critical Theory*, p.67.

29 Friedman, *Political Philosophy*, pp.118-127.

possessed the correct scientific formula we possessed the foresight needed to anticipate and coordinate the regularities of the Lebenswelt.

The emergence of 'state-capitalism'.

The liberal-enlightenment means-end rationality has since been distilled by capitalism. Capitalist development has reinforced identity-thinking. Just as before, people are willing to subjugate themselves in order to dominate. Or put another way, they are willing to adhere to the totality so that they may govern their own lives. With Olympian myths it was the deities, with the Judaeo-Christian tradition it was God and the religious hierarchy, and with the enlightenment it was reason and positivism. Now under 'state-capitalism' it is survival and control. Ideas such as the need to classify and exploit nature for our own ends still persist. In fact, they have been strengthened by capital's influence over scientific research, yet the ends have changed. Before, instrumental rationality and domination were tied to a sense of higher purpose. Today it is simply a matter of fear. If the system collapses it will be replaced by an untried one; either that, or we will again be subjugated by nature. Anarchy and chaos will reprise our baser instincts. Hence, capital accumulation is rational insofar as it provides the means to distance ourselves from nature. And those we adhere to are the ones who can preserve the status quo.

As such, fear and survival have been reinterpreted within advanced capitalism. Identity-thinking has cohered with accumulation. This is society's telos. Based on the growth of

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31 Refer to section on Husserl in Held, Critical Theory, pp.166-167.


33 Helmut Dubiel, Theory and Politics: Studies in the Development of Critical Theory, (Cambridge Mass.: MIT Press, 1985), 'The claim made by the industrial age - to have achieved emancipation from the domination of nature through a high level of technological development - is interpreted as signifying the deepest fall into nature.', p.90.
"state" or "effective" capitalism, we see all other objects as a means to safeguard our present, civilised lives. For this reason:

...the individuals performance (becomes) motivated, guided and measured by standards external to him

...Conditioned by the necessit ies and exigenc ies of capital accumulation, the spheres governed by instrumental reason (have) expanded creating a common network for all occupations. Compliance and the subordination of thought to pre-given goals and standards, was now required of 'all those who wish to survive'.

The aim of rationality is to expedite accumulation. Modern science, or positivism, is still the linchpin. Insofar as it develops a mathematical formula to increase our knowledge of the world, it also increases our ability to intervene. Technological advances have been made in a diversity of fields. But, unlike before, knowledge does not correlate with reason per se. That is, the whole which science has created has not been tied exclusively to liberal- enlightenment. Instead, it has become grounded in accumulation. Once we properly understand the mechanics of nature we can exploit it more fully. A vibrant economy is, therefore, imperative.

Hence, our subservience to 'state-capitalism's' central control. By virtue of concentrated wealth the body politic has sought to prop up capitalism's functioning. No longer governed by market impulses, capitalism has been guaranteed by the state. For all intensive purposes, the state has replaced the market as a result of the stagnating nature of the monopolised economy. Given the need for improvement in production and consumption, training and mass transportation, the state has

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34 Held, Critical Theory, which is further corroborated by Herbert Marcuse, 'Some social implications of modern technology', in Studies in Philosophy and Social Science, vol.9, no.3, (1941), where he states that: Safety and order are, to a large extent, guaranteed by the fact that man has learned to adjust his behaviour to the other fellow's down to the most minute detail. All men act equally rationally, that is to say, according to the standards which ensure the functioning of the apparatus and thereby the maintenance of their own life.

35 In other words, the notion of removing ourselves from nature's realm of instinct, impulse and necessity by heightening our sense of reason through the acquisition of knowledge; whilst also deriving material satisfaction from it.
intervened. Consequently, what has now developed within the capitalist system is a proliferation of state departments coordinating the economy. Prices are fixed, disputes are mediated, education is commodified, and research is promoted by the state. Increasingly the state has sought to modify the infrastructure to suit accumulation. Stemming from the belief that guarantees are necessary for a 'rational' course and order, it has become the guarantor. Of course, private bureaucracies have developed also. In view of centralisation, large companies have had to streamline their operations to preserve their continued smooth functioning. To ensure cohesion whilst promoting their capacities, they too have centralised. For this reason, Horkheimer and Adorno assert that:

The material fate of the masses becomes increasingly dependent upon the continuous and correct functioning of the increasingly bureaucratic order of capitalist organisations. The objective and impersonal character of technological rationality bestows upon the bureaucratic groups the universal dignity of reason. The rationality embodied in the giant enterprises makes it appear as if men, in obeying them, obey the dictum of an objective rationality.

Thus we obsequiously perform our designated tasks, borne out of the subjective notion that like the 'shamans', 'priests' and 'enlightened thinkers' of before, the bureaucracies create a whole that we can comprehend nature and that ensures survival. This is the objective rationality of today.

Part Two - Critical Theory, totality and nature-domination: the application to Australian aid.

As aforementioned, Critical Theory understands Western thought as being circumscribed by instrumental reason. From Olympian myth to state-capitalism, humanity has attempted to create a whole, given that once we are able to classify and

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36 For a comprehensive analysis of state capitalism's supercession of market mechanisms see Frederick Pollock 'State Capitalism: Its Possibilities and Limitations', *Studies in Philosophy and Social Science*, vol.9 no.2 (1941), pp.204-207.

37 Ibid.

comprehend nature we can begin to dominate it; and once we have the means of control, survival and the end of fear can be guaranteed. While the historicity of these needs has altered according to material changes, the effects have not.  
Throughout the genealogy, thought has been grounded in identity. People have looked to the whole for guidance, passively accepting domination in order to dominate. They have subjugated themselves to a set of practices as a means to an end.

Renunciation has usually been the key. To free ourselves from the 'slime of nature' we have to provide sacrifices.  
With myth it was a physical sacrifice; with the Judaeo-Christian tradition it was a moral sacrifice; and with the liberal-Enlightenment it was all thought other than positivism.  
By studying nature humanity could promote reason whilst employing modern science to banish superstition and false belief. No longer surrounded by a mystique nature would be demysticised, thus further removing humanity from it. Of course state-capitalism has pushed this tradition to the extreme. Survival and fear of regression have allied themselves with production. Now, the totality is technical.  
Society must continue to advance to reinforce the material differentiation between ourselves and primitive societies. Less advanced cultures are still embedded in nature, whereas Western culture has the techniques to lift itself above nature's effects.  
But if the system collapses we could again return to its realm. This, the fear of deprivation, is the

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39 Dubiel, *Theory as Politics*, pp.80-100.
40 Horkheimer and Adorno, *Dialectic of Enlightenment*, 'Men have always had to choose between their subjection to nature or the subjection of nature to the Self'. p.32.
41 Held, *Critical Theory*, Chapter 5 'Critical Theory and Philosophy of History'.
43 Ibid, pp.89-91.
guiding impulse."  

Hence, Western society has been shaped by identity-thinking. The contention of this paper is that Australia's aid program has developed within these cultural parameters. To explore the nexus between identity-thinking, its historically specific context, and the formation of Australian aid, this study will use the negative-dialectics of Critical Theory. What this involves is immanent criticism. To show the inadequacies of aid it is necessary to show how its claims conflict with its actuality, or, put simply, how the conceptual principles of the object collapse in light of its implications.  

In this way, the objective reality of aid can be critically examined. The totality of which aid is a part will thus be revealed. In so much as it contradicts the alleged altruism of aid, the material reinterpretation of survival and fear will be underlined. Nor will there be a need to construct an alternative whole as to do so would be to uphold the Western intellectual tradition. By mapping out an opposing program, identity-thinking would be preserved.

Instead, the paper's objective is to examine how aid is framed within a nature-dominating discourse. Negative-dialectics will be the tool used. That is, by using Critical Theory the premise to be tested is how identity-thinking has been reproduced in different material forms ranging from ritual through to enlightenment. Its present form is state-capitalism wherein public and private bureaucracies direct the monopolised economy.  

In effect, they have assumed the functions of the market, and given this function they have developed an objective rationality. Built into the state's guidance is the acceptance that state control preserves

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44 Horkheimer and Adorno, *Dialectic of Enlightenment*, "Whoever resigns himself to life without any rational reference to self-preservation would, according to the Enlightenment - and Protestantism - regress to pre-history".


46 Pollock 'State Capitalism', in *Frankfurt School Reader*, ed. by Arato & Gebhardt.

47 Held, *Critical Theory*, p.68.
accumulation and affluence. Thus, the state is reinforcing society's dislocation from nature, as with affluence we have the means to further classify and control our surroundings. Aid is part of this whole. Aid policy is formulated by a bureaucracy with its principal concepts being the preservation of the economy (economic considerations), regional stability (strategic concerns), and then humanitarian goals - all of which emanate from the specific moment of the nature-dominating discourse. The subjective base of these concerns is the need to remove ourselves from nature through economic and regional stability.\(^{48}\) This is the universal into which the particular can be dissolved.


Of course, Critical Theory does not escape criticism. In fact, it is most stridently rebutted by other Marxist variants. Collectively, orthodox Marxists, Althusserians and even post-structuralists question Critical Theory.\(^{45}\) For them, it is an avowedly philosophical and idealist doctrine grounded in agency. Starting from the belief that humanity can attain the ideal state through self-knowledge, critics assert that Critical Theory adheres to the idealist dialectic, as with the application of critical thought, the subject can transcend cultures historical limitations.\(^{50}\) Cognition, here, is the way to a rational future. In view of these criticisms the following section will examine the critiques emanating from the secondary interpretations of Marxism, and the actual confluence between Critical Theory and Marxism in terms of their critical history of rationality and the effects of social ordering through reification - a shared critical


sociology which joins but also delineates the two schools on the basis of the Hegelian and Kantian aspects of Marx's materialism.

Basically, the perceived weaknesses of Critical Theory can be classified as three interlocking problematics. The first is the notion of a double reduction of science and politics to philosophy. According to Zoltan Tar, Critical Theory is little more than a pessimistic philosophical doctrine which is removed from a politics of liberation. Given Critical Theory's emphasis on freedom through thought, it cannot serve as a revolutionary credo. Conversely, the Critical Theory paradigm is confined to the metaphysical. Unable to enter the political arena, immanent criticism through negative-dialectics remains a form of impotent, intellectual posturing. As such, it has the paradoxical effect of preserving bourgeois science and politics by overlooking the material realities of life.

This leads, in turn, to the second critical contention. From an orthodox Marxist perspective, Critical Theory suspends material factors. Rather than characterise society as governed by its productive base, Critical Theory reduces society to a manifestation of humanity. History, in this sense, has simply been the continuous unfolding of the creator-subject. Like Hegel's idealism, Critical Theory defines history as an all-embracing process in which a historical subject realises itself. Despite past failures, the human subject is imbued with a will to struggle for a rational organisation of society. As Therborn comments:

52 Ibid, p.204.
54 Ibid, where Therborn states: 'Truth is objective in the metaphysical sense of being inherent in the essence of human reality, however dismal the latter may appear, for the goal of a rational society, which today of course, only appears to arise in the imagination, is really invested in every man.', p.88.
Society is always reducible to its creator-subject and history is the continuous unfolding of this subject. At every given point in time, society is a unique unfolding of this subject.\textsuperscript{55}

For Therborn, Critical Theory's principal flaw is its agency. Given its correlation with the idealist dialectic, it overlooks the material constraints to liberation.\textsuperscript{55} In particular, Critical Theory trivialises Marx's concept of modes of production to such a degree that it is rendered irrelevant.

Likewise, post-structuralist's inveigh against the humanism of Critical Theory. Concomitant with structuralists, they repudiate Critical Theory's agency viz-a-viz the theorist.\textsuperscript{57} For them, Critical Theory commits the same error as its forebears by adhering to a belief in non-ideological thinking and the attainment of a true consciousness. To quote Hoy:

Foucault's own conception of the importance of his studies of power configurations is, then, that they show the inadequacy of and provide an alternative to the Frankfurt School's still too traditional conception of the relation of power and knowledge. The very ideas of false consciousness and of the critique of ideology imply the possibility of non-ideological thinking or of true consciousness. Ideology is the result of introduced by the oppressive exercise of power by the dominant class. Only if such distortions (are) seen through and the repression dispelled (will) true consciousness be possible.\textsuperscript{58}

Thus, according to Hoy, Foucault would object to the seeming detachment of power and knowledge. As with structuralists, Foucault would question Critical Theory on the basis of its apparent invocation of Marxist notions of false truths, consciousness and domination. Although it must be stated that Foucault himself conceded that a correlation did exist between Critical Theory and his post-modernism in that knowledge and

\textsuperscript{55} Ibid, p.97.

\textsuperscript{56} Ibid, pp.90-92.

\textsuperscript{57} Craib, Modern Social Theory, p.198.

power was understood as being confined to specific societal types by both paradigms.

So, to defend Critical Theory, these problematics must be refuted. In response to the first claim, two points warrant mentioning. First is the misapprehension that Critical Theory is reductionist philosophy. While Critical Theory does concentrate on identity-creation, its reason for doing so is to preserve the revolutionary element of Marxism. Arising from a fear of instrumental-rationality, Critical Theory attempts to show how Marxism has succumbed to the Western cultural tradition.\(^5^9\) The Marxist dialectic is based on a collection of theories used to extricate 'humanity' from nature. In one form or another positivism, idealism, and crude materialism all influence the Marxist project.\(^6^0\) Thus, Marxism threatens to replicate rather than replace systems of domination. Operating within the same totality, all that Marxist philosophy promises is a reordering. Consequently, certain elements will stay unchanged. Society will still be run by a technocratic consciousness, as to devise means to better control nature for our own satisfaction is society's rationale; and to identify through renunciation will be the people's goal. Marxism from this perspective will merely continue our enlightenment.\(^6^1\)

Secondly, by approaching questions of state, society, structure and relations from a philosophical perspective, Critical Theory has fused theory to practice. An insistence on philosophy does not preclude an examination of capitalism and its consequences. On the contrary, it actively promotes a study of economic laws and their social and political determination. As we have seen, Critical Theory provides a lucid account of economic primacy in its examination of state-

\(^5^9\) This is particularly true of Marxism's reliance upon the classical idealist/humanist tradition. See Terrell Carver 'Marx and Hegel's Logic', *Political Studies*, vol.XXIV, no.1, (1976).

\(^6^0\) Held, *Critical Theory*, pp.358-359.

\(^6^1\) Insofar as it seeks to establish a totality wherein emancipation and a purported domination of nature are assured. Refer to Erich Fromm, *Marx's Concept of Man*, (New York: Frederick Ungar, 31st printing 1982).
capitalism. Critical Theory looks upon bureaucratic control and economic rationality as ubiquitous elements in the running of the market and society. Decisions are made and directions are taken according to instrumental reason, with people willingly enduring the hardships because of the need to control. This is the crux of Critical Theory. Unlike orthodox or crude Marxism, Critical Theory does not establish a simple causality. Instead, Critical Theory demonstrates how the development of thought has given economic laws the appearance of being 'natural'. Through identity-thinking, state-capitalism has assumed an objective rationality. Like its predecessors, state-capitalism promises to reinforce the division between humanity and nature, as in an affluent society humanity can better coordinate its surrounds. So what Critical Theory does is provide an insight into Marx's conundrum. That being the absence of revolution in the West. Whereas Marx's dialectic relies on an inexorable march to freedom, Critical Theory examines the constraints. Because of this, Critical Theory is political in that it seeks to develop a truly dissenting theory.

Nonetheless, a critique of secondary interpretations of Marxism should not be construed as promoting an absolute philosophical disjuncture between orthodox Marxism and the project of Critical Theory. Essentially, both Marx and Critical Theory converge on their rebuttal of society as an object divorced from reification which can be objectively examined and classified, thus "attributing properties to it as if it were an object in itself, instead of examining the

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62 See footnotes No. 32-38.


64. As this is the inexorable progression of Marx's material dialectic, based as it is, on the idealist notion of historical inevitability.
processes of its formation".\textsuperscript{65} Inherent in both Marx and Critical Theory is a critical sociology which inveighs against the liberal-humanist tradition of humanity as the agent of history and the object of analysis. Social formation through the development of reason is not presumed to be the outgrowth of developing 'man', nor are the products of historical development accepted \textit{a priori}. Conversely, Marx and Critical Theory seek to establish the roots of reification in its guise as total concepts or a totality, (being the constellation of truths and knowledge that constitute reality), as they are developed in a given society. Knowledge governing reality is neither invariant nor fixed; the laws of a society and its organisation are not givens but are instead the products of a reason constantly reshaped in history. Reality here, is posited in the realms of materialism.

Though it was not Marx but rather Georg Lukacs who introduced the term reification to the Marxian lexicon, Critical Theory's notion of a reified society can still be located in the Marxian critique of the superstructure.\textsuperscript{66} For Marx, reality is socially constructed by the base and posited in the superstructure, thus giving rise to a totality, or total concepts, which purport to explain society as if they contained an unfettered, objective truth. According to Marx, social reality vis-à-vis the political economy is dictated throughout the course of history by the mediation of the commodity. Labour, in this sense, is the value accorded to the commodity through production and as such, becomes a "power to be bought and sold on a qualitatively evaluating market".\textsuperscript{67} So the manner in which the raw materials of nature are shaped into useful items for 'man' via labour, and how this labour is valued and exchanged within the marketplace for other


Marxian notions of a dialectical theory which charts the historical development of reason through ruptures and contradictions are interpretive tools accepted by Critical Theory. Above all, the hypothesis of a historically specific epoch wherein social reality is but a moment in its historical development is central to the Critical Theory paradigm. Just as Marx believes that modes of production beget reified thinking, Critical Theory advocates systems of identity. In essence, systems of identity, or identity-thinking, describe the establishment of total concepts which claim to cover the objects they describe. Identity-thinking is the process through which the individual accepts a concept as the equal of its object, when in fact the concept can be located in the historically specific superstructure, or totality. As with Marx, Critical Theory believes that the materialism of reason as it is produced and reproduced in differing social moments of history, has the effect of making unequal things equal. Reification in terms of the codification of reason and knowledge, that is total concepts, which lead to identification with a specific model of social organisation and domination, is the shared agenda of Marxism and Critical Theory.

However, the commonality of the paradigms does not extend beyond the shared belief in a dialectical, historically specific reason and its effect of social reification. Fundamentally separating the two models is the core of their dialectic. Whereas Marx sets out to extrapolate how 'man' relates to the natural world through production and exchange, and how reification changes accordingly, Critical Theory looks to how societies have interacted with the natural world through interpretation. Gillian Rose characterises the difference thus:

68 Gerard Raulet, 'Structuralism and Post-Structuralism: An Interview with Michel Foucault', Telos, no. 55, Spring 1983, p.201.

69 Rose, 'How is Critical Theory Possible', pp.70-71.
The concepts of totality, essence and appearance, universal and particular, abstract and concrete are the concepts which yield the dialectical perspective. They are intrinsically inter-related. Any society is a totality from the perspective of its interchange with the natural world (Stoffwechsel mit der Natur), an interchange which results in fundamental processes within any society by which it produces and reproduces itself. Society is a totality in which all individuals are dependent on the totality which they form. The totality is determined by the basic mechanism of interchange and exchange, to which Adorno refers, instead of specifying the mode of production, as Marx had done.

Critical Theory, then, is a reaction against orthodox Marxist determinism and its relation to Hegelian idealism and the Kantian notion of bifurcated reason. Despite drawing on the precept of socially constructed reason specific to a moment in history, Critical Theory inveighs against the Marxist orthodoxy of the economic determining not only the superstructure, but the very unfolding of rationality itself.11

In the eyes of Critical Theory, historical materialism, based as it is on "how man, by his industry, changes the forms of the materials furnished by Nature, in such a way as to make them useful to him", and how the mode of production with its attendant rationality is dialectically changed, leads ultimately to the modernist critique of the inexorable progression of true reason forestalled momentarily by its corruption at a specific moment.12 Marxism, as with all modernist critiques, derives its rationale from the Kantian question 'Was ist Aufklärung?'.13 Marx's historical materialism operates on the same notion of a bifurcated reason, wherein a moment of separation occurs between a dominating, corrupted reason and the movement towards true, emancipatory reason. For Marx, the point of rupture has occurred with the development of capitalism. Subsequently, the Marxian project becomes one

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70 Rose, 'How is Critical Theory Possible', p.78.
73 Or to translate loosely, 'What is Enlightenment?'
of uncovering the moment of bifurcation between true and corrupted reason. As Gerard Raulet asserts when locating the Marxian model within the modern philosophical tradition:

In these models, we see either a unique bifurcation or a forgetfulness, at a given moment, following the confiscation of reason by a class. Thus, the movement across history towards emancipation consists not only in reappropriating what was confiscated (to confiscate it again), but - on the contrary - in giving reason back its truth, intact, investing it with the status of an absolutely universal science.4

Consequently, Marxism can be classified as part of the modernity tradition given that, in spite of its critique of socially constructed reason, it reverts to Hegelian idealism and liberal humanism thus enabling 'man' to obtain true reason once the false ideologies of bifurcated reason have been overcome.

To elaborate, Marxism rebuts Critical Theory for being an idealist doctrine. Yet it is Marxism that shows a remarkable correlation with idealism. This is borne out in an examination of Hegel and his relation to Marxism. In particular, the notions of historical inevitability, concept formation and agency are underscored. According to Aristotle, a philosophy of history is not possible given its lack of a 'pre-ordained' structure of intelligible development.5 Instead, history is a process of change corresponding with the natural world. Change is a tangible process wherein an object is transformed from potential to actual form. It is, therefore, biologically determined.6 Whereas, Hegel eschews natural necessity. Rather than locate progress in the biological realm, he establishes a historical order of intelligibility. Moreover, this process is historically inevitable. Impelled by an underlying belief in freedom, history is the inevitable movement towards a structure realising this belief. Gradually, antithetical


6 Ibid, p.146.
notions are counterposed in such a way that 'new', more truthful definitions arise; and it is through this dialectical method that less limited concepts are formed. Eventually, according to the inexorable nature of the intelligible order, humanity will realise the actual form of the object, or true reason, and with that the ideal state will have come into being. As O'Brien describes it:

...Hegel says that it is the belief in human freedom which is the basic factor in inevitable historical change. To compress Hegel's whole story of history into the briefest compass: once a belief in free individuals arises in human society this belief inevitably determines a certain line of action leading to the realisation of that belief in the political structure. This claim can be construed as a historical claim which is no more or less metaphysical than the claim that, once abolitionist beliefs about the evil of slavery became firmly established in the United States, a social and political change was inevitable. One need not pretend to the ability to predict the exact course of the social change - perhaps war was not the only way in which this idea of human freedom might have been realised - but that there would have been change over time in a definite direction was inevitable unless that belief had been abandoned.7

As O'Brien illustrates, Hegel's idealism revolves around the thesis/antithesis/synthesis paradigm.78 Partial truths or concepts are formed only to be challenged, after which a synthesis occurs, thus giving an object a more accurate meaning. For Marx, this dialectical method can be applied to society. By contrasting capitalism's thesis (that which it claims to be) against its antithesis (that which it is not) the 'whole truth about the structure and future of capitalist society' will be exposed.79 And with that the limited and transitory concept will be replaced. While Hegel applies this to intelligibility, Marx posits the dialectic in the material

77. Ibid, p.149.

78. To elaborate, where a prevailing concept is challenged by an opposing paradigm leading ultimately to a revised truth. Basically, this is Hegel's order of intelligibility revolving around historical inevitability.

79. Fromm, Marx's Concept of Man, p.18.
world. Above all, Marx uses the Hegelian dialectic to demonstrate money's adverse effect on capitalism. By analysing money in terms of an inherent contradiction, Marx feels able to study capitalism from the other side. His work in *Gundrisse* typifies this. Here, Marx attempts to explain how money used as capital is both qualitative and quantitative. In the first instance, it represents boundless wealth. Looking at capital qualitatively, it is without limits. Yet quantitatively it is constrained. Unlike its theoretical expression, 'money exists in limited amounts as coins, notes (and) money of account'. So while we talk of wealth as something of infinite value, its present capacity is constrained. Because there is only so much, its powers of consumption must work at that level.

But like Hegel's paradigm, Marx believes that money ultimately transcends its limitations. This is capitalism's impetus. The mode of production is fuelled by the need to overcome capital's present limited sense. As such, society is caught in a growth spiral. Expanded production means increased wealth, and this, in turn, delivers us closer to the qualitative definition of capital. Yet according to Marx, it also leads to the antithesis. As accumulation grows, inequality increases *pari passu*. Wealth is concentrated among a few leaving an impoverished majority. Because of this the spiral will eventually collapse. When the gulf between the 'haves' and the 'have-nots' becomes too great the system will be challenged; or in true Marxist parlance, the mode of production (profit-making) will conflict with the relations (concentration of wealth), thus leading to a new type.

For Marx, then, the dialectical method clearly exposes


81. *Ibid*.


83. *Ibid*.
capitalism's deficiencies. Yet this is merely the culmination of a lineage. Like Hegel, Marx constructs a history of progress which differs only in terms of its materialism. Whereas Hegel's dialectic focuses on intelligibility, Marx is more concerned with the effects of productive activity. As Marx puts it:

Hegel's philosophy of history presupposes an abstract or absolute spirit, which develops in such a way that mankind is only a mass which carries the spirit, consciously or unconsciously.  

By comparison, the Marxian dialectic is described in the following way:

As individuals express their life, so they are. What they are, therefore coincides with their production, both with what they produce and with how they produce. The nature of individuals thus depends on the material conditions determining their production.

Hence, the objective factors which shape production in turn shape human society and thought. It is the base which determines beliefs and behaviour, not some underlying ideal. Yet to expunge Hegel's idealism from Marx's materialism is to leave it bare. The reason is that both dialectics intersect. Turning to Marx, history is understood as the progressive development of economic types. Over time, productive systems have been drawn into conflict thus giving rise to new models, and with that society has moved closer to the ultimate, emancipatory system - communism. Once the contradictions inherent in capitalism explode, the 'educated masses' will adopt Marx's paradigm. Concomitant with Hegel, humanity will be the creator-subject in the realisation of the ideal state. Only now, they will have attained this through egalitarianism.

84. Fromm, Marx's Concept of Man, p.10.


86. See Carver, 'Marx and Hegel's Logic', pp.57-68; also, Sidney Hook, From Hegel to Marx, (University of Michigan Press 1962).
Agency, based on the ability to reform, will have been the key.  

Clearly then, Marxism employs Hegel’s inevitable progress lexicon. Humanity will eventually arrive at the ideal state. Admittedly, the Marxist explanation of historical dynamics does centre on materialism, but it still uses Hegelian categories. For instance, concepts can be changed through changed economic conditions. And while humanity is constrained by the present Kantian bifurcation of reason which has occurred under capitalism, the future ultimately promises more. Given this nexus, Marxism stumbles on the same problems besetting the idealist dialectic. It cannot explain why capitalism has not collapsed in the West. Nor for that matter can it explain the problems endemic in the Communist states. 

Conversely, Critical Theory’s repudiation of Marxist reification as a corollary of the relation to nature through modes of production leads it to a different understanding of society’s interchange with nature. Clearly demarcated periods of production fashioning the materials of nature into commodities, and thus creating systems of reason, are no longer seen as the objects of analysis. Instead, Critical

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87. Another discussion of the correlation between Hegel’s idealism, based on an order of intelligibility/inevitability, and Marx’s material dialectic, can be found in Joseph O’Malley, ‘Marx’s Economics and Hegel’s Philosophy of Right: An Essay on Marx’s Hegelianism’, *Political Studies*, vol.XXIV, no.1, (1976), pp.43-56.


89. Very simply, why the process of historical inevitability has not culminated with the realisation of absolute reason.

90. As both tend to contradict the presumed ultimate end to dialectical materialism and its inherent idealism.

91. Ibid.

92 Rose, ‘How is Critical Theory Possible?’, p.76.
Theory examines how the interchange with nature has constructed totalities on the basis of an Occidental striving for enlightenment. Only for Critical Theory enlightenment is not interpreted as the progress invoked by the modern rationalist tradition, but rather an increasing instrumentalised reason which seeks to improve techniques of self-preservation.\textsuperscript{93} The dialect of reason is part of an ongoing development of systems which purport to differentiate society from nature. Helmut Dubiel examines the effects of reification through enlightenment in terms of a confluence of several key theses. These, he suggests, can be elaborated upon as follows:

- The constitution of the human race at the beginning of all history by violent differentiation from its context in nature, with the productive exploitation of nature for the purpose of self-production.

- The reproduction of this domination over the 'primary nature' into 'second nature', that is into forms of social organisation in which nature is dominated; the development and refinement of technological domination over nature in the modern era and the industrial age has its political expression in the totalisation of political repression, whose most extreme and advanced form is fascism.

- The deformation of all forms of cognitive orientation toward the world. Repressed nature reproduces itself precisely in that medium considered by the Western rationalist tradition to be its most extreme opposite: in mind itself. It is not in Western philosophy and science that Horkheimer and Adorno see the first appearance of this process, but rather in historically early forms of human orientation in the world: in magic, mythology, theogony, and theology.\textsuperscript{94}

Hence, totalities constructed via the interchange with nature have evolved on the basis of an innate human yearning to understand and overcome nature, rather than deterministic economic laws that reify yet ultimately deliver true reason. Reality as a social construct is borne out of an identification with societal types that seek to orientate 'man' in the world. The history of reason has been marked by the unfolding and refinement of nature-dominating totalities.

\textsuperscript{93} Dubiel, \textit{Theory and Politics}, pp.90-91.

\textsuperscript{94} Ibid.
which, in turn, have created reification and social domination. But unlike the Marxist dialectic, Critical Theory's sociology does not adhere to classical modern philosophy's belief in the eventual autonomy of reason. Critical Theory does not advocate that the theorist and their models can push aside reification and determine the point at which reason bifurcated, and when its true form will emerge. To do so is to undermine a critical sociology of reason by invoking the idealist and humanist planks of modernism.

Alternatively, Critical Theory presents its dialectic as based on an immanent or negative model. By confronting modes of cognition, in the sense of reified theories and total concepts, with the objects they claim to cover is to see the non-identity of the relationship between the concept and its object. In short, the negative-dialectical technique draws out the underlying subjectivity inherent in the concepts interpretation of the object by locating it within the specific moment of nature-domination. Immanent criticism seeks to establish the positedness of reason in the present totality, rather than portraying it as another stage in the inexorable movement towards emancipation - once the Kantian rupture has been identified. Critical Theory's objective is to underscore how a moment of reason portrayed as the dominant, emancipated form, and the forms of social organisation associated with it, are but one epoch in the history of creating techniques for self-preservation. In the words of Foucault:

..I think, that since Max Weber, in the Frankfurt School and anyhow for many historians of science such as Canguilhem, it was a question of isolating the form of rationality presented as dominant, and endowed with the status of the one-and-only reason, in order to show that it

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96 Buck-Morss, The Origin of Negative Dialectics, pp.63-64.
97 Jay, Adorno, p.58.
Neither Horkheimer nor Adorno subscribe to the inevitable progress of humanity. Conversely, they dispute self-realisation. For Horkheimer and Adorno, the subjectivity and abstraction of Hegel's idealism is more ideological than factual. It betrays a belief in the ongoing advancement of humanity through reason as with the acquisition of knowledge former truths become 'untruths' leading ultimately to the realisation of the universal, absolute Idea. However, both Adorno and Horkheimer reject this notion. Their principal concern is that Hegelian idealism suspends material factors. Based purely on agency, idealism reduces history to the creator-subject, or in Marx's case, it ties history to production with the proviso that history can be changed. As such, the development of thought and society is predetermined, whereas from a Critical Theory perspective thought is conditioned by the particular milieu. In a specific historical context, epistemology is shaped more by society than agency. People see objects in a certain light because of their identification with a totality. So while objects exist, their conceptualisation is understood from within the whole.

Nor does this privilege the theorist. According to Althusserians and post-structuralists, Critical Theory enables the theorist to detach oneself from the reality of the existent and chart humanity's progress from the standpoint of a rational society. So, like Weber's free-floating intellectuals, Critical Theory allows a privileged few to know

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98 Michel Foucault op cit Raulet, 'Structuralism and Post-Structuralism', p.201.


100. Fromm, Marx's Concept of Man, Chapter 2 'Historical Materialism'.

the absolute Idea. But what such criticism misses is the concept of negation. Built into Critical Theory is the recognition that theorists are embedded in society, thus rendering them unable to detach themselves and speak impartially. Instead, Critical Theory looks to inspire negation. Once the actuality of an object is contrasted against its concept, the problems of identity will be drawn out. Non-identity thinking, here, refers to the critical appraisal of reality from within existing structures; it does not claim to transcend them.

Part Four - Critical Theory, Foucault and Marxism: to ontologize or deontologize reason.

Clearly then, the previous section established the major differences between Critical Theory, orthodox and structural Marxism. Broadly speaking, these relate to perceptions of reason, power and domination. For orthodox and structural Marxism, reason equates with ideology. That is, reason is distorted in history to create repressive power relations. Subsequently, those who benefit from the infrastructure/superstructure interplay, entertain power through corrupted reason. Knowledge as determined by material factors (the base) is the privilege they exercise over the oppressed. However, given Marxism's dialectic, truth outside domination can be realised given the tendency of the

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106 Or those who benefit from the mode of production begetting the superstructure, with its relations of production and legitimating beliefs.
Hegel-Marx tradition to locate reason in history with a dialectical twist.\(^{107}\) While assuming a materialist concept of reason, it still adheres to the absolute truth, because once the material determinants collapse, truth's inherent quality will be realised. Freed from ideology and repression the true ideal will emerge.\(^{108}\)

But this has not happened. As Critical Theory points out, transcendental reason is a falsehood. In contrast to the humanistic idealism of Marx, humanity and knowledge are located in history not above it.\(^{109}\) Marx's dialectic has not been realised. Instead, domination continues unabated, which according to Critical Theory can be ascribed to historically governed reason. To understand power in society one has to examine the role of knowledge. This is because reason and

\(^{107}\) Poster, Foucault, Marxism and History, pp.10-11.

\(^{108}\) Jim Collins, Uncommon Cultures : popular culture and post-modernism, (New York: Routledge, Chapman and Hall, 1989), p.XIV Preface, where he repudiates the classical concepts of knowledge, power and domination: "For some critics, my suggestion that we need to question the utility of concepts like 'mass culture' and 'the dominant' would be rather like suggesting that we abandon 'the devil' to a group of fundamentalist ministers. 'Mass culture', 'the dominant' and the devil' serve as convenient concepts on which the blame for all evil may be easily fixed, providing a simple narrative explanation for why utopian states cannot be achieved, as well as allowing for self-righteous poses in the present. But while the devil' might make for marvellous explanatory myths, most sophisticated theologians would stress that such myths only trivialise the complexity of moral questions and human psychology. In much the same way, the dominant ruling class that controls all facets of cultural life may well be a fascinating methodological fiction, but it only obstructs our understanding of the complexity of the conflictive power relations that constitute our cultures. A more sophisticated understanding of domination as a process must begin with the rejection of the monolithic category of 'the dominant'.

\(^{109}\) An example of Critical Theory's rejection of the Hegel-Marx tradition can be found in Adorno, Negative Dialectics, (Continuum Publishing Company 1990), 'Harmonising with the World Spirit', where he states that: "In the concept of the world spirit, the principle of divine omnipotence was secularised into the principle that positivism unity, and the world plan was secularised into the relentlessness of what happens." p.305
power correlate. Different systems establish 'regimes of truth'. Beliefs, practices and relationships are shaped accordingly. It is not a matter of vertical domination eventually giving away to true reason when ideology ends. Instead, reason and knowledge are organic concepts that constrain, influence and direct behaviour without totally repressing it. Truth is something that has changed throughout history in line with the societal type. Truth does not contain an inherent promise to deliver us from domination.

This is where Western Marxism and Foucault converge. Given that Western Marxism has been characterised by an attempt to reinterpret reason and power, Foucault takes up its problematic. He also challenges the fundamental tenets of the Marxian dialectic, concerned that the 'metaphysical scope of dialectical thought' is the notion to be attacked. Unlike Marx's idealism, Foucault, Horkheimer and Adorno locate reason and truth in history, not above it. Reason and truth are not inherent qualities that will soon be unravelled. They are, instead, constructs of the present. To find them one must look within, not outside. Like Critical Theory, reason as a concept


111 Michel Foucault "Theories et institutions penales", Annuaire du College de France, 1971-72, in Alan Sheridan, Michel Foucault : the Will to Truth, (London: Tavistock Publications, 1980), especially p.131 where Foucault characterises the classical knowledge / power / repression model thus:

...power relations (with the struggles that traverse them or the institutions that maintain them) do not play with respect to knowledge a facilitating or obstructive role; they are not content merely to encourage or stimulate it, to distort or limit it; power and knowledge are not linked together solely by the play of interests or ideologies; the problem is not therefore that of determining how power subjugates knowledge and makes it serve its ends, or how it imprints its mark on knowledge, imposes on it ideological contents and limits.

112 Poster, Foucault, Marxism and History, pp.1-16.

113 Ibid, p.2.
for Foucault is hypostatised.\textsuperscript{114} Reason is examined as a tool of domination rather than liberation.

Foucault further reinforces the nexus between the two schools on the basis of a shared critical history of rationality when he states that:

Now, obviously, if I had been familiar with the Frankfurt School, if I had been aware of it at this time, I would not have said a number of stupid things that I did say and I would have avoided many of the detours which I made while trying to pursue my own humble path - when, meanwhile, avenues had been opened up by the Frankfurt School. It is a strange case of non-penetration between two very similar types of thinking which is explained, perhaps, by that very similarity. Nothing hides the fact of a problem in common better than two similar ways of approaching it.\textsuperscript{115}

At the heart of Critical Theory and Foucault's shared problem is a rational critique of rationality. Both schools of thought embark upon a critical enquiry into the history of reason without succumbing to the modernist tradition. Conversely, Critical Theory and Foucault are critical theories of reason which are united by their attempt to unravel the positedness of current total concepts, or in Foucault's terms, disciplines, within the specific moment of an ongoing process of rationalisation.\textsuperscript{116} As a consequence of this process, reason has undergone a constant reordering, as have the systems of knowledge and social order which it creates.

Much of the common ground between the Critical Theory of Horkheimer and Adorno and the post-modernism of Foucault is evinced by their shared skepticism of epistemology. Nowhere is de-ontologized reason more transparent than in Horkheimer and Adorno's Critical Theory. Their entire critique of modernity is based on reason as domination. Since the dawn of humanity,

\textsuperscript{114} Reason in domination not in the pure Marxist sense of repression and servitude induced by false ideology and corresponding vertical power, but rather in the sense that reason has sought to advance our control over, or domination of, nature.

\textsuperscript{115} Foucault \textit{op cit} Raulet, 'Structuralism and Post-Structuralism', p.200.

\textsuperscript{116} Ibid, pp.200-206.
reason has been predicated on controlling nature. Modernity has been the movement away from nature towards enlightenment; and enlightenment, ironically, has meant subjecting ourselves to more pervasive control. State-capitalism is the latest manifestation. Based on instrumental rationality, it directs and governs people's lives. Shielding capitalism's flaws, bureaucratic control preserves prosperity, and thus further entrenches nature-dominating reason.

For Critical Theory, then, reason equates with irrationality. Western civilisation has developed according to different truths, or to express this another way, systems that separate us from nature. Here, reason translates into domination. This, too, is the cornerstone of Foucault's study. Indeed, the correlation is underlined by Mark Poster when he states that:

...their (Horkheimer and Adorno's) refusal to take reason at its word and their insistence on investigating its imbrication with domination leads directly to the problematic explored by Foucault.

But for Foucault, reason can only be posited in society by giving up the higher epistemological ground. Where Critical Theory errs is in its totality building. By characterising reason so generally it precludes an analysis of the discourse-discipline-practice interplay. Accordingly, the control of reason and the exercise of power is seen as a repressive function. Power is defined by Critical Theory as purely negative in that it delimits the role of people through 'the force of prohibition'. How we speak, what we believe and what we see is governed by a repressive force. So power in this context is narrow and judicial.

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118 Or, the acquisition of knowledge that furthers our understanding and ability to control nature.

119 Poster, *Foucault, Marxism and History*, p.16.

120 Foucault, 'Truth and Power', p.119.
For Foucault this leads to a second problem - the concept of ideology. This is because, endemic in the classical model is an ideology-repression link. Classical precepts of power, on which the Marxist model is predicated, interpret ideology as the corruption of reason. As Foucault sees it this creates a false dichotomy. On the one hand, power is exercised by those distorting reason, whilst on the other, the disempowered masses are subject to control. They are locked into a system grounded in false truths. Power is thus the possession of the elite. But this does not preclude true reason, as ideology rests on subjectivism. The human subject is endowed with a consciousness influenced by power, meaning that once the inimical power relations collapse true reason will emerge. Freed from its constraints, the subject will realise this inherent, transcendental quality of reason.

Whereas unlike his characterisation of orthodox and 'para' Marxism, Foucault believes that power should be understood nominalistically. As Hoy describes Foucault's perceptions of power through knowledge and its delineation from more traditional accounts:

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123 Which in the Hegel-Marx tradition is the demise of their material determinant once the inexorable conflict between mode and relations of production occurs.

Unlike the Frankfurt School, Foucault does not think of power as something possessed by those who exercise it. In *Discipline and Punish* he remarks that he wants to describe how 'power is exercised rather than possessed'. This implies that power is not a property, possession or privilege. Power is not simply what the dominant class has and the oppressed lack. Power, Foucault prefers to say, is a strategy, and the dominated are as much a part of the network of power relations and the particular social matrix as the dominating.

Thus power through knowledge is not a commodity. It is not the preserve of an elite. Rather, confined to neither the 'top' nor the 'bottom' it resemble more of a capillary network permeating through society. Made up of myriad points such a network constantly translates knowledge into power. Nor is power necessarily repressive, because as Foucault sees it, power would lose its force if it was wholly negative. Such negation would soon be disobeyed, whereas according to Foucault, power is entrenched through positive outcomes. Instead of just saying no, it also creates positive effects. Far from prohibiting knowledge, power encourages it. To quote Foucault: '...it traverses and produces things, it induces pleasure, forms knowledge, produces discourse'.

Consequently, power and knowledge should be understood more as a network than a vertical relationship. By doing this, power can be lifted above its classical role as a negative function.

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126 Marxism, of course, revolves around the precept of the capitalist classes entertaining repressive power by virtue of reason corrupted by the capitalist mode of production. See footnote no.91 of this Chapter.

127 Foucault, 'Body/Power', where he states that: '...power would be a fragile thing if its only function were to repress, if it worked only through the mode of censorship, exclusion, blockage and repression, ..exercising itself only in a negative way.',p.59

To this end, Foucault advocates a genealogical approach. Systems that employ subjects, ideology and repression as key concepts are no longer useful. Instead, power analyses must make sense of knowledge, discourse and relations without resorting to humanism.130 The key to understanding rests with the discourse/practice couplet. Power is diffused through discourse, with reason being the underlying principle. When discourse is formed it engenders patterns of domination. Strategies are developed and practice is shaped according to the prevailing wisdom.131 Both those at the 'top' and those at the 'bottom' engage in power relations based on knowledge. Whilst the more erudite enjoy authority, those with less understanding are not repressed. Conversely, they too derive some power from the relationship, because power, here, is not a wholly negative function. The less erudite can either accept the imparted knowledge, or they can react to it. Whatever the case they, in turn, will be exercising a degree of power.

Hence, reason is not attained through liberation. Knowledge is temporal, and in its worldly form it begets power relations. The form of reason specific to a societal type creates a network of interacting power relations wherein the current shape of nature-domination is fought over, not overthrown. This is the materialism of Foucauldian post-modernism. According to Foucault:

129 Poster, Foucault, Marxism and History, p. 9.

130 With its ensuing problematics of idealism, humanism and positivism.

131 Michel Foucault, 'The Subject and Power', in Critical Inquiry, 8, (Summer 1982).
Truth is a thing of the world: it is produced only by virtue of multiple forms of constraint. And it induces regular effects of power. Each society has its regime of truth, its 'general politics' of truth: that is, the types of discourse which it accepts and makes function as true; the mechanisms and instances which enable one to distinguish true and false statements, the means by which each is sanctioned; the techniques and procedures accorded value in the acquisition of truth; the status of those who are charged with saying what counts as true.

Put simply, power relations are governed by knowledge, or as Foucault would say, by 'regimes of truth'. Discourse is formed which is then organised into a discipline; and it is the discipline which confers power through reason, with the net result being a diffusion of power throughout society. Unlike the limited concept of repressive ideologies, power is not interpreted vertically. Instead, it is portrayed as a grid. Power is exercised at myriad nodal points with varying results. Power is neither a property nor repressive.

In this way, Foucault de-ontologizes the concept of reason. Like Critical Theory, he removes it from the transcendent realm. Power through knowledge is an entity in itself; it does not preface the awakening of a true being. This, is a crucial point. Foucault's premise of historically governed reason emphasises the connexion between Foucault and Critical Theory. On questions of power, knowledge and truth, there is more of a convergence than a rupture. Despite Foucault's criticism of Critical Theory's apparent use of traditional


133 As Annemiek Richters observes in 'Modernity - Postmodernity Controversies: Habermas and Foucault', Theory, Culture and Society, (SAGE London, Newbury Park, Beverly Hills and New Delhi), vol.5 (1988), p.620.."He (Habermas) identifies himself with those who have 'hope without hope', and criticises Foucault for radicalising Horkheimer and Adorno's critique of instrumental reason into a theory of the eternal return of power. According to Habermas, Foucault's message that new discourse formations stay within an unchanging power cycle, cannot but suffocate utopian hopes and confidence in Western culture".

134 Poster, Foucault, Marxism and History, pp.1-15.
concepts, he actually explores similar areas. As such, the two schools inform rather than undermine one another. This is particularly true of ideology and repression. At no stage does Critical Theory adopt the Hegel-Marx 'backdoor dialectic'.

Reason is firmly posited in history, with history impelled by the need to dominate nature. In this sense, modernity is the ongoing development of systems of control, or as Critical Theory would put it, the production of identity-thinking.

In effect, Horkheimer and Adorno rebut Hegelian idealism. For them it uses the false category of subject ruled by ideology. Critical Theory, by contrast, is in many ways anti-humanist. Its critique of modernity correlates more with Foucault than Hegelian Marxism. The continuous development of identity-thinking has relied on knowledge, or regimes of truth consistent with the societal moment of nature-domination. Systems based on reason vis-a-vis nature-domination have produced their own truths, their own discourses and 'the mechanisms which enable one to distinguish true and false statements'. Above all, total systems have influenced practice without shielding humanity from absolute truth. Take the latest phase of modernity - state-capitalism. Beneath its expanding scope we have become despiritualised. Given the ubiquitous control it exerts, discourse and practice are shaped by instrumental rationality at virtually all levels. It is the irrational need to preserve the system that forms our discourses, our truths and our beliefs. In the end, it is bureaucratic inspired rationality that drives us on.

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135 Ibid, p.10.

136 With systems here translating into 'regimes of truth' which beget 'identity-thinking'.

137 For an instructive definition of humanist and anti-humanist positions, refer to Elizabeth Grosz, 'Feminism and Anti-humanism', in Discourse and Difference : Poststructuralism, Feminism and the Moment of History, ed. by A. Milner & C. Worth, (Monash University Clayton: Centre for General and Comparative Literature, 1990).

Nor does this entail vertical domination.\textsuperscript{139} State-capitalism's 'regime of truth' creates its own nodal points of power. Sure, there is a form of macro power. The state bureaucracy does encroach further into people's lives than ever before. But it accomplishes this through discourse. Governed by irrational fear, we are willing to obey the systems truths which revolve around dislocation from nature through ongoing prosperity. In short, the fear of nature has inspired instrumental rationality.

Yet it must be conceded that Critical Theory, here, requires Foucault's power grid. The reason is that Critical Theory fails to detail knowledge and power in society.\textsuperscript{140} Beyond a few generalisations about bureaucratic rationality and its formation of truths, it does not examine power at the micro level. That is, Critical Theory ignores how discourse is organised into fields, thus conferring power through reason.\textsuperscript{141} So when science, the environment, politics, welfare, sickness, achievement and so on are discussed, they are done so within truth sets related to the moment. Discourse has created power in sundry fields, all of which relate to the whole.

By enlarging its focus, Critical Theory can thus begin to explore the transmission of knowledge and power through society. Rather than simply locating it all in a 'moment of societal totality', the specifics can be unearthed. We can begin to understand how state-capitalism has its regime of

\textsuperscript{139} To explain my use of the term 'vertical domination', it refers to the domination of the oppressed by the dominant'. A characterisation of this classical power relationship through ideology is provided in Hubert L. Dreyfus & Paul Rabinow, Michel Foucault : Beyond Structuralism and Hermeneutics, (Brighton; Sussex: The Harvester Press, 1982), p.129 'From the Repressive Hypothesis to Bio-Power'.

\textsuperscript{140} Which pertains to Critical Theory's use of the term 'moment of societal totality'. Now this concept could be misconstrued as portraying humanity as mere automatons that obsequiously follow the present reason/truth. It does not seem to account for deviation or contestation of the predominant discourses. Hence, the need for Foucault's power grid.

\textsuperscript{141} Poster, Foucault, Marxism and History, pp.12-16.
truth, and how it produces power, so that when we discuss something our perceptions derive from a specific discourse that confers power through knowledge on the user. The woodchipping debate provides an illuminating example. Here, the principal discourse emanates from bureaucratic control. Supported by CSIRO scientists and the Forestry Commission, it advocates logging for system preservation. Eventually this discourse becomes entrenched in society, with its invocation conferring power at various points. After all, it is shaped by the truth set of bureaucratic control and prosperity. But in keeping with Foucault, this should not be interpreted as repression per se. People can react against, and devise, strategies of power by questioning the need for wood-chipping. Yet they do so within identity. Hence, their counter arguments are based on the same reason. The bureaucracy must intervene. Otherwise, continued denudation will threaten our very being.

Of course, the preceding study may be dismissed as merely highlighting general paradigmatic sympathies which blur, but do not diminish, fundamental differences in ontology. Broadly, Critical Theory and Foucault's projects are characterised as implacably different in that Critical Theory's ontology is seen as a modernist critique based on the Kantian bifurcation of reason, whilst Foucault's critique of rationality is opposed to any notion of modernity. To elaborate, it is asserted that a discrepancy exists on the basis of Critical Theory having fallen prey to modern philosopher's insistence on the inevitable arrival of true reason. As such, it is assumed that Critical Theory's immanent method of a concept/object juxtaposition rests on the Kantian notion of the bifurcation of reason between dominating/corrupted reason and a hitherto now unstated true reason.

By comparison, Foucault's approach is characterised as a 'system-theoretic' extension of the original problematic posed

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143 Raulet, 'Structuralism and Post-Structuralism', pp.200-201.
by Critical Theory. Despite embarking on a critique of rationality as proposed by Critical Theory, Foucault does so by uncovering social domination and ordering via an examination of knowledge creation and formation into disciplines which, in turn, engender ordering through power. As a result, it is asserted that Foucault portrays reason specifically, and knowledge generally, as a strategic-instrumental rationality. Foucault concentrates exclusively on the effects of the codification of knowledge into power-generating disciplines, and is thus differentiated from a history of reason based on the 'intrapsychic processes' of identification as expounded by Critical Theory. According to Honneth:

Thus, given the presuppositions with which Foucault operates, it is no longer a question of the complementary process of self-alienation as found in Adorno's philosophy of history. To that extent, in the form of historical investigations, his theory of power represents a systems-theoretic solution to the Dialectic of Enlightenment. In its positivistic indifference, the historical process, which for Adorno took the form of a critique enveloped in resignation, becomes the objective event of the augmentation of social power.

In spite of the differing techniques of analysis, I feel there remains a critical parallel between Foucault and Critical Theory on the basis of their shared examination of how the present, dominant form of reason is not part of a rupture which will soon be discovered and overthrown, but is instead part of an ongoing bifurcation of reason; or as Foucault states, the splitting of knowledge by reason again and again, which in turn has augmented social domination. For both schools the importance of the present rests in how knowledge, as it is constituted in disciplines or totalities, is the latest point in the self-creation of reason as the fulcrum of social organisation and control, and not the inexorable march of rationality. Both are critical sociological accounts of the self-demarcation of reason in history and its exclusion of the other, which have led them on

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144 Honneth, *The Critique of Power*, p.103
146 Ibid, p.201.
a parallel analysis of the ongoing bifurcation of reason as a "rationalisation process in which the means of domination are gradually perfected under the veil of moral emancipation".147

Given the common purpose of Critical Theory and Foucault, I feel it is a legitimate exercise to propose a synthesis of elements of the two paradigms. By doing so, a model can be created which critically explores the history of reason as the continuing formation and reformation of knowledge as it is specific to an epoch, and the subsequent effects of social ordering. By using Critical Theory’s notion of nature-dominating reason as the impulse behind reason-in-history, tied to its negative-dialectical technique of uncovering the inherent positedness of rationality, the problems of Foucault’s purely behavioristic model can be overcome. That is, his emphasis on the human subject as a ‘formless, conditionable creature’ fails to explain the need to constitute the self in knowledge and discipline, and thus identify with a totality which momentarily excludes the other. Consequently, the intra-psychic processes referred to by Critical Theory elucidate man’s inclination to identity-thinking.

At the same time, Foucault’s genealogical approach to knowledge as it is reconstituted into disciplines and networks of power in a given society, expand Critical Theory’s narrow understanding of power/repression. Foucauldian notions of discipline creation and a myriad network of power relations based on the acceptance of, or resistance to the dominant reason, elaborate upon the dynamism of reason-in-history and the subsequent augmentation of social power. In particular, Foucault’s power/knowledge paradigm explicates how the interchange with nature at a specific moment is then exchanged within a society, thus completing the process of reification.

By extending Critical Theory the specificities of knowledge and power can be demonstrated. Such an elaboration also shows

147 Ibid, p.198.
that power is not a necessarily prohibitive function. Conversely, it creates new strategies of power. But while the discourse may appear different, the truth sets remain the same. Reason is still posited in a whole that demands nature-dominion via instrumental rationality. This is where negative-dialectics can prove insightful. Given its focus on discourse, it can uncover reason's embeddedness in history. Above all, negative-dialectics can begin to redress the bias inherent in concept formation. And although immanent criticism will not lead to true reason, it can underline just how inappropriate many concepts are, or how restrictive truth sets are when dealing with certain objects. This is the crux of this study. Based on reason in history, it attempts to excavate the present shape of reason, that is, the shape it takes in state-capitalism. Through negative-dialectics I intend to expose how concepts are in fact tied to reason, and how this, in turn, creates a power grid rather than vertical domination. State-capitalism's 'regime of truth' does not preclude resistance. Instead, it enables power to be dispersed.

However, I would maintain that critical discourse is still informed by current knowledge. Unlike Hegelian idealism, immanent criticism is not a further dialectical step. It is, in effect, a reworking without revision. This is the case with Australian aid. Here it can be shown that aid discourse is governed by state-capitalism's regime of truth. Aid is primarily a bureaucratic domain. It is promulgated by the aid bureaucracy on the basis of instrumental rationality, with this, of course, pertaining to nature-dominion. The aid bureaucracy's emphasis on strategic, economic and political

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148 Indeed, this is the pejorative assumption Foucault places on Critical Theory when he states that: 'I would also distinguish myself from the para-Marxists...who give the notion of repression an exaggerated role.', in Foucault 'Body/Power' p.59. Whereas I feel that the mechanics of negative dialectics actually correspond with Foucault's understanding of resistance at nodal points. The reason being that it allows one to unravel concept formation without attaining true reason.

concerns is accepted as truth; a truth which confers power on those who are charged with saying what counts as true. But it is not a simple case of Marxist vertical domination. Critics can and do react against this knowledge. They do succeed in devising power strategies of their own. However, they do so within the prevailing truth set. Given the present system, they too use categories fundamental to state-capitalism, as to do otherwise would mean that truth is above history.

Negative-dialectics, alternatively, examines truth from within. To elaborate, Horkheimer’s and Adorno’s Critical Theory develops from the notion that the object cannot be understood independently of theoretical concepts. Because of their placement beneath a concept, which itself is the reification of cultural beliefs, they are known in a one-sided way. That is, they are governed by predicates linking them to the whole. Society, nature, government, prosperity, technology, the individual, foreigners and so on are all concepts formed in a moment of societal totality insofar as they relate to the present interpretation of basic cultural assumptions. This is identity-thinking. Concepts and their objects are posited within the regime of truth. So while power diffusion through resistance does occur, it is still grounded in the same truth sets, therefore closing them to other definitions. But all is not lost. Using negative-dialectics, the cultural bias can be uncovered. Paradigmatic thinking is the means to this end. Identification with an object will bring a qualitative change in its concept. Above all, its non-identity will be drawn out. By contrasting a concept against its purported rational identity (its ideal state), its

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assumptions and their inadequacies will be exposed.\textsuperscript{154} It will be proven that the concept is incongruous with the object it identifies. Rather than accept the principles conferred by identity, negative-dialectics searches for non-identity. As Adorno states:

An object can be conceived only by a subject but always remain something other than the subject, whereas a subject by its very nature is from the outset an object as well. Not even as an idea can we conceive a subject that is not an object, but we can conceive an object that is not a subject. To be an object also is part of the meaning of subjectivity; but it is not equally part of the meaning of objectivity to be a subject.\textsuperscript{155}

Subsequently, negative-dialectics differs from the idealism of Marx and Hegel insofar as it is neither strictly humanist, nor inevitable. Certainly, it enables us to perceive how concepts are formed within the whole. By comparing the concept with its claims of rational identity, humanity will perceive that it is inadequate. But the theorist will not necessarily discover the objects true meaning. Because unlike Marxism and idealism, there is no inexorable progress. All that we can do is begin to appreciate concept formation in society, or put another way, the continued predominance of nature-domination.

\textsuperscript{154} Ibid, pp.70-71.

\textsuperscript{155} Adorno op cit Held, Critical Theory, p.213.
Chapter Two
Aid and Critical Theory - the nexus.

Clearly, Critical Theory (through negative-dialectics) aims to uncover the subjectivism of the object. That is, immanent criticism seeks to weaken the objectivism of a concept by locating it within the social totality.¹ Our present understanding of things is governed by the material reinterpretation of a fear of nature. Behind cultural beliefs and practices is an attempt to extricate humanity from nature. Knowledge and reason are embedded in a tradition seeking to establish comprehension and control.² Concepts develop from identity. Thus, to expose the causal link, non-identity thinking must be juxtaposed with identity. Negative-dialectics, with its immanent technique, holds the key in that it enables the theorist to unravel subjective reason from within. The reproduction of the whole within the particular can only be understood negatively. By confronting the object with the claims of its concept, the concepts inadequacies can be drawn out, as can the assumptions on which the concept is based. Negative-dialectics allows us to compare the set of properties implied by the concept with the objects actuality. In this way the negative-dialectical technique discredits an objects claims whilst bringing it into flux. The object still exists, but its governing concepts have been qualitatively

¹ Theodor W. Adorno, Negative Dialectics (New York: Continuum Press 1990), especially the section entitled 'Negative Dialectics'.

² Helmut Dubiel, Theory and Politics : Studies in the Development of Critical Theory, (Cambridge, Mass.: MIT Press 1985), where he states that: 'The claim made by the industrial age - to have achieved emancipation from the domination of nature through a high level of technological development - is interpreted as signifying the deepest fall into nature. Hence, the conviction of the old European, rationalist tradition, of the primacy of spirit over nature, is dialectically turned against itself. A view of reason restricted merely to improving the technology of self-preservation is still a part of that nature which actually instrumentalises reason to even the score.', p.90.
To illustrate the connexion between state-capitalist reason and Australian aid, it is necessary to explore the correlation between Critical Theory, Foucauldianism, and the formation of aid itself. Both the Critical Theorists and Foucault examine reason as a hypostatised entity. For them, knowledge is a social construct specific to a particular society. Thought is materially governed, not transcendent. Unlike the humanist idealism of liberal and Marxist philosophy, history is not the inexorable movement towards true, unfettered reason. Conversely, history is the reinterpretation of systems of thought posited in the historically specific moment. As Theodor W. Adorno puts it:

...all Western metaphysics has been peephole metaphysics. The subject - a mere limited moment - was locked up in its own self by the metaphysics, imprisoned for all eternity punish it for its deification. As through the crenels of a parapet, the subject gazes upon a black sky in which the star of the idea, or of being, is said to rise. And yet it is the very wall around the subject that casts its shadow on whatever the subject conjures...There is no peeping out. What would lie in the beyond makes its appearance only in the materials and categories within. 4

The idealism of marxian and liberal philosophy is thus contested. Knowledge is not possible beyond the present constraint of reason, or the 'wall' of materialism referred to by Adorno. Throughout the history of Western development, knowledge has been governed by the material shape of the nature-dominating discourse. Culminating with state-capitalist reason, systems of thought, truths and beliefs have been predicated on humanity's need to control its surrounds. State-capitalism, being the latest incarnation, is based on the inherent instrumentality of nature-


4 Refer to Chapter 1 of this paper, especially section titled "Critical Theory, Foucault and Marxism...".

domination through state guidance. Given the monopolisation of the economy, the state must intervene to promote economic advancement as through ongoing prosperity our ability to comprehend and control nature is furthered. Conversely economic stagnation would not enable the requisite scientific and technological breakthroughs to be made.

This is state-capitalism's 'regime of truth'. Reason is impelled by the need to further the 'technology of self-preservation'. Aid is a part of this all encompassing reason wherein the state must act to preserve the system of wealth generation and material domination of nature - a positedness drawn out by the utilisation of negative-dialectics. Through negative-dialectics the theorist can begin to understand how the particular dissolves into the universal. Or in this case, how aid is a hypostatised entity insofar as aid embodies rather than creates the truths of state-capitalism.

But first the term itself must be clarified. What does 'aid' refer to? For the sake of this paper aid shall be examined at a macro-level. Policy statements and programs articulating the objectives of Australian aid will provide the terms of reference. Major documents such as the Colombo Plan, the Harries Commission, and the Jackson Report will narrow the focus of inquiry. The reason for this textual analysis is three-fold. First, Committees of Inquiry such as the Jackson Report have become the touchstones of Australian aid given that they largely dictate the composition of Australia's aid package. As the codifying documents they provide the skeletal framework in which aid operates. This leads, in turn, to the second point. Given their importance, these reports are an unequivocal account of aid philosophy.

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7 Refer to note no.2 of this chapter.

8 Macro-level has been employed in this context to refer to the statements of aid philosophy (or the concept) and the actuality of aid (the object) in terms of the shape of Australia's aid program.
Not only do they suggest blueprints for aid implementation, they also state aid's philosophical aims, or put another way, its concepts. Thus by scrutinising the theoretical component of aid and juxtaposing it with its actuality, our understanding of the object will come into flux. The reason is that aid's assumptions and their inconsistencies will be exposed when contrasted against the actual shape and outcomes of the aid program. Third is the more prosaic concern for clarity. A study such as this has the potential to lose its thematic focus unless the object is clearly defined. Remembering that aid covers the micro-level of implementation as well as the macro, factors like individual projects, (or the attitudes of those in the field), could be studied. But in view of Critical Theory's belief that reason is governed by an underlying subjectivism, this would be fruitless. In effect, such an examination merely recapitulates the central determinants. From the macro to the micro level, the identity remains the same.5

Indeed, all 'non-critical sociological' accounts stumble on this point.10 Generically sociological studies operate with the assumption that humanity is a central category for research. Thus society and its institutions can be studied objectively. They are something that can be examined independently of underlying influences. Regarding aid, this perspective analyses how various discourses have fused together. In particular, sociological studies concentrate on the interplay between humanitarian, political and economic mandates. Ultimately non-critical sociological accounts accept that a 'new realist' viewpoint is dominant.11 Given the fear that Australia's relationship with Asia is asymmetrical - that Australia is largely irrelevant to Asia - the emphasis is on expanding trade within the region; that

5 That is, from policy formation to implementation.


is, Australia should focus more attention on bilateral relations with East and Southeast Asia.\footnote{David Lim, 'The economics of Australian Foreign aid', \textit{Current Economic Issues}, 1987; Lim, \textit{ASEAN -Australia Trade in Manufactures}, (Longman Cheshire, 1985), pp.256-257.} Australian aid is understood as the means to this end. Governments are beginning to subvène through aid policy. The 'new realism' demands that aid be used to promote harmony through bilateral projects, whilst also requiring the procurement of Australian goods and services. In this way, Australia will consolidate its position as a friendly neighbour and stimulate markets in the region.

For the 'non-critical sociologist', the 'new-realism' of Australian aid is based on concerns about growth rates. To qualify this, the uncritical account compares Australia's G.N.P. with that of the newly industrialised and developing countries. What it finds is that for the past two decades Australia's G.N.P. grew at an annual average rate of 1.7 per cent - one of the lowest in the region.\footnote{Forbes, 'New Realism', p.183.} In contrast, the NICs enjoyed growth rates of more than 6 per cent per annum, while developing countries in ASEAN all exceeded 4 per cent.\footnote{\textit{Ibid}, p.185.} Even China maintained an average annual growth rate of 4.5 per cent.\footnote{\textit{Ibid}.} So for the uncritical account, these are the parameters in which aid has developed. As such, the sociological account claims that the 'underlying rationale' is justified; a point seemingly reinforced by empirical research which demonstrates Australia's parlous plight and how aid can be employed as a countermeasure.

But what the uncritical account does not show are the cultural assumptions determining this realism. It studies aid as an object shaped by people objectively. Policies are devised in a considered way given the facts presented before them. Yet this ignores that policy-makers too are determining socialised human beings posited in a social whole. The concepts they develop are in fact dissoluble into
the universal. What may appear as objective reason is grounded in subjectivity - or the totality that we subscribe to in order to comprehend and control nature. The very notion that governments intervene to promote Australian interests confirms this. It merely reinforces the Frankfurt School's view of a material reinterpretation of the same cultural imperative vis-a-vis 'state-capitalism'. Aid is but a part of this whole.16

Of course, concepts such as the whole require elaboration in order to obviate several problems of theory. The first issue is Critical Theory's propensity to grossly generalise. When Horkheimer and Adorno speak of reason in history, they do so at a very broad level. A salient example is their tendency to employ universal terms. This leads, in turn, to a second problem, which is the lack of a more specific focus. By generalising, Horkheimer and Adorno have ignored discourse development in society. Humanity does not obsequiously obey a single discourse. Instead, nature-domination through instrumental rationality has translated into many discourses, or in Foucauldian terms, a 'regime of truth'.17 Nor does it follow that each 'separate' field is composed of a uniform discourse. Conversely, patterns develop. Dissenters resist the main discourse and implement power strategies of their own. In this way, aid discourse is not as homogeneous as Critical Theory might imply.18

But neither is it heterogeneous because these critical discourses look to inform practice within the regime of truth. All are predicated by instrumental rationality and nature-domination. These are the prevailing truths. Whatever criticism they have of the dominant instrumental discourse


17 That is, sets of beliefs and determining practices that are understood as impartial, objective, factual, and above all, enlightened.

is criticism by degrees, that is it is still grounded in state-capitalism's reason; a shared tradition evinced by the aid debate. The principle discourse is that of the bureaucracy. Concentrating on system preservation, the bureaucratic discourse advocates securing strategic, economic and political goals through development. These are the truths of the bureaucratic discourse. Then come those who make up the power grid. Some derive power from recapitulating these truths, whilst others react. 19 Deficiencies are pointed to in the bureaucratic model and changes suggested. As they see it, the pre-eminent discourse is flawed. But the important thing is the formation of these discourses within the whole. Although divergent, fundamental truths are adhered to by virtue of instrumental rationality and nature-domination. They do not repress, rather, they delimit.

The claim that divergent discourses in fact correlate can be demonstrated by an examination of the Foucauldian and Critical Theory notions of truth. Studied in terms of knowledge and power, reason is firmly posited in the historical moment. Both Foucault and Critical Theory reject the traditional models of corrupted truths (ideology) begetting systems of domination that shield humanity from true reason. Based as they are on idealist/humanist assumptions of discourse formation and the inexorable movement towards reason, such accounts reduce history to a pre-determined course of events.

Critical Theorists, by comparison, perceive history as the ongoing reinterpretation of reason in specific societal contexts. 20 Foucault is particularly insightful on this point. When discussing the judicial-repressive perceptions of power inlaid in Marxist and Liberal analyses of power relations, Foucault underscores the purely repressive


20 Foucault is included in this category in view of his avowed examination of reason and power within material constraints.
function it is accorded. Power is understood in these analyses as a prohibitive mechanism grounded in false or partial truths. As such it will be overthrown with the inception of unadulterated reason - an assessment which Foucault strenuously takes to task.

Instead, Foucault asserts that we are enveloped by a system of diffused power emanating from the acceptance of, or resistance to, given truths. Each society has developed its own beliefs or knowledge which, in turn, shape the cognition of the individual. Truth and power are relevant to specific epochs. The idealist concept of an absolute truth attainable through the obviation of ideology and repressive power is meaningless given that both are located in the historically specific moment. According to Foucault:

The important thing, I believe is that truth isn't outside power, or lacking in power: contrary to a myth whose history and functions would repay further study, truth isn't the reward of free spirits, the child of protracted solitude, nor the privilege of those who have succeeded in liberating themselves. Truth is a thing of this world: it is produced only by virtue of the multiple forms of constraint. And it induces regular effects of power.

Basically, truth is the preserve of a particular societal type, with the implication being that the constraint is the historically specific moment. Truth, or reason, is constrained by the present constitution of society. In turn, the systems of truth posited in this societal type beget a


22 i.e. Marxist materialism - base begetting relations of production, inequality and legitimating ideology - will eventually break down through conflict.

23 Hubert L. Dreyfus & Paul Rabinow, Michel Foucault: Beyond Structuralism and Hermeneutics, (Brighton; Sussex: The Harvester Press, 1986), : 'Power is a general matrix of force relations at a given time in a given society.', p.186.

myriad network of power relations that allow resistance within the prevailing set of truths. Revision and modification of discourse occurs neither outside of, nor above, but within the materially governed reason of a particular society.

This is where Foucault informs the Critical Theory project.\(^{25}\) His paradigm allows for a more detailed examination of truth and power. Whereas Horkheimer and Adorno tend to characterise power through knowledge as a more repressive function, Foucault accommodates resistance and divergent discourse inside the present constellation of truths and power relations. But while his analysis overcomes the repressive nature of power through truth inferred by Critical Theory, it lacks the identification of the source of the 'multiple forms of constraint' found in the works of Horkheimer and Adorno. Despite Foucault unequivocally embracing the notion of materially governed reason, he fails to explore what it is that shapes society and its preponderant set of truths.

Horkheimer and Adorno, however, identify nature-domination as the determining factor setting the parameters for reason. Reason in history has been guided by the dual imperatives of comprehending and controlling nature.\(^{26}\) Enlightenment, here, does not promise salvation from 'untruths' or partial truths. Unlike the idealism of Liberal and Marxist philosophy, the inevitable attainment of unfettered reason, or enlightenment, is a falsehood. Instead, reason is impelled by irrational fear. At every stage, the need to subjugate nature through understanding and domination has underpinned Western thought. Systems of belief, truths and practice have revolved around the subjectivism of nature-domination. This is the moment of societal totality examined by Critical Theory. In the words of Paul Connerton:


\(^{26}\) Dubiel, Theory and Politics, pp.90-91.
Enlightenment comes to regard nature as an object amenable to transformation by men. To do this it must eliminate the basic principle of myth. This is the principle of anthropomorphism, the projection on to nature of the subjective. In this view, the supernatural, spirits, and demons, are mirror images of men who allow themselves to be frightened by natural phenomena. Consequently the many mythic figures can all be referred back to a common denominator, and reduced to the human subject. The aim of this reduction is to free men from the dangers of natural existence, both animal and vegetative, and to protect them, at ever higher levels of enlightenment from the fear of reversion to a more archaic condition of subjection to the sway of natural forces."

Put simply, the history of reason has been characterised by the apparent movement away from nature appeasement to systems of thought that have professed to rationally understand and therefore control nature. That is, history has witnessed the development of 'identity systems' that have promised to insulate and distance humanity from the ravages of nature. After the mimesis of ritual and myth, followed by the attempted trammelling of nature's caprice through the religious observances of Judaeo-Christianity, the liberal enlightenment sought to banish the metaphysical. The processes and phenomena enveloping humanity could only be unravelled through positivistic scientific inquiry.

While science and technological development are also central to state-capitalism, they have become inextricably entwined with the preservation of prosperity. Reason has increasingly come to reflect the need for state intervention in the economic process. Without it, our monopolised economy would collapse as would the commensurate level of material wealth and, as a consequence, the technological mastery of nature. And it is this interplay between prosperity and the domination of our surrounds which has formed the constraints to thought ignored by Foucault. Nature-domination presently takes the form of state intervention for system

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28 Ibid, p.66.
preservation.

Thus, to return to the original point, the Critical Theories of Horkheimer, Adorno and Foucault, when synthesised, allow for resistance and interleaving power relations within the encompassing 'regime of truth'. This means that while opposition can be expressed to the articulation of state-capitalism's truths via the concept, the underlying reason based as it is on nature-domination remains in situ. This is because, as aforementioned, Foucault adheres to the formation of regimes of truth within specific societies, and asserts that the notion of truth has no meaning outside a given order of power; whilst Horkheimer and Adorno base the given order on the continual reworking of a nature dominating discourse. 29

To vindicate the premise that social intercourse and disputation is informed by reason in history, (with its ensuing sets of societally specific truths), it must be proven that seemingly disparate models in fact correlate. In the case of aid this means drawing together the adversarial strands of the aid debate. The model developed above demands that the main aid concept, or discourse, and its detractors be located in present reason. Hence the importance of negative-dialectics. What this Critical Theory tool will show through a textual analysis is that in spite of the prima facie difference in aid models (the concept), the actual shape of aid in terms of objectives and outcomes (the actuality) demonstrates that aid is formulated within the state-capitalist system.

While the above supposition is examined more extensively in the fourth chapter, a cursory analysis of the Australian Council for Overseas Aid's (ACFOA), aid philosophy will serve to illustrate the point. Although ACFOA is seen as a body of Non-Government Organisations (NGOs) who, in varying degrees, contest government policy, its alternative models

still invoke the prevailing truths of aid. This is corroborated by the discrepancy between ACFOA's concept, (its philosophical conceptualisation of aid) and the actuality of ACFOA's objectives. As negative-dialectics would stress, this betrays the underlying instrumental reason of aid. For all intensive purposes, aid is there for system preservation.

Robin Luckham articulates ACFOA's aid philosophy in the context of disarmament for development. Luckham argues that the inordinate amounts devoted to military spending have impeded Third World development in two ways. First, it has deprived the underdeveloped countries of much needed assistance. As the Stockholm International Peace Institute estimated in 1985, world military expenditure amounted to US$870 billion. This exceeded all Official Development Assistance by at least twenty times. In response, Luckham and ACFOA believe that if a mere proportion of military spending was reassigned to basic needs programs, accelerated development could be achieved by addressing the immediate problems bedevilling the impoverished in the underdeveloped world, whilst also obviating longer-term problems which could impact on First and Third World development alike. As Luckham states:

For less than the cost of a single nuclear powered aircraft-carrier, it would be possible to finance a program of reafforestation that would (according to the United Nations Development Program) reverse the destruction of the world's forests.

The second hindrance identified by Luckham is the militarisation of the underdeveloped countries. For Luckham, war endemic in 'the South' is related to 'the North'. Not only have developing countries become a useful market for military hardware, they have fought regionalised wars according to alignments with superpowers. While debates have

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30 Robin Luckham, 'Disarmament and Development : Analysing the present, and a better way ahead', in, Disarming Poverty : Disarmament for Development in Asia Pacific, ed. by Janet Hunt ACFOA Development Dossier, no.21, (August 1987).

31 Ibid, pp.3-4.

32 Ibid, p.3.
raged over the relative merits or otherwise of South militarisation in terms of economic growth, Luckham portrays it as a wholly negative relationship. The claim that military spending induces positive effects through training of skilled personnel, technological spin-offs to industry or multiplier effects on demand is seen as tendentious. All that military spending creates, in the eyes of Luckham, is investment in largely unproductive sectors of the economy, and a burgeoning foreign exchange imbalance.\(^{33}\) Meanwhile, areas desperate for investment are overlooked and the poor continue to suffer. In the most impoverished countries, Luckham characterises this misplaced spending as a direct causal relationship between 'more guns and less bread'.

Through Luckham's criticism of government spending, and by implication their corresponding neglect of adequate ODA programs, ACFOA would appear to rebuff the predominant bureaucratic discourse. The basic assertion is that Western countries, Australia included, should reduce military expenditure both domestically and overseas, whilst redirecting the funds that become available to basic needs programs.\(^{34}\) At least this is the humanitarian concept. Yet undermining the concept is the objects actuality which relates to state-capitalist reason. Here, Luckham and ACFOA's model correlates with the government's discourse on the basis of their shared instrumentality. For ACFOA, as with the government paradigm, the state must act through aid to preserve our material standing over nature.

Such a state-capitalist bias is underlined by the assertion that a reassignment of funds will promote economic rejuvenation. In the first instance, excessive military spending is seen to further depress the economy in a time of recession. Using the Reagan administration as an example, Luckham shows that weapons production and technology did provide a short-term stimulus.\(^{35}\) But it is claimed that in

\(^{33}\) Ibid, pp.4-5,10.

\(^{34}\) Ibid, pp.10-11.

\(^{35}\) Ibid, p.4.
the long-term, military spending concentrated funds in areas with few commercial benefits. Military spending harmed rather than engendered growth.

For Luckham and ACFOA, then, disarmament is connected to system preservation. Through a reallocation of funds it is hoped that not only the South but the North also will experience economic benefits. Freed from the present constraint of military spending, the economies of both spheres will record improved performance. Investment will be directed to more viable and vibrant sectors of the economy, thus engendering growth and increased trading activity. With that, stability and prosperity will be guaranteed. As Luckham concludes:

In the long-run neither the South nor the North benefit from a depressed global economy. Increases in aid would not only directly benefit the developing countries by stimulating the South's demand for goods and services, they would also reflate the economies of the North. A recent study by the International Labour Office simulated the effects of cuts in world military spending and the reallocation of part of the savings of these cuts to development assistance, using an input-output model of the global economy. The simulation suggested that growth and employment would increase both in the industrialised North and the developing South.36

Thus, the above example has displayed the material location of reason and resistance. In keeping with Foucauldian notions of power and knowledge, aid discourse is posited within a power grid. Those resisting the predominant bureaucratic concept elicit their own power, yet they do so whilst invoking the same truths given that state-capitalism is built on a regime of truth grounded in state-capitalist reason. Thus, the intention of this study is to examine discourse location within this regime, that is, examine the effect of reason on discourse and practice. By using the immanent method, the following truths will be uncovered in both the principle concept and its 'detractors'.

First is the notion of survival that has endowed bureaucracies (and the entire capitalist structure) with an

objective rationality, namely, the whole with which people identify based on an instrumental rationality and the need to dominate. In order to preserve the functioning of accumulation we assume that it is acceptable to use aid as a means to an end; that is, for the Government to formulate aid in such a way as to facilitate accumulation.

Second, is the idea of an economic threat which can be averted. Behind aid is the fear of the other. Throughout East and Southeast Asia countries are industrialising and developing apace. Hence, Australia must conjoin its economy with theirs, otherwise they may eclipse us, and with that Australia's financial security will be endangered. Indeed, this is a foreboding prospect given the objective rationality of our system. That is, centralised bureaucratic guidance to preserve affluence and prosperity. After all, does not advanced, civilised society imply an abstraction from nature?

Of course, this has geopolitical implications also. Central to strategic fears is the prospect of instability. Or more precisely, a destabilising of the status quo. If bureaucratic aid does not consolidate the region, we may face the prospect of instability which could imperil the system via punitive action taken by a hostile neighbour, exclusion from future membership of ASEAN, or disruption to Australian lines of trade and communication incurred by the intervention of an expansionist power in the region.

The final point is related to the above contention, but does not manifest itself in a purely capitalist discourse. Instead, it revolves around our perceptions of other cultures as primitive given their closeness and our relative distance from nature. For example, we have seemingly developed the means to be able to 'rationally' comprehend and therefore control nature, whereas they are still embedded in it. We have the means to classify and control our surrounds for material satisfaction and profit (which is now equated with survival) - they do not. Thus we import technology that will begin to undermine their totality and replace it with our more sophisticated whole. This I would call the humanitarian concept of aid. Supposedly removed
from economic realism or strategic rationality it exhorts society to help 'those less fortunate than ourselves'. As a rich country, it is beholden on us to share our mastery with others.

So what this dialectical method will expose is that the different conceptualisations of aid are the same. Whether they are couched in economic realist, strategic, or humanitarian terms they are not irreducible mandates formed by self-determining individuals a-la humanist accounts. Conversely, they are mere reworkings of the one discourse. Each derives from the cultural base of dominating nature. Preservation of the economy, regional stability and altruism are all located in the historically specific moment. They are all part of the societal whole.

Part One - Australian aid: concepts and claims.

Since its inception in the early 1950s, Australian aid policy has been governed by the three concerns discussed above. Together, diplomacy, economy, and altruism have shaped aid. Successive reports and ministerial statements have underlined this. 37 Hence, what I propose to do is survey the development of these concepts from the inauguration of the Colombo Plan through to the Harries and Jackson Reports. By doing so, the principal truths of aid can be shown within the evolution of the main discourse. That is, the instrumental discourse which has entrenched aid's truth sets.

The Colombo Plan.

The first clear articulation of Australian aid policy, its concepts and its focus came in the form of the Colombo Plan. Conceived at a Commonwealth Foreign Ministers conference in Colombo (circa 1950), and implemented a year later, its lofty ambition was 'the economic and social advancement of

37 Bill Hayden, 'Australia's Overseas Aid Program', *Australian Foreign Affairs Record*, vol.56 no.11, (November 1985); or Gareth Evans, 'Australia's Foreign Aid: Objectives and Agenda', *Australian Foreign Affairs Record*, vol.59, no.11, (November 1988).
the peoples of South and Southeast Asia. Initially, the Plan was composed of representatives from the United Kingdom — including the British Territories of the Federation of Malaya, Singapore, North Borneo and Sarawak - Canada, India, Pakistan, Ceylon, New Zealand and Australia. Later this was revised to include Afghanistan, Bangladesh, Bhutan, Burma, Fiji, Indonesia, Iran, Japan, Kampuchea, The Republic of Korea, Laos, the Maldives, Nepal, Papua New Guinea, the Philippines, Thailand and the United States. Each of these countries was involved in an identification and review process. To attain their goal of coordinated economic and technical assistance, recipient countries had to present their case to the donors. The Consultative Committee was the body through which this took place. Convened at a Ministerial level it examined the progress of member countries and directed the allocation of resources for development. Its primary role was to act as a forum for the exchange of views on development issues. However, it was not the sole functionary of the Plan. Below the Ministerial level, the Colombo Plan Council operated as a secondary forum. Made up of diplomatic missions from the member countries, it served to identify development issues and topics of interest for consideration by the Consultative Committee. Essentially, it was an interim body for the discussion of aid. Here, representatives of member countries could articulate the problems facing them, the programs that had been enacted, and the required amount of aid. Although, clear statements of specific issues and 'entreaties' were reserved for the Consultative Committee.

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39 Ibid.

40 A concise summary of the Colombo Plan modus operandi is provided in Colombo Plan Bureau, The Colombo Plan: Proceedings and Conclusions of the Thirty-First Consultative Committee Meeting, (Sydney Australia, November 1986,), p.i.

41 Ibid.

42 Ibid.
By establishing these formal links it was envisaged that progressive and realistic programs could be advanced for the economic and social development of the recipient countries. Using a coordinated approach based on increasing production and consumption, it was held that living standards would ameliorate, and with that, the spectre of poverty, social unrest, political instability and extremist ideologies would be exorcised. As Percy Spender, (the Minister for External Affairs and Territories), noted on the submission of the Plan:

Situated as we are in the Southwest corner of the Pacific, with the outlying islands of the Asian continent almost touching our own territories of New Guinea and Papua, our first and constant interest must be the security of our own homeland and the maintenance of peace in the area in which our country is geographically placed...Our policy must be to ensure, to the full extent we can, that these new States co-operate with each other and with us in meeting positively and actively the new problems created in this area.43

Already, the concept of aid was entrenched. The Colombo Plan was an instrument for strategic, economic and humanitarian concerns. Through a comprehensive approach to aid in Southeast Asia, stability, expanding markets, and the alleviation of poverty would be assured.44

In fact, the concept's truths were clearly illustrated in the Colombo Plan program of capital aid and technical assistance to Indonesia. Despite a worsening domestic scene in Indonesia from 1955 onwards, which severely strained inter-country relations, aid was purposefully continued. As many have observed, it was used to promote 'neighbourliness' at a time of considerable instability.45 Then, following


45 Philip J. Eldridge, Indonesia and Australia: the Politics of Aid Since 1966, Development Studies Centre Monograph no.18, (Canberra:ANU Press 1979), in particular
Sukarno's demise Australian aid to Indonesia escalated. In 1966 the Australian Government provided an emergency grant of $0.5 million together with a gift of rice worth $0.2 million.\(^{46}\) Thereafter, aid committed to Indonesia successively grew from $5.2 million in 1967/68, to $12.7 million in 1968/69 and finally to $15 million in 1969/70.\(^{47}\) The qualitative growth of this period was subsequently eclipsed by the aid allocation for the three year period from 1970/71 to 1972/73. During this time, the Australian Government consigned $53.8 million in economic assistance to Indonesia.\(^{48}\) According to Arndt, each commitment resulted from interdepartmental wrangling.\(^{49}\) Given its responsibility for aid and foreign relations, the Department of External Affairs sought these increases for diplomatic as well as humanitarian reasons. In particular, it saw aid to the fledgling Suharto regime as vital for the national interest. For the Department of Trade it was a question of economics. Aid in this context was seen as a stimulus for Australian exports.\(^{50}\) Given Indonesia's predicted economic growth, it was hoped that the scope for economic intercourse would increase. Needless to say, the third player involved was the Treasury Department. As the budgetary watchdog it was reluctant to assign funds without a guaranteed return.\(^{51}\) Yet in view of the proposed diplomatic, economic, and to a lesser extent humanitarian benefits, it relented. As a result, Australia continued to show a predilection to Indonesia via the Colombo Plan.

The Harries Report: upholding the tradition.

Despite its 'non-critical sociological' content, Arndt's

Summary and chapter 2.


\(^{47}\) Ibid.

\(^{48}\) Ibid, p.61.

\(^{49}\) Ibid, pp.59-60.

\(^{50}\) Ibid.

\(^{51}\) Ibid, pp.59-61.
account is useful insofar as it charts the genesis of the three aid truths. These were reinforced by the Harries Commission. Commissioned in April 1978 as the Committee on Australia's Relations with the Third World, and Chaired by Professor Owen Harries, the Report was instructed to review existing foreign policy. Broadly speaking, Foreign Minister Andrew Peacock requested that the report address the changing role of the Third World in international relations and its contacts with other countries; assess the impact of the Third World on international structures; and formulate policy recommendations attuned to Australia's interests vis-a-vis the Third World.

According to Peter King and Martin Indyk, the emphasis on policy readjustment was a reaction to three changing elements in the international environment. These could be summarised as detente in East-West relations; the American withdrawal from Vietnam; and escalating tension between the countries of the Third World and the West. In the view of King and Indyk, these international variables diluted Australia's loyalty to American anti-communism and underscored Australia's position as a Western country in a region of impoverished, over-populated Third World countries. In essence, Australia suddenly realised it was positioned in a region of extreme disquiet precipitated by the Indochina conflict and America's abrupt withdrawal. Consequently, it was felt that Australia's foreign policy needed reorientation. As King and Indyk commented at the time:

52 Australia and the Third World: Report of the Committee on Australia's Relations with the Third World, April 1979; For the composition of the Harries Commission, see Appendix I.


54 Ibid, pp.4-14.
Confronted by this rapidly changing international environment, in which the Third World has become the crucible for East-West and North-South conflicts, Australia cannot hope to preserve its 'lucky' status in terms of its security and well-being, by reverting to the old refrains. New, sophisticated and sensitive policies are required for coping with complex situations in which Australia can expect its interests to be more heavily engaged.55

Seen in this way, the Commission's parameters were the state capitalist truths of state-sponsored programs that consolidated our advanced level of prosperity and material control of nature. Statements such as the need for policy reformation in order to preserve Australia's security and well-being in the face of a changing international climate are motivated by present reason: and it is the truths of system preservation which have determined the shape of aid.

Nonetheless, aid as a concept has been constantly oriented towards humanitarian goals with economic and political concerns purportedly remaining subordinate. Indeed, on the eve of the Report's release, the then Minister for Foreign Affairs, Andrew Peacock, foreshadowed its emphasis. In three separate statements, he illustrated the interplay of strategic, economic and humanitarian objectives. As he observed in 1978:

55 Ibid, pp.4-5.
Australia is unique in being a country of western origin, western values and western way of life in the closest possible proximity to the Third World. This is the essential difference between Australia (and New Zealand to a lesser extent) and the rest of the donor community. They can take decisions about development assistance in the abstract, in the light of their idea and ideals and domestic preoccupations. We cannot. We live where the action is: our neighbours are developing countries...It is easy to see this emphasis on our neighbours as a matter of foreign policy - and so it is. It is vital to Australia's future that we maintain friendly relations with those countries who are our neighbours.56

Of course, such a friendly posture would have commercial benefits also. Built into Australian aid is the presumption that economic opportunities will increase. Less developed countries are seen as worthy recipients to the extent that future development will be mutually beneficial; or at least they will sustain the developed countries:

political relations, trade, transport, and investment flows, indeed economic exchanges of all sorts between developed and developing countries are now more diverse and significant than they have ever been. They are no longer characterized by the one-way dependent relationships of the colonial era. Instead, the welfare of developed and developing has become interdependent. However, this salient and basic fact of international economic relations is all too frequently, overlooked. Developing countries, for example, bought one quarter of the visible exports of developed countries in 1975; and purchased almost a third of their manufactured exports. Their capacity to maintain and expand this rate of consumption is vital to the future economic welfare of developed countries.57

However, the humanitarian component of aid has always been held as paramount within the concept. Aid is to be distributed amongst the needy. Other considerations must develop as a corollary otherwise aid is self-defeating. The perceived interrelationship between the three was underscored by Andrew Peacock when he stated that:


Australia gives aid for a complex of reasons, with humanitarian considerations being paramount. My Government believes it is the unquestionable right of all human beings to be relieved of poverty and to have a decent standard of living...  

Thus, the parameters remained unchanged. The three constructs underpinning aid had remained constant. This was the tradition inherited by the Harries Report.  

As such, the Report emphasised the need for aid to have strategic and economic as well as humanitarian dimensions. In fact, these were dominant given the more explicit focus accorded to strategic and economic goals in the reports demarcation of Third and First Worlds.  

Using the Report's paradigm, the Third World was seen as an agglomeration of diverse states ranging from the Newly Industrialised and spectacularly rich, to the most impoverished subsistence cultures. Yet a common thread linked them all. Despite economic, cultural and political differences, they were united by the same ideological stance 'based on opposition to neo-colonialism or neo-imperialism'. For them the West was a singular power which sought to maximise its exploitation of the underdeveloped. The international economic system was consequently looked on as inherently biased as it diverted the benefits to the West whilst extracting the costs from the Third World.  

Hence, the Report arbitrarily delineated between West and the Third World. In particular, it characterised all Third World countries as having internalised an 'us' and 'them' mentality. Given their shared experiences of Western exploitation and indifference to the needs of Third World

59 The Harries Report, Chapters 1&2.  
60 Ibid, Chapter 1, pp.1-3.  
61 Ibid, Chapter II, Section 3, 'Harmony and Conflict of Interests Between the Third World and the West', notes 65-72.
countries, the developing world has coalesced. For Australia this was significant. By virtue of our regional position the repercussions were held to be immense. Therefore, the Report suggested that our relations should be conducted bilaterally. Above all the Harries Report felt that Australia should align itself with the more moderate developing countries encircling it in order to draw these less radical members 'on-side'. Despite their Third World affinity, it was assumed these countries would be less receptive to the extreme positions of fellow Third World countries. Instead, the lure of prosperity would induce them to coordinate their development with other economies; a presumption which led the Report to recommend symbiotic relations, or at the very least, 'neighbourliness' and willing interaction. Operating on the rationale of developed countries elevating the wealth of the Third World, it insisted that Australia should subvene. Accordingly, aid was to be increased and open and non-discriminatory trade was to be supported in principle.

For the Harries Report, then, the utility of aid and trade was vital. Together, they could facilitate the growth of domestic economies in moderate countries. Additionally, they would create friendly relations within our sphere. Through aid and trade Australia would be projected as the conscientious, compassionate Western Neighbour. The corollaries of this were seen as three-fold. First, it would ensure regional stability for a western country immersed in a Third World environment. By aligning itself with the moderates, Australia could avert the potentially hostile First/Third World division. Second, a policy of regional cooperation would provide an economic stimulus for

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62 Preston King, 'On Developing an Interest in the Right Policy', Quadrant, (August 1980): "Or one may be concerned to elicit the manner in which their common condition, however minimal a factor, activates a functional unity among them".

63 The Harries Report, Chapter 1.


65 The Harries Report, Introduction and Chapter 1.
Australia. Given the rapid development of the moderate countries it was envisaged that Australian exports could benefit. With growing economies on our doorstep, items such as food, minerals, energy resources and perhaps tourism and services would be in demand. Moreover it was anticipated that Australia could become an important supplier of manufactures, technology and offshore industry. Sir Leslie Melville best summed this up when he stated that:

...We must strengthen our relationship with a number of progressive countries within our immediate region and perhaps elsewhere. We should do this because good relations with those countries will bring mutual benefits.\(^{65}\)

This leads, in turn, to the final point. Almost by implication, the Report believed that humanitarian concerns would be addressed through growth, as by expediting growth it was assumed that prosperity would follow. Subsequently, their wealth would increase thus ameliorating the plight of the less fortunate. In keeping with the neo-classical economic tradition it was argued that domestic economies had to walk (grow) before they could run (redistribute).\(^{57}\)

The Jackson Report: the culmination of the lineage.

The Jackson Report was perhaps the most comprehensive review of Australian aid ever undertaken. Spawned by the Auditor General's critical appraisal of aid administration, the Jackson Committee was formally established in April 1983. Initiated by the Fraser Government and then completed by the incoming Hawke Government, the Jackson Report set out to address the inefficacy of Australian aid. Like the Harries Report before it, the Jackson Report sought to maximise Australia's relations with its Third World neighbours through an expeditiously managed aid program. As the Department of Foreign Affairs' submission to the Joint Committee on Public Accounts states:

\(^{56}\) Melville, 'The Harries Report', p.29.

While Australia's aid is an important element in our relations with developing countries, it must be developed within a framework embracing Australia's overall national interests. The main policy directions which the Government has established for the aid program are set out in the Audit Report. The Report quite rightly refers to the difficulty that can arise in reconciling the political, commercial, and humanitarian factors which must be reflected in our bilateral aid program.

The actual Report of the Committee was not tabled in the House of Representatives until the 7th of June 1984. On its submission, the Foreign Affairs Minister underlined the Jackson Report's importance. He declared that the Report would influence the shape of Australia's aid program for years to come. Yet the underlying concepts of the Report differed little from its predecessor. Like the Harries Commission, it defined development in terms of growth and equity. The two were synonymous. Without the removal of constraints to growth, less developed country's could not advance, whereas aid, when assigned to infrastructural programs, could overcome "bottlenecks".

By adopting this framework the Jackson Report perpetuated the emphasis of the Harries Commission. Now, however, there was a more explicit focus on humanitarian concerns. According to the Report, Australian aid could magnify its impact by improving the physical and human infrastructure of the recipient country's. Above all, it recommended concentrating on projects relevant to our expertise; in

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69 R. Gordon Jackson, 'Australia's Foreign Aid', Australian Outlook, vol.39, no.1, (1985), p.20; For the composition of the Jackson Committee, refer to Appendix II.


71 Ibid.

other words, projects related to agriculture, transportation and public works. Then, once aid had helped to remove these constraints, it was envisaged that prosperity and a gradual redistribution of wealth would follow. Australian aid would thus have fulfilled its moral obligation, whilst also furthering Australia's less altruistic interests. As with the Harries Commission, aid was understood as a pre-condition for stability. If aid succeeded in promoting economic development, then the surrounding country's would be less vulnerable to upheaval; or in Harries terms, the division between Third and First Worlds would be less likely to occur. Instead, the decision-makers and people of the less developed country's would look on Australia in a favourable light. And for Australia, located as it is in an area of underdevelopment, this was seen as imperative. Then, of course, there was the economic corollary. Successful development would not only produce more stable neighbours, but trading partners also. Opportunities for export expansion would increase, as would the potential for direct foreign investment.

Yet to fulfil these objectives it was asserted that Australian aid would have to be professionalised. One of the Committee's major criticisms was that Australian aid was too fragmented. To justify this it painted Australian aid as being thinly spread over a wide area. To counter the deleterious effects that such a dispersion was having, the Committee recommended that foreign aid should be rationalised. Gone were the days of the "shopping list". Instead, a country's eligibility for aid was to be determined by four geographic categories attuned to our strategic and economic interests, our regional responsibilities, our capacity to assist, and humanitarian concerns. Accordingly, the categories were organised thus:


74 Shopping list was a term often employed as a characterisation of the requests for development assistance submitted to multilateral organisations such as the Colombo Committee by LDCs.
1) Papua New Guinea and the small island states of the Pacific and Indian Oceans.

2) Southeast Asia and the smaller states of South Asia (Bhutan, Nepal and Sri Lanka).

3) China, India, Pakistan and Bangladesh.

4) Other developing country's (including the poorest of the African states).  
   
   As proposed by the Committee, the extent of bilateral projects was to taper according to the different categories. Based on country programming some would be eligible for more than would others. Hence, the first category would be entitled to all forms of support; the second would receive project aid in areas of Australian expertise; country programming in the third was to be confined to a generalised level with the selection of projects undertaken judiciously; whilst the fourth would only receive assistance through multi-lateral and non-government bodies. Where bilateral aid was preserved, country managers were to formulate programs within the overall plans of the region. Using their detailed knowledge of its economic, political and social institutions, they were to devise accepted long-term strategies.

   Needless to say, these strategies were not based on 'grass roots' programs. Instead, Australian aid was to eliminate 'bottlenecks' caused by a lack of education, domestic savings for investment, and administrative and technical skills. Of paramount importance, the Report concluded, was the upgrading of a recipient LDCs physical infrastructure via the trade/aid issue. On this point it extrapolated that

75 Lim, 'The Underlying Framework', p.20.
76 The Jackson Report, Chapter 9, pp.140-141.
Australia could best promote economic growth by not tying aid to Australian goods and services when these were uncompetitive, by opposing mixed credits unless they protected against unfair competition, and by opening our markets to their goods.\(^{78}\) It was hoped that in the long-term such measures would create an environment in which '...production, investment and exports would be encouraged by sensible exchange and interest rates; the per capita income would rise accordingly; and the revenue generated could be taxed, thus providing for the establishment of public infrastructure'.\(^{79}\)

Even so, it was felt that public infrastructure alone was not sufficient to overcome 'bottlenecks'. People with the requisite managerial and technical skills were also needed. Hence, training and education were seen as crucial. In an effort to raise the general level of personnel skills, the Committee planned an across-the-board education program. This was to be built on an extensive scholarship system which promoted student interchange between Australia and the developing country's. Included in this system were recommendations:

- That the hidden subsidy to developing country students' education be made explicit and counted as part of official development assistance.

- That a fees system based on full cost recovery be gradually introduced with an extensive scholarship system replacing the former government-to-government model.

- And that additional sorts of scholarships, including a merit scholarship and a scholarship targeting disadvantaged groups, be offered.\(^{80}\)

Thus the Report forecast that after such training, the

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\(^{78}\) *The Jackson Report*, Chapter 8, Sections 8.25-8.27.

\(^{79}\) Lim, 'The Underlying Framework', p.20.

\(^{80}\) *The Jackson Report*, Executive Summary, p.11.
students of today would become the skilled personnel of tomorrow.

To effectively implement these changes the Committee acknowledged that the existing administrative organ (ADAB) had to be reformed. With this in mind, the Report recommended that ADAB be incorporated into the Department of Foreign Affairs as an autonomous bureau, with the Director becoming a statutory appointee exercising control over all aid resources. Then and only then, with efficient management at home and sensible implementation abroad, would aid have a greater impact on economic development.

Following the incorporation of ADAB into the Department of Foreign Affairs, this department also subsumed the trade portfolio. The integration of aid, trade, and foreign policy betrays the underlying emphasis of the Jackson Report. Despite the inherited tradition of aid reflecting humanitarian concerns before all else, when the falsehood of the concept is stripped away the truths of system preservation through economic and strategic negotiation are borne out. This is the shape of aid vis-a-vis state-capitalist reason. The Jackson Report is little more than a hypostatised entity which embodies the present interpretation of nature-domination through prosperity and security — an orientation which will be born out in the next chapter.
Chapter Three
The Jackson Report as Reason in History.

Given the history of Australian aid formation, two points are clear. First, is the predominance of the bureaucratic discourse. Bureaucratic control has established the regime of truth. The expanding state has determined the shape of reason. Second is the importance of the Jackson Reports articulation of these truth sets. Developed by the aid bureaucracy, this report unequivocally states its discourse. That is, the Jackson Report articulates the main discourse. So to uncover the bias in the regime of truth, one must textually analyse aid philosophy. Using negative-dialectics, the embeddedness of reason in history can thus be realised via the Jackson Report. As the most cogent expression of aid policy, it promises to be the most fruitful line of inquiry. Although the culmination of a bureaucratic aid discourse that has subscribed to a concept based on the preponderance of humanitarian concerns, the actuality of the Jackson Report will confirm the preponderance of state-capitalist truths.

The aim of this chapter is to examine the 'truths' of the bureaucratic discourse as it applies to aid, that is, the rational identity of the concept. Using the negative-dialectics of Critical Theory, it will be demonstrated that the Jackson Report is deeply rooted in state-capitalist reason. In contrast to the 'traditional' concept revolving around humanitarianism, aid is governed more by strategic and economic concerns. Insofar as these objectives are crucial to our material standing over nature, they constitute the truths

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1 See Michel Foucault 'Truth/Power' in Power/Knowledge - Selected Interviews and Other Writings 1972-77, ed. by Colin Gordon, (Brighton; Sussex: The Harvester Press 1980).

2 In effect, the concept is enshrined in these statements of philosophy and policy.

3 That is, its claim of accuracy pertaining to the object.
of aid. The state capitalist bias inherent in the Jackson Report is drawn out by the actuality of the object. When the actual shape of aid in terms of budgetary allocations and geographical focus is contrasted against the purported humanitarianism of the concept, the influence of nature dominating reason comes to the fore. Rather than increase the aid budget to the prescribed target of 0.7% of GNP, and concentrate on areas of immense poverty, Australian aid has diminished in overall terms at a time when allocations to the middle-income countries of ASEAN have continued to increase. Such a distributive trend can only be explained by the political and economic importance of the region. Not only does Southeast Asia promise to resuscitate Australia's stagnant economy through aid and commercial contacts, it also straddles an area of strategic sensitivity for Australia. Hence, the state has acted, via the Jackson Report and aid, to preserve Australia's well-being.

Briefly, then, the following chapter can be broken into five sub-sections. Sections I and II examine the articulation of the aid concept as it is identified within the Jackson Report. Throughout, aid is promoted as humanitarian development through infrastructural upgrading and export-oriented industrialisation. Section III subsequently contrasts the actual shape of aid, in terms of volume and geographic focus, against the claims of the concept thus drawing out the import of state-capitalism's truths. Finally, Sections IV and V posit aid in the present moment of history via a textual analysis of statements taken from the Jackson Report, associated governmental statements, and a brief case study of the disproportionate emphasis accorded to Indonesia by the aid program.

Part One: The Jackson Report - aid as a concept.

Within the bureaucratic discourse aid is conceptualised as a response to poverty alleviation. According to the Jackson report, it is the moral obligation of First World countries to assist the less fortunate. Given our technological and
material advancement, we should help the Third World.\(^4\) Aid is, above all, an attempt to establish economic and social parity. But through parity aid will also achieve the other goals, namely strategic and economic considerations. Because of Australia's location on the Asia-Pacific rim stability is essential; unrest could threaten the status quo.\(^5\) Aid, it is believed, can forestall such problems whilst also improving Australia's position economically, as conceivably developing countries will generate economic opportunities for Australia.\(^6\)

But aid is foremost a humanitarian concern, with the other 'benefits' mere corollaries. As the Jackson Report states:

Aid is given primarily for humanitarian reasons to alleviate poverty through economic and social development. It is the response of the wealthy industrial countries to the needs of hundreds of millions of people who live harsh and materially meagre lives. Aid also complements strategic economic and foreign policy interests, and by helping developing countries to grow, it provides economic opportunities for Australia.\(^7\)

To accomplish this aid policies must promote development through infrastructural programs. A basic needs approach is not enough. Development requires improved facilities such as educational levels, roads, dams, ports and machinery, as with that productivity will increase thus lifting the mean income. Consequently, the benefits will accrue to all members of the developing country enabling them to share in the spoils.

Aid as a concept - humanitarian development in the Jackson Report.

Of course, it is envisaged that Australia will benefit also.


\(^5\) Ibid, Chapter 1, section 1.9, p.22.

\(^6\) Ibid, Chapter 8.

\(^7\) Ibid, Executive Summary, p.3.
The more rapidly development takes place, the better Australia's commercial and strategic interests will be served. However, these 'offshoots' have been adequately discussed in Chapter 2. The focus, here, is on the actual shape of aid. What must be addressed is whether or not aid as a concept adequately describes the object. That is, whether the bureaucratic discourses conceptualisation of aid translates into practice. If a contradiction exists between aid philosophy and practice, then there is more to the concept, because to draw out the inadequacies of the concept is to point to the underlying regime of truth. Aid in this sense, is shaped by state-capitalist reason. Aid is governed by the instrumental rationality of system preservation through bureaucratic control.

First, though, it must be proven that the concept is not supported by the object it describes. To do so is to underline the other dimensions of the concept. As aforementioned, aid is based on an altruistic/pragmatic causality. Humanitarian concerns are of paramount importance, whilst the ensuing benefits accrue. Richard Higott examines the emphasis on development from a developmental theory perspective. His avowed aim is to locate the Jackson Report in its 'intellectual and politico-economic contexts'. Indeed, Higott sets out to show that the Report owes much to the dominant orthodoxy of developmental theory. This revolves around a movement away from basic needs to structural adjustment policies. Induced by the failure of the United Nations First Development Decade, a debilitating recession and the growth of neo-conservative politics, First World countries

8. That is, it demonstrates that other determinants shape our treatment of aid.

9. Thus allowing an analysis of the other aspects of the concept, or the reason why it fails to adequately describe its object.

have adopted export-oriented strategies (EOIS). Rather than restructure the international economy, they have sought to adjust it. What the international structure requires, it is argued, is a freeing up of trade. Once this is done developing countries will advance. Structural adjustment will have facilitated export led growth. By concentrating on outwardly oriented strategies, the LDCs will trade their way to prosperity; whereas to persist with a basic needs approach during recession '...is to throw good money after bad'.

Here, structural adjustment correlates with comparative advantage, with comparative advantage referring literally to a country's attributes favouring economic growth. Unlike the earlier perceptions of comparative advantage which focused exclusively on the availability of labour, now '...factors such as land, resources, capital...are also taken into greater consideration'. Structural adjustment asserts that by enhancing these attributes through development aid, a LDC could generate income by virtue of its new-found trading status. Geared to export manufactured and primary goods, the LDC would expand its capital stock. Further domestic and export growth would ensue with the benefits eventually being distributed. Not that export-oriented strategies are based solely on altruism. Overall, the economic order will benefit from development. New markets will arise thus engendering a


14 Ibid, p.43.

15. As export oriented industrialisation will establish an industrial manufacturing sector thus creating employment, improving incomes and generally enhancing the standard of living. Eventually via this trickle down process it is envisaged that poverty will be obviated.
more robust international economy. And stability will be assured through poverty alleviation.

Such an analysis is clearly based on humanist assumptions, as humanism endows the subject with the ability to formulate and receive discourse. In essence, humanism revolves around agency, or the ability of the subject to consciously form or reject discourse. According to Higgot, conflicting strategies are introduced by political actors in view of the prevailing climate. That is, policy-makers consciously form aid discourse as a response to immediate needs. So what we are faced with in an examination of aid discourse is a rigid delineation between antithetical strategies. Basic needs was supplanted by structural adjustment with the emergence of fundamental changes in development thinking. One set of beliefs replaced the other. Conversely, Critical Theory would argue that both should be seen as variations of the same discourse (this is discussed more thoroughly in Chapter 4). While the delivery differs somewhat, the concepts 'truths' remain the same. Aid works to establish parity, then once this is achieved poverty will be eliminated, the international economy will be rejuvenated, and stability will follow.

Thus aid's regime of truth is still based on bureaucratic reason. It is still held that bureaucratic guidance is needed for system preservation. The only difference that exists occurs in strategies of power. Resistance to one interpretation of instrumental reason has led to another. Because of the apparent ineffectiveness of basic needs it has now been replaced by structural adjustment. But despite this changed focus, the key truths of aid have remained the same. Aid as a concept is still formed within state-capitalist reason, or that which demands system preservation through the


17. A la the idealism of Hegel, Marx and the liberal tradition, with their notions of half or false truths coming into conflict and thus yielding a more accurate truth.
instrumental rationality of bureaucratic guidance. Everything is employed as a means to this end.

Nonetheless, Higgot's article is useful insofar as it examines the present shape of the concept. Aid, in the Jackson Report, is export-oriented. Infrastructural development is identified as the stimulus. LDCs can begin to develop outwardly once the infrastructure is in place.¹² To expand upon this, I shall now examine the concept as it is articulated in the four parts of the Jackson Report.

Part Two : Humanitarian development as articulated in the Jackson Report.

The Setting

Broadly speaking, the Jackson Report identifies export-oriented development as crucial for the reasons stated above. In keeping with the concept, development is necessary for poverty alleviation. This is paramount. Australia has a moral obligation as a rich country to assist the poor.¹⁹ Any other outcomes are to purportedly remain incidental.²⁰ But of these, political stability is advantageous to the donor country also. For Australia, located as it is in a less developed region, stability is vital. If conditions are not improved then the possibility of a dramatic upheaval must be considered, whereas development can avert this catastrophe. Through export growth the domestic situation of less developed countries will ameliorate, and with that, the discontented masses will receive their share of the wealth. In effect, they will be placated. As Lim puts it:


²⁰. That is, mere corollaries.
If aid succeeds in promoting economic development, it is likely to enhance the standing of Australia in the eyes of the decision-makers and populations of the recipient LDC. This is particularly desirable if the LDCs concerned are strategically important to Australia, as it is better to have friends rather than enemies in one's geo-political sphere of concern. (Indeed), the political reason for giving aid is particularly important to Australia, located as it is unlike most other donor countries, in an area of under-development.

Then of course come the economic benefits. Keeping with the structural adjustment paradigm, development will enhance the viability of less developed countries by transforming them into stable trading partners, once a productive infrastructure is in place. Using their comparative advantage, LDCs will be locked into the international economy. And given Australia's position, this is an opportunity that should be seized upon in view of Australia's proximity to the LDCs of Southeast Asia and the Pacific. When development achieves its goals, this region will become a vibrant market for Australian goods and services. Providing Australia is also willing to liberalise its economy, rewarding trade and investment can be conducted between the two. Indeed, this is already proving to be the case. Successful NICs such as Singapore, Hong Kong and South Korea are generating wealth within the region. Thus, aid can help Australia derive some benefit from their rapid development, as if Australia shows a willingness to further the progress of developing countries, they will be favourably disposed to Australia as a regional partner.

**Issues in development assistance.**

The principal focus of this section is aid rationalisation.

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24. Ibid.
For aid to execute the aims of its concept it needs to be streamlined. Of particular concern is the fragmentation of Australia’s aid program ‘...over too many sectors, by its use of too many instruments of delivery, and by its implementation in too many countries’. The adjustments for the latter two are discussed in the following section, while the sectoral remedy is based on the removal of major constraints to development. Population planning, health and nutrition, rural and urban development, infrastructure, women, and education are all identified as sectors of Australian expertise. But it is in the area of education that aid as a concept is most clearly articulated.

According to the Jackson Report, a greater share of the aid budget should be assigned to education and training. The Report goes on to recommend that Australia establish a comprehensive scholarship scheme whilst also improving the graduate training system. The rationale behind this recommendation being that education, specialised training, research and technical assistance are an integral part of development. In the opinion of the Jackson Report:

Education is central to development. The lack of skilled people is a key constraint at the early stages of development, and high levels of investment in education continue to be necessary at all stages of the growth process to manage programs in the public sector and in private business.

This is the humanitarian component of aid. Equitable growth can only be sustained through education. Without it, infrastructural projects will be rendered useless. The LDCs will lack the requisite professional and managerial skills to


26. Ibid, Chapter 4 - Aid for Development, sections 4.1-4.28.

27. Refer back to the brief examination of the Jackson Report in Chapter 2 of this paper.

oversee export-oriented development. They will continue to languish in poverty.

Then come the incidental benefits. Stability is obviously one. Economic advantage the other. As the Jackson report sees it, development in Asia will increase demands for education. Australia should thus transform its education institutions into an export industry. This would assist developing countries and stimulate the Australian economy. It would do so in two ways. On the one hand, promoting education would provide immediate employment for professional staff. On the other, exporting education would have a multiplier effect, throughout the economy, for as the Report suggests:

In American university towns, one 'town' job is generally added for every additional 'gown' enrolled. The development of an education export industry, particularly in the graduate field, would benefit the economy directly, and through research it would be linked to the 'high tech' and 'new tech' industries which Australia so strongly wishes to develop.

So by exporting education the Australian economy will prosper. From the more mundane levels of raised consumption to the development of ground-breaking technology, benefits will accrue. Not only development, but commercial and political interests will be furthered.

Australian interests in the developing world.

In conjunction with a sectoral focus, the Report identifies the need for a geographic concentration of aid. Given its fragmented nature, aid is seen as little more than tokenism


30. Ibid, Part II, Chapter Six.


32. i.e. it identifies the provision of food, shelter, clothing and entertainment for students. Tourism is another sector mentioned also.
which fails to serve either developmental or foreign policy interests. Up until the tabling of the Report, Australian donor programs had given bilateral aid to over 70 countries. An additional twenty-two per cent of Australian aid was distributed as multilateral aid through various international organisations. Subsequently, aid was being thinly spread over a broad area. To counter the 'minimalizing' effects of such dispersal, the Jackson Report demands a geographic rationalisation. Gone are the days of shopping lists, replaced instead by a framework of geographic categories. Accordingly, the composition of aid is to be governed by the following selection criteria: first and foremost humanitarian concerns; developing country needs; Australia's capacity to assist; our regional responsibilities and traditional links; and our strategic and economic interests. Accordingly, category (i) countries receive the highest levels of bilateral support, while assistance to category (iv) countries is confined to food aid.

In this way, the Report believes the aims of the concept can be fulfilled. The LDCs of our region will receive the highest levels of aid, and by virtue of its rationalisation, aid will now be more effective. Aids sectoral and geographic focus will ensure that program development within specific LDCs is attuned to their needs. No longer fragmented, development aid

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35. Ibid.

36. Refer to Chapter 2 footnote no.49.


38. Ibid, Chapter Nine, pp.140-142.
will focus on growth ‘bottlenecks’. Then once they are overcome, export-oriented strategies can be enacted. Using their newly created infrastructure, LDCs will be able to exploit their comparative advantage. Resources can be developed for export with the ensuing wealth promoting a more robust domestic economy. Further infrastructure can be established, as could new industries, with the end result being the rapid development of a once impoverished country. Now integrated into the world economy they will become rewarding commercial and political partners, thus creating an environment that is conducive to mutual growth for themselves and their neighbouring countries—Australia included.

Administration and management.

The final element of aid as discussed by the Jackson Report is administration. To fulfil the objectives of the aid concept, professional management is also required. Geographic, sectoral, and instrument reform cannot ensure aid efficacy by themselves. A strong, coherent administration is also a pre requisite for success. If development is to be achieved, the aid bureaucracy must provide direction. Rather than simply oversee the disbursement of funds to marginal projects, the aid bureaucracy must establish the framework. In particular, the Report stipulates that aid management will demand a high level of: policy analysis and programming; project and program selection and preparation; field appraisal, implementation, supervision and monitoring; evaluation and procedures to feed back results across projects, sectors and country programs to management; and importantly, dialogue with recipient countries. As the Report states in its


41. Ibid, Chapter Sixteen, section 16.8, p.232.
assessment of ADAB\textsuperscript{42}: 

Aid management requires the usual skills of policy departments and of those which negotiate with other governments and international bodies. ADAB should be geared towards managing a high quality program, subject to rigorous forward planning and professional implementation. It should have adequate resources for policy development, country programming, and program management, appraisal, monitoring and evaluation. ADAB must have financial flexibility and funding predictability. Its organisational structure must reflect program goals.\textsuperscript{43}

Conclusion

In sum, then, aid as a bureaucratic concept is clearly articulated in the Jackson Report. Throughout, the emphasis is on bureaucratic initiated action to enhance Third World development. Humanitarian concerns take precedence. But they are interleaved with commercial and political ones. Based as it on state-capitalist reason, aid's regime of truth demands bureaucratic intervention to alleviate poverty and service Australian interests. As an affluent country in a less developed region there are compelling demands for growth. This is the Jackson Reports conceptualisation of aid.

Part Three - Aid as an object: its actuality

To show that the aid concept, from basic needs to structural adjustment correspond, the truths of the concept must be drawn out through aid's actuality. But it is no simple matter to contrast the concept against the object it claims to represent. After all, how should the object be defined? The answer to this riddle lies in Critical Theory's use of the term actuality. This establishes a counterdistinction between the claims of the concept, and the actual shape of the object

\textsuperscript{42}. Which has subsequently changed to AIDAB.

\textsuperscript{43}. \textit{Jackson Report}, Chapter Fifteen, section 15.26, p.228.
it sets out to describe.\textsuperscript{44} In turn, this points to the inadequacy of the concept. The concept fails its object because of its dependency on present reason. Rather than an objective identification, the concept is formed according to prevailing truths.\textsuperscript{45} These are the manifestation of state-capitalist reason. So when aid is discussed, it is conceptualised within the nature-dominating discourse.

For the purpose of a contrast, aid's actuality here refers to the aid program and its effects on recipient countries. Studied at the policy level, the configuration of aid will expose deficiencies. Statements pertaining to aid will show that the concept fails to describe the object.\textsuperscript{46} A cursory assessment will crystallise aid's bias. Given aid's regime of truth, the aims of the concept are not being met.

The volume of aid.

Perhaps the most damning indictment of state-capitalism's conceptualisation of aid lies in successive budgetary allocations. Since the Jackson Report, Australia's aid program has been drastically cut. From 0.5% of Gross National Product in 1984-85, Official Development Assistance fell to a low of


\textsuperscript{45} These being governed by interpretation and reinterpretation of the nature dominating discourse. As Horkheimer and Adorno state op cit Helmut Dubiel, \textit{Theory and Politics: Studies in the Development of Critical Theory}, (Cambridge; Mass.: MIT Press, 1985) p. 90 "A philosophical reconstruction of world history would have the task of showing how the consistent domination of nature, despite all deviations and resistance, has been continuously and increasingly successful and has integrated that which is intrinsically human. Economic forms, forms of authority, and cultural forms could also be derived from this perspective".

\textsuperscript{46} Thus alluding to the fact that the concept says more than as it currently applies; with the actuality being the shape of the program vis-a-vis statements and the effect of the program on recipient countries.
0.33% in 1989-90.\textsuperscript{47} While this decline has been arrested, forecasts for aid in 1992 are less than optimistic. In line with the previous year it is envisaged that aid will comprise 0.35% of GNP.\textsuperscript{48} To put this in context, aid has progressively tapered from 0.52 in 1983-84 to the meagre figure of today. Worse still, this decline has occurred despite the Development Assistance Commission setting a target of 0.7\% for donor aid.\textsuperscript{49} Given recent trends this is unattainable. Indeed, the marked fall in the aid budget has meant that Australia is rapidly slipping into the bottom half of the donor table.

The question that begs is how can the concept be legitimated. The claim that advanced countries have a moral obligation to promote development is undermined in view of the adverse effects the draconian reductions in aid have had on country programs. Many have been wound down, whilst programs elsewhere have been scrapped.\textsuperscript{50} As the Joint Committee on Foreign Affairs, Defence and Trade states:

\begin{itemize}
\item \textsuperscript{47} 1990-91 Budget Related Paper No.4, Australia's Overseas Aid Program, 1990-91, p.12 Table 1.
\item \textsuperscript{48} 1991-92 Budget Related Paper No.4, Australia's Overseas Aid Program 1991-92, Table 1 p.13.
\item \textsuperscript{49} indeed as the Joint Committee on Foreign Affairs, Defence and Trade - A Review of the Australian International Development Assistance Bureau and Australia's Overseas Aid Program, (Canberra: AGPS,February 1985), states : "The Development Assistance Committee of the OECD - the donors club- has described the fall in Australian aid as unprecedented : that is, no Western country has ever reduced aid so far, so fast. it has called on the Government to resume real growth, and to set targets to achieve the internationally accepted goal of 0.7\%.". pp.53-54.
\item \textsuperscript{50} Ibid.
\end{itemize}
Aid effectiveness in the mid to long term was undermined by the loss of AIDAB's capacity to undertake vital planning activities such as feasibility studies. A healthy 'pipeline' of aid projects and other programs is essential for effective delivery. It is probably that the drying up of this pipeline... has had an adverse effect on the quality of Australia's aid in subsequent years.

Hence, the state has reneged on the cornerstone of its concept, namely assistance for development, as a rich country cannot help to alleviate poverty when its programs are disabled. By diminishing the quantity of aid, the effects on infrastructure and outward growth must diminish also. And given the importance accorded to this by the concept, the humanitarian aspect cannot be satisfied. Thus the entire concept of humane development, with its ensuing benefits, is contradicted.

Even more anomalous is the allocation of the remaining aid. While ODA has hovered around the 0.35 mark, one region, the Association of Southeast Asian Nations (ASEAN), has continued to receive largesse. Since the advent of Australian aid, over 740 billion has been given to the ASEAN nations. Rather than change the bias the Jackson Report affirmed it, as from 1986 to 1992, aid expenditure rose from $189.5m to $237.8m. No other region has experienced such a constant increase. The more impoverished regions have either had programs cut or at

51. Ibid.


53. This, it should be stipulated, is based on total aid flows, including aid flows to regions and individual countries which often include more than the expenditure shown under specific country programs. This is because expenditure shown under country programs includes activities that are programmed on a government-to-government basis. Specific countries also benefit from a range of development cooperation activities which are programmed in other ways. These include regional or multicity activities, global programs or sectoral initiatives, support for activities initiated by non-government organisations (NGOs) in a number of countries, and funding for multilateral organisations involved in development assistance activities internationally. Table 2 pp.14-15, Budget Related Paper, no.4, 1991-92.
best received modest allocations.

Yet the irony is that the ASEAN countries have evolved into middle-income countries. Given their prosperity, the concept of humanitarian aid is rendered asunder. While they do retain pockets of extreme poverty, their economies have experienced dramatic growth. Beginning in the 1950s and 1960s, Thailand, Malaysia and the Philippines have all developed rapidly. By adopting comparatively open economic policies, augmented by varying degrees of protection, these countries stimulated import-substituting industrialisation. Indonesia, on the other hand, was subject to slower growth. Its economic introspection hampered export development. However, Indonesia has also enjoyed an improved performance in the 1980s. So while the world economy labours under recession, ASEAN has preserved its strong performance. As Ariff observes:

Asean economies are among the most successful in terms of economic growth and development, some of them posting double-digit growth rates and doubling or trebling their per capita incomes in the last fifteen years.

An examination of OECD and ASEAN economic forecasts serves to reinforce the remarkable growth of this region. As the following table demonstrates, the ASEAN aid recipients are far more robust than economies elsewhere.

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57. Booth, Economic Development, p.3.

Economic Outlook for ASEAN and OECD

<table>
<thead>
<tr>
<th>Economies</th>
<th>1990actual</th>
<th>'91forecast</th>
<th>'92forecast</th>
</tr>
</thead>
<tbody>
<tr>
<td>Indonesia</td>
<td>7.1</td>
<td>6.0</td>
<td>6.5</td>
</tr>
<tr>
<td>Malaysia</td>
<td>10.9</td>
<td>8.5</td>
<td>7.6</td>
</tr>
<tr>
<td>Philippines</td>
<td>2.5</td>
<td>1.5</td>
<td>3.5</td>
</tr>
<tr>
<td>Thailand</td>
<td>10.0</td>
<td>8.0</td>
<td>7.5</td>
</tr>
<tr>
<td>United States</td>
<td>1.0</td>
<td>-0.2</td>
<td>2.1</td>
</tr>
<tr>
<td>Canada</td>
<td>0.9</td>
<td>-1.7</td>
<td>2.3</td>
</tr>
<tr>
<td>Japan</td>
<td>5.7</td>
<td>4.0</td>
<td>3.5</td>
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<tr>
<td>W. Germany</td>
<td>4.7</td>
<td>3.0</td>
<td>2.7</td>
</tr>
<tr>
<td>France</td>
<td>2.8</td>
<td>1.6</td>
<td>2.1</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>0.5</td>
<td>-1.0</td>
<td>1.0</td>
</tr>
<tr>
<td>Italy</td>
<td>2.0</td>
<td>1.1</td>
<td>2.1</td>
</tr>
<tr>
<td>G-7</td>
<td>2.5</td>
<td>1.0</td>
<td>1.2</td>
</tr>
<tr>
<td>Total OECD</td>
<td>2.6</td>
<td>1.3</td>
<td>2.4</td>
</tr>
<tr>
<td>LDCs</td>
<td>2.2</td>
<td>1.8</td>
<td>3.0</td>
</tr>
<tr>
<td>Eastern Bloc</td>
<td>-2.5</td>
<td>-1.0</td>
<td>1.0</td>
</tr>
<tr>
<td>World</td>
<td>1.7</td>
<td>1.1</td>
<td>2.3</td>
</tr>
</tbody>
</table>

Based on the exportation of primary products, ASEAN countries have embarked upon export-oriented industrialisation. Rather than generate prosperity through import substitution, they have industrialised through exports. Gradually, primary goods are being replaced by new manufactured products. Items such as electronic components, clothing and petrochemicals have assumed more important roles in the export portfolios of these countries. Although it must be said that primary products still comprise the bulk of ASEAN exports.

Thus, ASEAN growth has been sustained by primary exports and trade. Their open economies have led to the creation of an industrial base. Needless to say, this has guaranteed their ongoing success. Indeed, their development to date has been so pronounced that they have now graduated to the ranks of middle


61. Ibid.
and upper middle-income countries.\textsuperscript{62} East Asia aside, ASEAN countries have surpassed any other group of developing nations.\textsuperscript{63} Yet a disproportionate share of Australian aid has gone to this region. At a time when ASEAN economies have registered considerable growth, Australian ODA has increased not decreased. Despite the obvious progress made, Australia still persists with its program.

Of course there has been an economic slowdown in these countries. Exogenous factors have impinged on development.\textsuperscript{64} Nonetheless, the ASEAN countries still boast growth rates well in excess of any other region. Thailand, in particular, remains vibrant. After four consecutive years of GDP growth exceeding 10 per cent, the Thai economy decelerated in 1991.\textsuperscript{65} The principal variable was the onset of the Gulf War. Given its adverse impact, economic growth was reduced to between 7 and 8 per cent. Similarly, the forecast for 1992 is for a 7.5 per cent rate, and while this represents a diminished performance it is envisaged that Thailand's export sector, together with an expanding industrial capacity and tourism, will provide the impetus for sustained development.\textsuperscript{66} In short, they will guarantee the high level of GDP growth.

Likewise, Malaysia has enjoyed a time of prosperity despite the slowdown. A phenomenal GDP rate of 10.9 per cent in 1990

\textsuperscript{62} Ibid, p.47.

\textsuperscript{63} Refer back to footnote 59.

\textsuperscript{64} Exogenous factors here referring primarily to the 'deepening world recession' and the impact of the Gulf War. See introduction to The Economist Intelligence Unit - Thailand, Burma Country Report, no.1, (1992), (Business International Limited: 1992).


\textsuperscript{66} Refer to footnote 64.
epitomised this. Indeed, Malaysia's pronounced growth has led some to speculate that NIC status may be within reach. Its economic performance has been so vibrant that in 1990-91 the country boasted full employment for the first time. Given Malaysia's diversifying industrial base, it seems that little will change. Export manufacturing will continue to propel Malaysia towards the First World.

Indonesia, also, has engendered growth through an open economy geared to exports. Dramatic increases in foreign and domestic investment lifted the GDP rate to 7.1 per cent. Although below the 1989 figure of 7.4 per cent, this still constituted reasonable growth. Moreover, a demonstrable increase in manufactured exports promises to maintain a GDP rate of between 6 and 7 per cent. Keeping in mind that GDP rates elsewhere rarely exceed 2-3 per cent, this is still an impressive performance; it certainly looks impressive compared to the Philippines. Following the series of natural and political problems that have beset the Philippines recently, per capita income has suffered. But in spite of this decline, the Philippine GDP has clawed its way back to a figure around 3 per cent. Again, this is a level surpassing the rates of virtually all other nations, so whilst not in the same category as other ASEAN members, moderate growth does exist. And according to Villegas the Aquino government has


70. Ariff & Tan, 'Introduction', p.252.


established a legacy that will safeguard economic rejuvenation.\textsuperscript{73}

The implication then, is clear. Not only has Australia's ODA declined substantially, but the one area of expansion has been in a region of unparalleled growth. Increasingly, aid has been directed to ASEAN while other impoverished countries are overlooked. On the spurious grounds that a specific regional focus is needed, aid delivery has been circumscribed with ASEAN emerging as the principal beneficiary. No doubt, aid has facilitated their export-oriented industrialisation, but the exigency of aid must now be questioned. In view of their extreme growth, Australian aid looks increasingly superfluous. That is to say, one must question whether the concept of aid is being satisfied. Given its reduction and increasing concentration on middle-income countries, the answer would appear to be no.

Part Four: The Importance of Strategic and Economic Imperatives: the predominance of state-capitalism's regime of truth.

Instead, the instrumentality of aid is borne out.\textsuperscript{74} Aid is governed by present reason, with its beliefs and truths posited in state-capitalist discourse. This demands that aid be used to preserve our material prosperity; or in other words, our dislocation from nature. Here, the concept says

\textsuperscript{73} Ibid, pp.241-242, where Villegas identifies these favourable legacies as: 1) the rejuvenation of a private enterprise economy as a result of the dismantling of agricultural monopolies; 2) the continuing goodwill of the international financial community; 3) the intelligent handling of the leftist threats to political stability; 4) the improved utilisation of official development assistance (ODA); 5) a concerted effort to encourage overseas Filipino workers to remit their earnings home; 6) a determined move to increase the salaries of civil servants, especially teachers and soldiers; 7) inroads against poverty.

\textsuperscript{74} Instrumentality insofar as it is employed as a means to state-capitalism's ends.
more than as it is currently applied. Contained within it are economic and political objectives whose instrumentality far outweigh the humanitarian concept. Aid is formulated by the state according to one imperative, that being system preservation. To safeguard our advancement the state must avert political and economic threats; threats that is, emanating from a region on our doorstep. As Andrew Selth intimates, Australian aid to ASEAN has been determined by the region's strategic importance. Not only does it encompass Australia's lines of communication and trade routes, but also its primary source of supply. So despite the improbable nature of overt military action, hostile neighbours could create problems for Australia, whereas visible support for these developing countries will engender friendly relations. Thus Australia's commercial and strategic interests will be served, as will the need for material advancement.

In terms of aid's instrumentality, Selth raises several pertinent points. However, there is an inherent flaw in his argument: his belief in realpolitik. For him the state acts in an opportunistic way, with its decisions being made according to the prevailing climate. While this summary contains a modicum of truth, it overlooks the motivating factors. The discrepancy between concept and actuality exists because of state-capitalism's regime of truth. The concept shaping aid's actuality is governed by the present interpretation of a nature-dominating discourse. The state must act as a bulwark.

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75. Which is the precondition for the successful implementation of negative dialectics.


Hence, the importance of the 'secondary' considerations vis-a-vis the aid concept. The more instrumental considerations dominate by virtue of present reason. A particularly salient example of this can be found in Australia's total aid expenditure. Despite the fact that absolute poverty is most pronounced in South Asia and Africa, total ODA to these regions is less than that received by the middle-income countries of ASEAN alone. For the year 1990-91 the disparity was $21.4m in ASEANs favour. The actual figures were ASEAN $229.4m, compared to the Other Regions $208.0m. Obviously, humanitarian concerns are secondary, as at once, Southeast Asia poses the greatest threat through instability and economic asymmetry, whilst also promising to be Australia's salvation.

Examples of this abound. A cursory reading of the Jackson Report, along with other ministerial statements, soon underlines the importance of 'other' concerns. That is, the grounding of the concept in state-capitalist reason. Throughout, key statements refer to the strategic and economic significance of aid to Southeast Asia. They are, in effect, confirmation of the distributive trends that have just been discussed. For instance, the Jackson Report states that:

79. It must be stated that these categories exclude the Middle-East and the rest of the World category from Other Regions.

80. Again, this figure omits the Middle-East and the Rest of the World category from Other Regions.
After the war, Australia changed and developed in a much broader international context, and overseas aid became recognised as an important international activity for Australia to undertake. While it is difficult to define particular attitudes that influence aid policy, the following contribute to community support for aid: i) a belief that Australia has particular skills which can be used to assist poorer neighbours; ii) a growing appreciation that Australia's economic prospects are enhanced by sustained economic development in the Asian, Pacific and Indian Ocean regions; and iii) an increasing awareness of the political importance to Australia of Asian, Pacific and Indian Ocean nations.

Clearly this statement intimates that there is a guiding bureaucratic rationality, wherein the state must act as a bulwark for the preservation of prosperity. The state must use aid as a diplomatic tool to establish cordial relations with Southeast Asia in particular. As a result, the threat of instability and disturbance, be it military or political enmity, will be averted; the economic threat of asymmetrical relations will be reduced; Australia's general economic performance will be enhanced through trade relations with the prospering ASEAN region; and Australia's standing within the international community will be affirmed. But underpinning all of these concerns is irrational fear. By performing these tasks the state will preserve and advance our material status, or put another way, our ability to comprehend and control nature. These are the truths of state-capitalist reason which shape our treatment of aid.

The constraints of reason, or the regimes of truth as Foucault would call them, are evinced by an appraisal of the Jackson Report. A textual analysis identifies various passages which clearly show the underlying influence of state capitalist reason on aid formation. The exigency of strategic considerations is one element, as according to the Jackson Report:


82. That is the treatment through the concept which shapes the actuality of the object.
A successful Australian aid program serves the overall national interest in various ways. At the outset, it enhances Australia's status with countries of strategic significance. Because Australia and New Zealand are located in a region of developing countries, unlike European aid donors, they have particular geo-political concerns which need to be reflected in the aid program. Thus for Australia stability in Asia and the Pacific is of special importance. Aid can contribute, if only in a small way, to the preservation of this.

Australia's security must be preserved. Any threat to our material standing must be thwarted. Hence, the need to concentrate on Southeast Asia, as instability here has the potential to jeopardise Australian interests. The ensuing ructions could adversely effect our material status. Only now, it is not so much a direct military threat. Most commentators agree that the possibility of sustained military action is negligible. Unlike preceding decades, with the ubiquitous fear of an attack from the north, it is now more a question of disruption. No doubt Southeast Asian, and ASEAN countries in particular, have acquired sophisticated arsenals. But they have neither the capacity nor inclination to wage war on Australia. The original truths of a 'yellow' invasion have become redundant.

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84. *Selth, 'Australian Aid to Asia*', pp.30-31.
87. *J.A.C. Mackie 'Australia's Relations with Indonesia: Principles and Policies I' Australian Outlook*, vol.28 no.1, (1974), p.6 where he states that: "Fears that Indonesia might at some future date again become expansionist or adopt an aggressively assertive foreign policy as she did in the last years of President Sukarno still persist in the minds of many Australians, intermixed with folk myths and fantasies about 'teeming millions' or the 'yellow peril' or 'Asian hordes' descending from the north out of 'turbulent Asia'...We can disregard crude notions that Indonesians are casting covetous eyes on Australia's open spaces for the sake of Lebensraum or because of some deeper primeval drives".
Instead, geo-political concerns are framed by the need to avert punitive measures. Of major concern is the spectre of discontent, insofar as it is envisaged that if a country's economic stability crumbles their domestic situation will deteriorate. This, in turn, will cause widespread unrest leading ultimately to one of several scenarios. The first is insurgency. Radical parties will depose incumbent regimes and realign their countries. Various communist or separatist movements will provoke hostility in the region. Pointing to states inside and extraneous to the region as the cause of their ills, belligerent nations will embark on a program of isolation. New tensions will emerge and armed conflict could follow.

Parallel to this is the prospect of bellicose diplomacy. Given acute unrest caused by economic stagnation, governments might look for scapegoats. As with Indonesia and its confrontation program during a period of economic instability, intense nationalism and a sabre-rattling campaign might be used to restore order. In this instance, ties with other states, and even their possessions, could be endangered, as the spectre of an external enemy promises to draw together the disaffected populace. Again hostility, uneasiness and quite possibly armed conflict could follow.

Ongoing economic development, it is believed, will avert

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89. A scenario that is actually invoked by Huxley, 'Southeast Asia and Australia's Security', primarily with regard to the Philippines, pp.49-51.

90. That is the withdrawal and possible overt conflict with established Association members of Southeast Asian organisations similar to the Confrontation Program between Indonesia and Malaysia.

91. Mackie, 'Principles and Policies I', p.7 where he provides a brief account of Confrontation and the galvanising effects that such partisanship and intense nationalism had on an otherwise disaffected populace.
these scenarios. If development continues, discord will fail to appear as will any regional instability; an outcome vital to Australian security.\textsuperscript{92} To reiterate, it is not a matter of direct military action. Rather, it is the affect instability would have on Australian interests. Intra or inter-regional conflict could severely jeopardise Australia's communications, and the freedom of sea and air passage.\textsuperscript{93} Additionally, possessions like oil rigs on the northwest shelf and the small sovereign islands could be lost, all of which would adversely affect the system.\textsuperscript{94} The rigours caused by this agitation would severely impinge on our material standing.

Thus the geopolitical importance of aid. By augmenting development in Southeast Asia it forestalls instability, or at the very least it may predispose nations to look favourably on us. Countries such as the ASEAN states can act as a check to intra-regional tension, subsequently protecting Australia's material status; or put bluntly, preserving our extraction from and control over nature. This is the instrumental rationality behind strategic imperatives. As Senator Gareth Evans summarized:

\begin{itemize}
\item \textsuperscript{92} Jusuf Wanandi, 'Security Developments in Southeast Asia', in, \textit{Australia and the World: Prologue and Prospects}, ed. by Desmond Ball, (Canberra: Strategic and Defence Studies Centre, ANU 1990), p.262.
\item \textsuperscript{93} Huxley, 'Southeast Asia and Australia's Security', p.44.
\item \textsuperscript{94} Which is an expansionist scenario invoked by Coral Bell, 'The Case Against Neutrality', \textit{Current Affairs Bulletin}, 61, (September 1984), pp.9-10.
\end{itemize}
There is... a generally more positive international environment, and in that environment economic considerations are growing more influential. But there is no reason to assume that the habits of millennia will disappear in our lifetime, or that there will be any forsaking by states of the use of military power and influence in pursuit of their objectives. The importance of this for Australia is that we cannot assume that in future, states either in the region or outside it will not use military capability to seek to achieve goals contrary to our security interests. We must develop our policy responses accordingly.

That is, Australia must formulate policies according to the truths of system preservation. Aid, in this context, must be used to avert threats to our prosperity through gun-boat diplomacy to the north. Stability and goodwill are the keys.

Then come economic concerns. In conjunction with strategic considerations, these far outweigh humanitarian goals. Given that the concept is shaped by present reason, economic and strategic objectives shape our treatment of aid. An unequivocal statement of this can be found in the Jackson Report where it is noted that:

Southeast Asia is of vital interest and importance to Australia. (Thus) a considerable aid presence in this region should be maintained.

Yet this assessment is not predicated on humanitarian grounds. Instead, it is based on the fact that:

Growth in the newly industrialising countries has been spectacular during the last two decades. (While) in the ASEAN countries both agricultural and industrial growth has been rapid with the 7.2 per cent annual rate of growth in GNP over the last decade making ASEAN the second fastest growing group of countries in the world.

Hence, the economies of East and Southeast Asia are


96. Or our definition and treatment of the object.


98. *Ibid*, p.188.
experiencing a dynamism unmatched anywhere else in the world. The last two decades have been characterised by unparalleled growth.

At the same time Australia's growth and export rates have stalled. From 1965 to 1984, Australia's GNP recorded an average rate of growth of 1.7 per cent. Traditionally, our deplorable export performance is identified as the central problem. Unlike other industrial market economies in the region, Australia's merchandise export growth has fallen dramatically. Between 1965 and 1985, Australia's exports expanded at 3 per cent per annum. By contrast, the average for industrialised market economies was 4.2 per cent. So what this has meant is that increasingly the economic performance of ASEAN countries has eclipsed Australia. Our economy appears moribund, whilst ASEAN economies forge ahead. This leads to the fear that Australia, formerly the lucky country, will be overtaken by its northern neighbours. No longer a rich Western country surrounded by a developing region, Australia will become the 'poor white trash of Asia'.

Consequently, the state must act; it must formulate an aid program that will avert this outcome. In short, Australia must conjoin its economy with those of ASEAN. Through aid, Australia can show a willingness to help the region, with goodwill serving as the catalyst in establishing long-term trading relations, because a more intensive focus will allow economic integration into the region. Otherwise, it is

100. Ibid, p. 185.
101. Ibid.
102. W. MacMahon-Ball 'Act or be the poor white trash of Asia', The Age, 10 December, 1979. See also John Button 'Australia : poor white nation of the Pacific?' Australian Foreign Affairs Record, 55, (6 June 1984), pp.602-606.
envisioned that an asymmetrical relationship will develop. No longer a leading market economy in the region, Australia will depend upon the ASEAN states, whilst conversely, the Australian economy will be largely irrelevant to them.

Behind this concern is state-capitalist reason. At first glance, the centrality of economic concerns appears to stem from a legitimate concern. The need for an ASEAN orientation in the aid program might be motivated by an economic appraisal of Australia's plight. But it is not. The need for state subvention is not a humanist discourse. Instead, it is grounded in the prevailing reason. Economic prosperity, here, translates into nature-domination. If economic development is in any way impaired, then our material advancement is threatened subsequently putting our ability to comprehend and control our surrounds at risk. Any reduction in wealth will lower living standards and limit our capacity to proceed further through advances in modern medicine, technology, agriculture and so on.

For this reason, state policy must act as a stimulus via aid to resuscitate our seemingly moribund economy. And it is anticipated that it will do so in three stages. At an immediate level, it is assumed that bilateral programming best serves Australia's economic interests. Given its emphasis on project development, it allows for the procurement of Australian goods and services. This is a recognised means of addressing Australia's short-term problems. Indeed, the Joint Committee on Foreign Affairs, Defence and Trade, explicitly supported a bilateral orientation in aid during its review of AIDAB's activities. As it stated:


AIDAB has shown a preference for providing aid directly to those countries in our own region, and for using multilateral channels further afield and in cases requiring an urgent international response. This should continue to be the rule of thumb.

The implication then is clear. Close links should be preserved within our region, as this is the most viable area in which to develop economic contacts. But more then that, it facilitates the tying of Australian goods and services to the aid program. To devote a larger share of aid to regions 'further afield' would make it problematic. The use of Australian expertise and technology in Africa, for instance, would prove increasingly uneconomic. The costs of transportation alone would far outweigh the benefits that accrue. Even before the Jackson Report this focus was patent, as during 1982-83 93 per cent of goods and services employed bilaterally outside of Papua New Guinea were from Australian sources.

So as the Jackson Report rightly concludes: 'Bilateral aid brings political recognition to the donor, and commercial opportunities through participation in the aid program'.

In the medium term, aid should benefit the economy through trade substitution. That is, the country program manager should supplant aid with trade, in that when a project or sector is deemed sufficiently advanced, trade links should be established. In this way, Australian companies can be directly exposed to new overseas markets. And according to aid logic, it will further enhance development whilst serving Australia's interests; although within state-capitalist reason, the latter is the paramount concern.

Of course, the aid/trade substitution will have long-term benefits also. Australian firms will be integrated into the

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105. A Review of the Australian International Development Assistance Bureau and Australia's Overseas Aid Program, Joint Committee on Foreign Affairs Defence and Trade, February 1989, p.68.

106. Jackson Report p.120.

Southeast Asian economy through aid replacement. Rather than simple procurement, they can establish direct links overseas. As a result, Australian producers will have economies of scale sufficient to generate growth.108 New opportunities will arise that will overcome the problems associated with Australia's small domestic market. No longer confined to Australia, Australian firms and the economy generally will prosper, and with that, our dominance over nature will be reinforced. Indeed, the consolidating effect that Southeast Asian development will have on our advancement has been the cornerstone of aid. Throughout aid to Asia has been legitimised by future benefits. Government expenditure has been justified by the trading partners it will create. From the inception of aid through to the 1970s it was a matter of establishing comparable economies.109 Developing markets, it was held, would further stimulate Australian growth.110 Now it is a matter of Australia capitalising. Goodwill and the aid trade link will enable companies to lock into the regions accelerated development. Consequently it is envisioned that with an ongoing aid program oriented towards ASEAN, Australia's short, medium and long-term interests will be served.111 That is, system preservation is assured through continued prosperity.

DIFF and Food Aid: tools of state-capitalist truths

The desire to perpetuate growth and prosperity is reflected in the Development Import Finance Facility Scheme (DIFF). Begun in 1980 as a countermeasure to the mixed credit schemes of other donor countries, DIFF now fulfills an important role


109. consult, for instance, Andrew Peacock's address delivered at the 29th annual Roy Milne Memorial Lecture in Perth on 15 September 1978.

110. Ibid.

in Australian aid. At least important according to the prevailing reason. What DIFF attempts to do is provide 'concessional export credit packages' organised by the Export Finance and Insurance Corporation (EFIC). When a recipient country has specific needs that can be met by an Australian firm, DIFF may supply a grant. Provided that the EFIC sponsors the program, and that it holds developmental merit, AIDAB furnishes a grant of at least 20 per cent of the contract value. In effect, Australian firms are subsidised by the aid budget to replace aid. Here, trade suppliants aid, with the benefits being obvious. Like the mid-term goals discussed above, Australian firms will overcome the constraints of the domestic market. New markets will engender growth and with it prosperity. As a consequence, our material advancement will be preserved. The high degree of comprehension and control over our surrounds will be galvanised.

A measure of DIFFs escalating importance within the aid budget is its proportionate growth. In 1986-87, DIFF received $15.6m. For the year 1991-92, it was estimated that DIFF would receive $93m. At a time when Australian aid has stagnated,

112. Jackson Report - Chapter 8 sections 8.28, 8.29.

113. An illuminating summary of DIFF and the mixed credits scheme is provided in Australian International Development Assistance Bureau, International Development Issues no.15, Poverty Alleviation Through Australian Development Cooperation, 1991, p.26, where it states that: "...the Development Import Finance Facility (DIFF) enables Australian business to supply developmentally important goods and services to developing countries. DIFF combines grant funds from AIDAB with commercial loans through the Export Finance and Insurance Corporation of the Australian Trade Commission (AUSTRADE). Such mixed credits provide concessional finance to developing countries for projects with a high development priority. A major example is the purchase by Indonesia from Transfield Construction of steel bridging worth $343 million over three years commencing 1990, with a DIFF grant component of $67 million'.

114. DIFF is only available where an Australian firm offers a financial package supported by EFICs buyer credit facility.

if not diminished in real value, this phenomenal increase can only be interpreted in one way. Aid is being employed by the state to affirm our 'civilised' status. It is formulated according to the present regime of truth.

Even food aid is defined by this regime. Behind the altruistic disbursement of surplus food production lies the economic truths of aid. Food aid, too, is used instrumentally. Comprising up to 12 per cent of the total aid program, food aid has an unmistakable bias.\textsuperscript{116} In the words of the Jackson Report:

As a major food exporter, Australia cannot avoid food aid issues. The Australian Wheat Board and the Flour Millers' Council of Australia would like to see Australian food aid not only maintained but increased. Although more than 400,000 tonnes of grain devoted to food aid is a small proportion of the total annual Australian grain crop, there are commercial spin-offs in the penetration of new markets.\textsuperscript{117}

On the one hand, food aid can be utilised as a tool for market expansion. By supplying grain in the first instance, the Australian government may predispose recipient countries to purchase our produce in the future. In this way the state will have acted as the stimulus. On the other, the state can guarantee a dumping ground for Australian surplus.\textsuperscript{118} Through larger food allocations, the excess grain produced can be procured by the state for aid, thus ensuring that Australian producers will dispose of their goods. It provides another outlet for produce which might otherwise suppress prices.

Part Five - Indonesia: A Case Study

Since 1966, Indonesia has been second only to Papua New

\textsuperscript{116} Jackson Report p.50.

\textsuperscript{117} Ibid, p.70.

\textsuperscript{118} As food aid comprises shipments of grain procured from Australian suppliers, see Forbes, 'New Realism', p.191, and Eldridge, 'Aid is a Political Process', p.25.
Guinea as a recipient of total Australian aid. Australia's predilection to Indonesia was confirmed by the Jackson Report, whereafter aid to Indonesia remained disproportionately large. The total aid flows to major recipients illustrates this point. In bilateral terms, Indonesia received (S'000) 70 461 with the 1985-86 estimate remaining at a comparable level. While well below Papua New Guinea's figure of 315 359 (S'000), this total far surpassed that of any other recipient. Further confirmation of Australia's preferential allocations can be found in the total aid flows from 1987-88 to 1990-91. During this period, Australian expenditure to Indonesia grew from $89.1m to $107.9m. At a time when aid has continued to diminish in real terms, this constitutes a steady increase. Not surprisingly, the growth in Indonesia's allocations has been matched only by the other ASEAN states of Thailand and the Philippines.

The preponderance of Indonesia in Australia's aid equation relates directly to state-capitalist reason. As this study has emphasised, aid is shaped by the need to protect our material standing over nature. The underlying imperative is for the state to shield the system from any tremors which may impede ongoing prosperity and the ensuing mastery of nature.

Indonesia's case is no exception. Basically, Australian aid to Indonesia can be interpreted as a bridge-building exercise. Pervading aid decision-making is the realisation that the relationship between the two countries is a fundamentally asymmetrical one. Australia would find it difficult to coexist with a hostile Indonesia, whereas Indonesia would not be trouble untowardly by a deterioration in relations. As

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119 Philip Eldridge, Indonesia and Australia: the politics of aid and development since 1966, (ANU; Canberra: Development Studies Centre Monograph no.18, 1979), p.33.

120 Budget Related Paper No.9, Australia's Overseas Development Assistance Program 1985-86, p.4.


Philip Eldridge observes in his analysis of Australia - Indonesia relations:

So far as Australia is concerned, Murtopo makes it clear that Australia needs Indonesia (and ASEAN) through which Australia will make meaningful contacts. On its part Indonesia (and ASEAN) needs aid from Australia in the form of technology and capital. Interpreted literally this would limit Australian sovereignty in that, informally at least, Indonesia expects that major initiatives towards other ASEAN countries should be cleared through her. 

Murtopo's statement identifies the instrumental truths of Australian aid to Indonesia; these being the promotion of Australia's economic interests in Indonesia and ASEAN through cordial diplomacy. In the first instance, it is acknowledged that unless Australia assimilates with the flourishing economies to the north, these 'catching up' countries will have eclipsed Australia's standard of living and its economic competitiveness. The process of wealth generation and material advancement will be rendered asunder. Unless, that is, Australia can begin to integrate into this emerging political and economic bloc. Above all, in the opinion of some commentators, Australia must set out to supplement its more traditional exports with services, technical expertise and capital.

An aid commitment to Indonesia is presumed to achieve these objectives on several levels. At a fundamental level, tied-aid to Indonesia has immediate and favourable repercussions for Australian commerce. Given the emphasis on public utilities through tied aid, Australian businesses benefit on the basis of procurement. Built into the tied-aid package is the provision that at least two-thirds of the overall value of equipment needed is acquired from Australian sources. Then, of course, comes the ongoing need for technical expertise in

123 Eldridge, *Indonesia and Australia*, p.15.


125 *The Jackson Report*, p.120.
Australian sponsored projects. As Eldridge speculates:

Several explanations can be offered for this emphasis on public utilities. Many would claim that Australia is building up an infrastructure favourable to the same type of scientific and industrial growth pattern she is herself pursuing, thereby assisting her investments and exports.\(^{126}\)

While I would be reluctant to intimate that Australia has deliberately aligned Indonesian economic development with its own, there is no doubt that its development aid has concentrated on certain sectors. Reflecting Australia's own fields of expertise, this has provided export opportunities, (via procurement initially), for Australian enterprises. But more importantly, aid has probably given Australian firms a foothold in the Indonesian economy given that their developmental needs will not curtail once an aid project is 'completed'. Conversely, the projects Australian influence will ensure that Australian goods and services are required well after its establishment.

From Indonesia's viewpoint, Australia's aid commitment is a display of goodwill necessary to offset any antagonism which could jeopardise Australia's position in one of two ways. First, hostile relations with Indonesia could severely hamper Australia's movement into ASEAN specifically, and Southeast Asia generally. If Australia provoked Indonesia, it would invariably become difficult to conduct relations with other Asian countries.\(^{127}\) ASEAN countries, in particular, would be reluctant to seemingly align themselves with Australia against Indonesia given the delicate balance of power in the Asian region. Any dealings with Australia in a hostile climate would be construed as an inflammatory act thus threatening the political and economic connexions developing between the ASEAN countries.\(^{128}\) In short, fellow states like Thailand, Malaysia, and the Philippines would have to consider whether the advantages of collaboration with Australia outweighed those of Indonesia's friendship. Clearly the answer would be no, and as

\(^{126}\) Eldridge, *Indonesia and Australia*, p.43.


\(^{128}\) Ibid.
such, Australia would be precluded from the area of rapid expansion which promises to revitalise its own economy - a fear which is at the heart of aid's truths within state-capitalist reason.

Second Australia's economic interests could be endangered if Indonesia flexed its military muscle. Although not having the capacity to sustain a protracted conflict with Australia, it could seriously disrupt patterns of trade and communication. History has shown Indonesia's willingness to engage in military actions. The 1963-66 Konfrontation campaign against Malaysia was an example of such small-scale punitive action. For Australia, this could translate into interference with Australian shipping, communications and airspace, occupation of the Cocos Islands, and nuisance raids on the northwest coast and offshore oil rigs. Taken together, punitive action and diplomatic enmity would isolate Australia. And with that, our economic development would be gravely hamstrung if not crippled.

Hence, the importance of a visible aid program. By devoting a large proportion of its aid budget to Indonesia, Australia has sought to extend friendship and show an affinity with Indonesia's problems and needs. These good offices, it is hoped, will forestall any breakdown in the relationship. Indeed, a deterioration that has loomed during the past decade with regard to the PNG/Irian Jaya dilemma. Already, several border incidents have threatened to ignite a diplomatic stand-off.

At the heart of the problem is the Organisasi Papua Merdeka (OPM). While its agitation in Irian Jaya has remained largely

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129 Evans, *Australia's Regional Security*.


peripheral, several factors could galvanise the OPM's strength. One is Jakarta's transmigration program. If this program continues unabated, the OPM could accrete support from Melanesian resentment. The other conceivable factor is the establishment of a pro-OPM government in Port Moresby, which is unlikely, or the collapse of PNG's political system thus enabling pro-OPM groups to operate with impunity on the border areas. Either way, Indonesia would presumably respond through military intervention, leading ultimately to heightened regional tension.

To summarise, Australian aid has sought to galvanise the Indonesian-Australian relationship in a time of continued uncertainty surrounding East Timor and Irian Jaya. Behind this policy of rapprochement are the truths of economic well-being and regional stability.

Australia, Indonesia and ASEAN in the '90s: a sophistication of the state-capitalist discourse

The argument pertaining to Australian integration into ASEAN (and Southeast Asia generally) through Indonesia has undergone further refinement in line with changes in the international scene. The collapse of the Iron Curtain has irrevocably ended East-West tension and ushered in an era of detente. While this is an encouraging development, it has profoundly transformed international economic and political structures. From a clearly demarcated bipolarity, the new detente has induced a complex system of multipolarity. The protective umbrellas of the superpower states have been removed thus ending, or at least derogating from, the dichotomised

135 Coral Bell, Australia's Alliance Options: Prospect and Retrospect in a World of Change, (Canberra: ANU: Australian Foreign Policy Papers, 1991).
strategic and economic partnerships. The clear alignment of a set of countries with one of the superpowers is beginning to become blurred. As a result, state capitalist reason has progressed from a simple emphasis on ASEAN integration and regional stability for material advancement, to the need for the formation of a politico-economic bloc to forestall the rigours of multipolarity. 137

First, the economic implications. Now that the Cold War has ended, America has begun to realise the economic burden its protectorate role incurred. 138 In addition, the need to nurture the Japanese, North Asian and ASEAN states as a check to communism has diminished. Subsequently, America has begun to perceive these economies as threats which can only be averted through protectionism. Along with the European Community, America has become less receptive to outside 'players' in the international economy.

The move towards protectionism threatens the status of Australia, ASEAN and Southeast Asia in four ways. At a very broad level, trade wars between major blocs such as the US and EC, or even Japan, could severely curtail Australian and ASEAN exports. 139 A second outcome could foreseeably be the orchestration of trade arrangements between the major powers that artificially set prices and preclude outside competition. 140 In effect, the North Asian, ASEAN and Australian economies would have nowhere to go. A third possible scenario would be US protectionism against the more vibrant Japanese, North Asian NICs and to a lesser extent ASEAN economies, which would seriously inhibit the growth


139 Kevin, 'Major Power influences', p.17.

140 Ibid, p.18.
prospects of a dependent Australian market.\textsuperscript{141} The results would be economically devastating.

Related to this is the prospect of US punitive measures against 'unfair' North Asian investment in Southeast Asia. If the US sees that investment in that region is exploiting lower wages, easy access to cheaper commodities and undervalued US dollar exchange rates, it could move to redress the imbalance.\textsuperscript{142} This may involve some form of import embargo from Southeast Asia which would severely depress Asian and Australian economies. But whatever form it takes, multipolarity could conceivably create adverse economic conditions for Southeast Asia and Australia - which is the fear central to state-capitalist reason.

Unless that is, Southeast Asia expands the ASEAN concept to form a core body, whilst simultaneously establishing a range of regional associations encompassing Australia and the Pacific. Such an organisation would strengthen member countries against outside exploitation. Basically, it would empower them as actors within the international economy, thus facilitating their respective economic and material development. As Tony Kevin notes when discussing the attributes of an expanded ASEAN:

\begin{quote}
ASEAN as an association has strengthened its member countries in important ways. It has provided a philosophy and structure for the management of disputes between member countries, thereby acting as a major regional confidence building regime and allowing military budgets to be held down. It has given ASEAN countries a forum and a stronger collective voice in advancing their mutual interests - political and economic - in wider regional and international contexts. It has provided a vehicle for the advancement of dialogue relationships with major outside powers, collectively and individually. Overall, ASEAN has demonstrated an important lesson to all of the small and medium-sized countries in Southeast Asia that international negotiating leverage grows with unity. In terms of the wider definition of security, ASEAN has enhanced its
\end{quote}

\textsuperscript{141} Stuart Harris, 'Economic Change in the International System: Implications for Australia's Prospects', in \textit{Agenda for the Nineties}, ed. by Bell, pp.36-37.

\textsuperscript{142} Kevin, 'Major Power Influences', p.18.
member countries security on all these fronts.\textsuperscript{143}

For Australia, the formation of a politico-economic bloc is seen as imperative. In state-capitalist terms, not only will an Asia-Pacific association shield the system from the rigours of punitive action taken within the international market, it will also insulate Australia from possible strategic 'tremors'. Of particular concern is the perceived vulnerability of the Asian region with the advent of multipolarity and the ensuing diminution of American and Russian involvement in this zone. An outcome often mooted is the extension of outside military power into the Asian region.\textsuperscript{144} Given that Southeast Asia has long constituted a region of considerable dispute and contention, the fear is that larger expansionist powers, such as China, India, or even Japan, may seek to gain a foothold, thus expanding 'their spheres of influence and economic control'.\textsuperscript{145}

Alternatively, it is held that if ASEAN is galvanised as a regional economic, diplomatic, and defence organisation, the possibility of extraneous intervention can be averted. For Australia, with its dependency on Asian markets as well as the sensitivity of the region in terms of trade and communication, the obviation of such threats is imperative. If the worst case scenario was realised, Australia would not only lose its links with lucrative Asian/ASEAN markets, but would also suffer disruption within the international economy. Neither able to trade with Asia, nor transport goods to other established markets, the apparatus for preserving and advancing self-preservation would be gravely impeded - an outcome that is calamitous for state-capitalist reason.

\textsuperscript{143} Ibid, p.21.

\textsuperscript{144} Buszynski, 'ASEAN and its Orbit', pp.172-175.

\textsuperscript{145} Kevin, 'Major Power Influences', p.19 & Buszynski 'ASEAN and its Orbit', pp.172-175.
Chapter Four
The aid debate: resistance within the regime of truth.

Unlike orthodox and structuralist Marxian precepts of reason and power, Foucault allows for resistance by refuting notions of an absolute system. That is we do not obsequiously adhere to a superstructure which only changes with a reformed base. Instead, power diffuses throughout society. Power is conferred through adherence to a principal discourse. Those invoking the prevailing wisdom elicit authority, whilst those who resist also glean power. By rejecting the main discourse and promoting their own concept, they too are establishing a power base. The 'new' concept is usually projected as the more accurate and correct one, with the 'old' being rendered asunder by flaws. In this way, the advocates of the new attempt to invert the power of the old.¹

But to fully understand resistance within the aid debate, it is first necessary to trace the evolution of the main paradigms from their crude beginnings in the 1950s and 1960s to the revisionism of the 1980s. By doing so, the prevailing intellectual climate which has given preponderance to one model or another will be examined, as will their dependence upon state-capitalist reason. Because the crux of the expanded Critical Theory paradigm is the assertion that divergent points are possible, but ultimately all reason is coloured by the present regime of truth. In keeping with the Critical Theory of Horkheimer, Adorno and Foucault, configurations of beliefs are ruled by the present interpretation of nature-control.

Two principal schools of thought have pervaded the development debate: the linear-stages model of the 1950s and 1960s, and the international-structuralist model of the

¹. In effect, they try to redirect it back against the old knowledge.
1970s and 1980s. 2 Turning to the linear-stages model first, this paradigm identified a series of developmental stages common to all countries. Third World countries are located at the bottom end of the scale and as such must progress along an economic growth path historically followed by the more developed countries. 3 As the economic historian, Professor W.W. Rostow, characterised this uniform pattern of development:

It is possible to identify all societies, in their economic dimensions, as lying within one of five categories: the traditional society, the preconditions for take-off into self-sustaining growth, the drive to maturity and the age of high mass consumption... These stages are not merely descriptive. They are not merely a way of generalising certain factual observations about the sequence of development of modern societies. They have an inner logic and continuity... they constitute, in the end, both a theory about economic growth and a more general, if still highly partial theory about modern history as a whole. 4

Development is, for all intensive purposes, synonymous with economic growth. But according to linear theory, growth and development can only be precipitated in a LDC if it follows a specific set of rules. The first rule is the mobilisation of domestic and foreign savings in order to generate sufficient investment to accelerate economic growth. 5 A second element is the retention of a proportion of a country's national income to replace worn out or obsolete capital goods, (buildings, equipment, materials); whilst new investment representing net additions to the capital stock is necessary for subsequent growth. 6

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3 Ibid, p.88.


5 Ibid, p.7.

To generalise, the linear-stages model advocates that a developing country needs initial investment and increased savings to catalyse expansion which can then be sustained through continued domestic savings and reinvestment. Once this process is in train, development can be fuelled by foreign aid, foreign investment and assimilation into the international economy. In neo-classical economic parlance, a trickle-down effect would be established thus disseminating the benefits of growth to all sectors of the economy.

Conversely, the international-structuralist model strongly inveighs against the precepts of linear development. For international-structuralism, Third World countries are beset with a variety of social and economic edifices which stymie development. The stifling effect of this structural rigidity is both related to and exacerbated by the dependence and dominance relationship between rich and poor countries. These views are articulated in two schools of international structuralism: the false-paradigm model which attributes Third World underdevelopment to inappropriate advice from ill-informed experts and organisations; and the more radical neo-colonial dependence model. This could be aptly described as neo-Marxist given its emphasis on international capitalist inequality.

Taking root in the 1970s, a time when it was apparent that despite growth targets being achieved the poverty of the masses of people continued relentlessly, the dependence model has sought to dethrone GNP. Rather than look to the international economy as a stimulus, international-structuralism perceives this structure to be an inherently biased handicap. Above all, the international capitalist system is construed as a tool of the capitalist class. The system has been used to exploit both the resources and the fragile markets of the Third World for capitalist gain. Both

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7 Todaro, Economics, pp.89-92.
first World governments and corporations conspire to extract
the maximum advantage from impoverished countries.\textsuperscript{1} Neither
able to compete with, nor forsake foreign investment, Third
World countries have been assimilated into the exploitative
capitalist structure. Indeed, according to neo-colonial
theory, an integration which has been facilitated by the
emergence of supine ruling classes and vested interests who
are attuned to the demands of capitalism in order to
preserve their own privileged status. As Michael Todaro
summarises the intrinsic inequities identified by neo-
colonial theory:

\ldots the neo-Marxist structural view attributes a large
part of the Third World's continuing poverty to the
existence and policies of the industrial capitalist
countries of the northern hemisphere, and their
extensions in the form of small but powerful elite, or
comprador' groups in the less developed countries.\textsuperscript{11}

The actual mechanisms by which the capitalist structure
extracts profit from the Third World are summarised thus:

- the power of strong countries to manipulate and
  control world resource and commodity markets to
  their advantage;
- the spread of international capitalist domination
  of domestic economies through the foreign
  investment activities of private multi-national
  corporations;
- the privileged access of rich nations to scarce raw
  materials;
- the export of unsuitable and inappropriate science
  technology and education;
- the freedom for industrialised countries to impose
  their products on fragile Third World markets;
- the ability of rich countries to disrupt efforts at
  industrialisation by developing countries by
dumping cheap products in these controlled markets;

\textsuperscript{10} David Pollard, 'Basic Human Needs as a Strategy for

\textsuperscript{11} Todaro, \textit{Economics}, p.91.
harmful aid policies which serve to perpetuate and exacerbate internal dualistic economic structures;
and the creation of a virtual puppet elite sensitive to the demands of First World countries.  

At a fundamental level, therefore, the international-structuralist model inveighs against the stages theory on the basis of the weight it gives to economic growth, and the inequities it reinforces. Indeed, these are the criticisms levelled against the Jackson Report. Founded on the reprised linear-stages model, the Jackson Report adheres to the premise of unavoidable economic rules in the pursuit of development. Throughout, the onus for development is placed on the injection of capital to establish infrastructure, the need for sound LDC domestic savings and investment policies, and above all, the need to integrate into the world economy. By doing so, it is presumed that the influx of foreign money will consolidate a LDC's domestic economy and with that, its overall development.

However, the international-structuralist paradigm strongly contests the preponderance of GNP as an accurate touchstone for development. Despite improved industrial and economic growth, 'international-structuralists' would assert that neither sufficient employment has been generated nor have the benefits diffused down to lower income groups. Several working-model's of international-structuralist theory subsequently emerged to address the perceived flaws of the stages paradigm. The first was succinctly articulated in the watershed publication, Redistribution with Growth, published in 1974 for the Development Research Center of the World Bank and the Sussex Institute of Development Studies. Based quite literally on the precept of redistribution of increments of growth to enhance the status of the poor, the book raised two sets of questions: (i) How can the

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12 Ibid, pp.92-93.
13 Refer to Chapters 2 & 3 of this paper.
productivity of the working poor - or the self-employed involved in subsistence farming, artisans, traders and the displaced such as landless labourers, educated youth and women - be improved without jeopardising overall growth?; (ii) How does economic growth reinforce structural rigidities and inequalities? After all, growth must be unequally shared when it starts from an unequal distribution of assets and power.

In order to rectify systemic inequality, (or the dualism of an increasing gulf between rich and poor), the redistribution model proposed diverting increments of growth to public services.\textsuperscript{15} It was envisaged that as a result, growth would not be impaired and programs for the poor could be instituted. Theoretically, the redistribution model was credible. However, simulation exercises demonstrated that the effects of diverting increments of growth to public services were negligible in low-income countries.\textsuperscript{15}

Hence, the emergence of the basic needs approach. As with the redistribution model before it, basic needs corresponds with international-structuralism insofar as it disavows notions of economic growth and economic assimilation as the panacea to underdevelopment. For basic needs, neo-classical economic theories merely serve to galvanise exploitation at an international level, whilst magnifying dualism at the domestic level. Unlike classical economic theories, and even the redistribution paradigm, the path to development is not found in income growth. Alternatively, the stimulus for development is to come from programs that concentrate exclusively on the basic needs of the poorest.\textsuperscript{17}

This is the argument invoked by the Australian Council for

\textsuperscript{15} \textit{Ibid.}

\textsuperscript{16} Streeten, \textit{First Things First}, p.16.

\textsuperscript{17} Penelope Lee, Caesar D'Mello & Russell Rollason, 'Basic Human Needs: A New Focus for Australia's Overseas Aid Program', \textit{ACFOA Development Dossier} no.12, (August 1983).
Overseas Aid against the bureaucratic discourse.\textsuperscript{18} Representing 52 voluntary aid agencies, ACFOA encapsulates the 'alternative' voice of Australian aid. As such, it constantly resists the main bureaucratic concept articulated in statements such as the Jackson Report. Various submissions explicitly outline this opposition. For ACFOA Australia's regional concentration of aid is warranted, but its emphasis on infrastructural development is not. Rather than depend on export growth to alleviate poverty, Australian aid should target the poor. Programs should be reoriented towards the basic needs of all people, as by providing assistance directly to the poor, obstacles that forestall a better way of life can be overcome.\textsuperscript{17} Furthermore, this will be accomplished sooner and with fewer resources than would be the case with income growth. This is the crux of the aid debate.

In its submission to the Jackson Report, ACFOA vindicates the basic needs approach on the following grounds:

- it focuses on both the physical and non-material aspects of the life of the poor; in other words, it does not set up a dichotomy between economic and social development;
- the needs as described are the basic rights of every human being;
- implementation of such a strategy would allow development to originate from, and be in response to, the needs of those in poverty;

\textsuperscript{18} ACFOA - as the Jackson report states: The central organisation of the voluntary aid agencies is the Australian Council for Overseas Aid. ACFOA provides services to its 52 member agencies, and represents them collectively as a lobby to the government. ACFOA's role as a coordinating agency is supported by a substantial annual grant from ADAB for its running costs, which represents more than 80 per cent of ACFOA's annual income.

\textsuperscript{19} Pollard, 'Basic Human Needs', pp.14-17.
- the stress on participation in decision-making is necessary as true development is the ability to take control of one's life.  

Whereas, it is argued, an export oriented recovery does not guarantee poverty alleviation. Income will be generated, but infrastructure does not ensure equity.

The question of equity is the key to basic needs. Contained within its repudiation of export-oriented strategies is a fear of income disparity. Above all, basic needs seeks to reduce the gap between the 'haves' and the 'have-nots'. Basic needs believes that this is a problem ignored by classical trickle-down theories. Given the trickle-down model's emphasis on growth as the litmus test for development, it overlooks the obstacles to redistribution. Inherent in neo-classical economics, according to basic needs theorists, is the assumption that the benefits of economic growth will rapidly diffuse through society. Once productivity, labour demand and wages improve, so too will the lot of the poor. In classical parlance, there will be a trickle-down effect. Activity generated at the top will speedily flow through all sectors of society.

Yet basic needs theorists rebut this concept. For them, trickle-down is dysfunctional in two ways. First is the lack of an automatic mechanism of redistribution. Basic needs theorists assert that income remains concentrated. Unlike the trickle-down paradigm, wealth does not rapidly diffuse. Nor do recipient governments enact policies conducive to equitable distribution. Rather than intervene to correct

20. Australia and ASEAN: A submission to the Sub-Committee on Australia and ASEAN of the Joint Committee on Foreign Affairs and Defence, ACFOA, (May 1984), p.5.


imbalances caused by market forces recipient governments often foster it, because according to the basic needs approach a connexion usually exists between the ruling elite and the wealthy.24 Hence, this symbiosis precludes the poor from sharing the spoils.

Even so, it is not a question of growth per se. Indeed, basic needs recognises growth as a precondition for development. Less developed countries need expanding economies to facilitate their progress.25 Without general growth, poverty cannot be reduced. But according to basic needs, growth is not the sole condition. Whenever growth occurs without an equitable distribution, growth actually hampers the development process. As aforementioned, international-structuralism believes that growth reinforces divisions in wealth. Those exposed to income growth benefit, whilst the larger mass are excluded from its consequences. So for advocates of basic needs, trickle-down fails in its aim of poverty alleviation.26 Programs geared to export-oriented growth do promote development but its benefits remain narrowly confined to certain socio-economic sectors, whilst in the meantime, the plight of the poor continues to deteriorate.

By contrast, basic needs theorists contend that a basic needs approach addresses the root problems of poverty. A basic needs strategy circumvents the many problems of income distribution and ameliorates the evils of malnutrition, starvation, disease and illiteracy.27 That is, it focuses specifically on the basic needs of the poor. As the


International Labor Organisation (ILO) describes basic needs:

- Basic needs as understood in this program of action include two elements. First, they include certain minimum requirements of a family for private consumption: adequate food, shelter, and clothing, as well as certain household equipment and furniture. Second, they include essential services provided by and for the community at large, such as safe drinking water, sanitation, public transport and health, education and cultural facilities.

- A basic needs oriented policy implies the participation of the people in making the decisions which affect them through organisations of their own choice.

- Strategies and national development plans and policies should include explicitly as a priority objective the promotion of employment and the satisfaction of the basic needs of each country's population.28

So the basic needs concept differs from the trickle-down paradigm in several regards. Above all, it targets directly the problems besetting the poor. Whereas an income strategy believes that growth will eventually cast off poverty, basic needs looks to establish the conditions for improvement at once. The differences in terms of concept between the two models is encapsulated in the seemingly divergent approaches based on general growth or specific programming. To use an apt metaphor, it is the difference between precision and carpet bombing.29 Basic needs is precise insofar as it seeks to eliminate the specific problems of food, hunger, education, malnutrition and sanitation, whilst income strategy is more indiscriminate in its approach. As with


29. Streeten, First Things First, p.38.
carpet bombing, it seeks to obviate problems by attacking them in a generalised way.  

Not that basic needs is opposed to growth. On the contrary, ACFOA interprets basic needs as a bottom-up approach. By improving the lot of the poor, who are mainly situated in the countryside, sustainable growth can be achieved. First, raised living standards will enhance productive capacity. Rural projects attuned to farmers needs will enable them to yield more. This in turn, will improve consumption. Families will have more to eat with the surplus produced creating a disposable income. They will be able to purchase other goods, thus having a multiplier effect throughout the economy. Moreover, this will have the desirable effect of stability. More labour will be absorbed in production which will mitigate the migration of rural poor to the city. As a result, the creation of a displaced poor will cease.

In sum, it is envisaged that a basic needs approach will not only reduce poverty, but actually stimulate growth. The objective of meeting the basic needs of the poor will lead to a 'different composition of products and choice of techniques'. Unlike an incomes model, it is presumed that production and consumption will increase pari passu. Once productive capacity increases, consumption and growth will follow. More will be employed in labour-intensive work, and the surplus produced will filter through the economy. As Paul Streeten succinctly puts it:

30. Ibid.

31. ACFOA, *Australia and ASEAN*, pp.4-5.

32. Ibid.


34. Ibid, p.40.
By redirecting the composition of production toward products consumed by the poor, it encourages more intra-Third World trade, so that developing countries produce more of what they consume, and consume more of what they produce.\textsuperscript{35}

Put simply, basic needs will perform the dual role of growth with poverty alleviation. Through labour-intensive production, the underemployed will be utilised. This will raise consumption as well as production, and improve the overall quality of the labour force by eliminating the evils of malnutrition, disease, and illiteracy.

Given the apparently divergent nature of this concept, it would seem that ACFOA has formulated a "new" response.\textsuperscript{36} However, this is not so. Instead, ACFOA has resisted the prevailing bureaucratic concept whilst trying to establish a niche of its own. ACFOA has attempted to invert the power network by submitting a revised concept.\textsuperscript{37} Yet the aid truths remain the same. Their knowledge formation still occurs within state-capitalist reason. The concept is still governed by the objective rationality of the state in that the state must implement policies attuned to system preservation, and therefore the preservation of our degree of control over, and comprehension of, nature.\textsuperscript{38} Thus the foundation of ACFOA's concept corresponds with the prevailing wisdom. While the interpretation differs, the fundamental instrumentality remains the same. Aid exists as a means to an end.

At times, the aid truths of state-capitalist reason are explicit. In line with preceding concepts, aid is understood

\textsuperscript{35} Ibid, p.24.

\textsuperscript{36} New, that is, in the parlance of humanist liberal paradigm with regard to the formation of a separate discourse.

\textsuperscript{37} See Chapters 1 & 2 of this paper for a discussion of Foucault's "diffused" power paradigm.

\textsuperscript{38} Otherwise translatable into 'material advancement', 'civilised' and so on.
as a state instituted tool that should protect our material status. Again, economic and geopolitical concerns are seen as the principal threats. According to ACFOA's submission to the Jackson Committee:

As an affluent, resource rich, industrialised nation situated on the southern edge of the Asian region - the most populated region of the world with massive problems of poverty, hunger, unemployment and sheer human misery ACFOA believes Australia has more to gain than most countries from a rational approach to North-South relations, for which aid is the 'touchstone' of political commitment and also, perhaps, more to lose than most if the N-S debate becomes sterile and unproductive.39

The tone is remarkably similar. Like the Jackson Report's growth with equity paradigm, aid can provide stability. Aid can mollify the potentially rebellious masses through programs designed to reduce poverty, as once socio-economic development is achieved and perpetuated through growth the region will consolidate. This is already reflected in the diminished threat of a military assault. But the possibility of disruptive action, or intra-regional conflict, still lingers. Hence, Australia should try to avert future hostilities through developmental aid, or if that proves impossible, at least try to favourably dispose Asian countries to Australia via our aid commitment.40 To again quote ACFOA:

In the interest of regional stability, Australia should maintain a substantial aid program to both the ASEAN nations and to the Indo-China states. Regional peace and stability will be enhanced by any action Australia can take to reconcile the differences, or encourage cooperation between these two power groups.41

Of course, economic considerations are also espoused. As with the Jackson Report, Australia's future prosperity is linked to Southeast Asian development. Even ACFOA


40. As this would enable Australia to be construed as an impartial Western power who could avert, or at least mediate intra-regional conflicts.

41. Lee, D'Mello & Rollason, 'A New Focus', p.56.
appreciates that regional advancement promises to secure Australia's well-being. Without it, Australia could languish. From a prosperous nation, Australia could become an economic basket case. Unable to integrate with Asia, it could suffer a marked decline in living standards; a scenario that few will entertain because of the high degree of control we now exercise over our surrounds. In conjunction with stability, economic progress is central to system preservation. As in the eyes of ACFOA:

Australia-ASEAN relations are critical to the future of this nation...ACFOA believes Australia's future will be principally determined by the extent and quality of economic, political, cultural, and social relations with the Southeast Asian region, and therefore particularly with the ASEAN states. The ASEAN states are our neighbours we need to develop neighbourly relations if there is to be peace, stability and progress in the neighbourhood.

No doubt many would disagree with this assessment. They would point to other statements as confirmation of ACFOA's humanitarian intent. For instance, it is claimed that Australia has a moral obligation to reduce suffering in our own region. But what this ignores is the inherent bias. Moral obligation, here, translates into material advancement. As an advanced industrialised nation we have attained a high degree of control over nature which is reflected in our technological prowess vis-a-vis science, medicine, food production, manufactured goods, communications, and the income and material possessions of most households, thus enabling Australian's to enjoy a life

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42. ACFOA, Australia and ASEAN, p.6, where it states that: 'A focusing of the aid program in the region will facilitate more thorough and thoughtful bilateral negotiations with the recipient Government'. Also see p.2 where it states categorically that: 'Australia - ASEAN relations are critical to the future of this nation'. p.2

43. Ibid.

44. Lee, D'Mello & Rollason, 'A New Focus', p.31.
of relative ease.\textsuperscript{45} Conversely, those in the less developed countries are still embedded in nature to the extent that any fluctuations (i.e. flood, pestilence, drought and so on), threaten the well-being of millions of people. Thus, Australia should transfer some of its expertise, as by doing so, the poor can begin to understand and regulate their surrounds. For as the humanitarians say - '...true development is the ability to take control of one's own life'.\textsuperscript{46}

Part One - Marxism, Neo-Colonialism and Critical Theory

Admittedly, ACFOA's basic needs approach is a somewhat dilute form of international-structuralism. But given ACFOA's role as an umbrella organisation encompassing the whole gamut of aid bodies from the most conservative to the more radical, a modus vivendi must occur.\textsuperscript{47} Certainly, the critique of structural constraints is inlaid in ACFOA's basic needs paradigm. However, it does not assume the overt Marxism of other critiques.

Nonie Sharp in her critique of Australian aid, for instance, employs the Marxian categories of the neo-colonial approach.\textsuperscript{48} For her, Australian aid has been an exercise in economic and cultural imperialism. She asserts that aid has revolved around the economic and cultural integration of the Asia-Pacific region into the international economy of capital.\textsuperscript{49} Accordingly, a strategy has been elaborated that seeks to form a non-communist bloc through a three-tiered system. Japan and the United States have collaborated to form the first tier; with Australia, New Zealand and Canada comprising the second tier, and 'acting as a springboard for

\textsuperscript{45} That is, the possessions that enable us to modulate our surrounds and create an increasing life of ease.

\textsuperscript{46} ACFOA, \textit{Australia and ASEAN}, p.5.

\textsuperscript{47} Refer to footnote no.18 of this chapter.


\textsuperscript{49} Ibid, p.51.
investment into the lowest tier - the Third World countries of the area'. Behind this tiered approach, in the opinion of Sharp, is an agenda of integration into the capitalist sphere not only for the economic benefits that accrue via an unequal relationship, but also to avert communist development.

In classical Marxist parlance, Sharp forecasts that the inimical effects of neo-colonialism can be characterised as the creation of a segmented, unequal society with a 'ruling elite' presiding over the impoverished masses. In addition to the legitimising beliefs and edifices spawned by capitalism, the privileged classes will derive support from the major powers. That is to say, they receive financial, military and diplomatic assistance providing the country's policies accord with the demands of the major capitalist powers.51

Yet Sharp believes the move towards economic and cultural imperialism can be thwarted if 'the people' spurn technocratic development. Once Third and First World people alike realise the repressive nature of capitalism its legitimising institutions can be undermined, thus ushering in an alternative social model. In the words of Sharp:

People's movements in opposition to neo-imperial domination will no doubt increase as the strategy of economic integration proceeds in the area...For those in Australia who have begun to reject the short-term 'benefits' of consumer dominated social relationships, the projects would go beyond one-way support movements for others and towards mutual projects for social change centred around socially and ecologically non-destructive ways of living. Only at this stage - of intercultural reciprocity among equals - would it be possible to say truthfully and in Febral's words: 'the people must do it for themselves'.52

The orthodox Marxist content of Sharp's appraisal of Australia's neo-imperialist bias is unmistakable. First is

51 Todaro, Economics, Chapter 6, pp.89-92.
52 Sharp, 'The Bonds of Charity', p.53.
the assertion that economic, political, social, and cultural edifices that arise from capitalism and that are inimical to development will proliferate via international capitalism. Attempts made by industrialised nations to assimilate the Third World entail little more than the imposition of capitalism's unequal, exploitative system. Yet Sharp remains optimistic that the end is nigh. In keeping with Marxist idealism and humanism, Sharp believes that the demise of capitalism's inequities is historically inevitable.

Already, according to Sharp, people in both Third and First World countries are beginning to repudiate consumer-oriented relations given the realisation that they repress through vertical domination. Now, to continue with Sharp's argument, these people have started to embark on a path of social reconstruction and development that frees them from capitalist institutions, and opens the way for the attainment of an emancipated society. In other words, Sharp insists that the repressive functions of capitalism have reached the stage wherein 'the people' have begun to rebel thus precipitating the inevitable move towards social reconstruction - a reconstruction which will allow the true, unfettered individual to emerge.

The Critical Theory of Horkheimer, Adorno and Foucault would rebut a primary element of Sharp's appraisal. As with all Marxist accounts, its economic determinism relies heavily on Hegelian idealism and humanism. Statements pertaining to the growing wave of opposition betray a belief

53 ibid p.47 where she states: "...impoverishment was the other side of their own enrichment: the root cause was to be found in the process of unequal exchange guaranteed by the world capitalist system".

54 Ibid, p.53.

55 Ibid.

in historical inevitability. Like numerous Marxist theorists before her, Sharp abides the historical treatise of Western development which charts the cyclical rise and fall of productive systems, culminating in the emergence of a truly emancipated society. When the internal mechanisms of capitalism conflict with the life experiences of the masses; that is when repression, deprivation and dualism between rich and poor become most pronounced, the agents of history will seek to introduce an alternative economic and social type. Or in the case of aid, a construct that transforms aid from an exploitative capitalist tool into a mutually beneficial vehicle for development.

Conversely, the synthesis model employed in this paper assumes reason is a hypostatised entity embodying the present interpretation of nature-domination. Unlike the Marxist model, reason and truth are not perverted by repressive systems that will eventually collapse before the true ideal. Rather, truth relates directly to the regime of beliefs belonging to a societal type; that is the contemporary shape of nature-domination. Whilst power is not a repressive function in the Marxist sense, but rather is enmeshed in struggles over interpretations of the concept within the prevailing whole.

For Critical Theory, then, the inevitable movement towards an ideal type, whereby repressive power based on corrupted truths will be supplanted, is an idealistic falsehood. In terms of the Marxist critique of aid, this entails understanding aid as part of a set of enveloping beliefs instead of a capitalistic tool legitimated by false ideology, and engendering repression, which will be overthrown with systemic collapse. Aid, as with the society

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58 Max Horkheimer & Theodor W. Adorno, Dialectic of Enlightenment (Great Britain: Allen Lane, 1973), p.3.

and regime it represents, will continue to be supported as a mechanism for the ongoing control and comprehension of nature. The reason on which aid is based is located in history, not above it.

Part Two - The environment as resistance

Another manifestation of the Foucauldian power/knowledge paradigm can be found in the importance accorded to environmental concerns. Now, the environment has joined economic and strategic imperatives. The environment, here, is construed as another dire threat to our material standing over nature. Admittedly, this was not contained within the Jackson Report's terms of reference. It has been integrated since then. But it is important insofar as it shows the dynamism of concept formation. Resistance is possible.

After the Jackson Report, aid was discussed purely in terms of economic, strategic, and humanitarian goals. Then came sustainable development. As the Budget Related Paper No.4 states in its overview, aid exists:

To promote sustainable economic and social advancement of the peoples of developing countries in response to Australia's humanitarian concerns, as well as Australia's foreign policy and commercial interests.

To this end, development projects must be assessed according to possible environmental effects, otherwise, economic and social progress will be undermined by depredation. Programs that augment problems will yield short-term benefits, but their long-term cost will be reflected in worsening poverty. Similarly a degraded environment will be unable to support higher living standards. Scarcity and hardship will again

60 Both primary and apparently divergent discourses.


62 Ecologically Sustainable Development in International Development Co-operation, an interim policy statement, AIDAB (AGPS 1990).
stall the progress of LDC's.

This in itself is alarming. Inimical development will upset Australia's economic aspirations in the developing world. But it has global implications also. Environmental denudation adversely affects Third and First Worlds alike. It does not discriminate. Instead, deforestation in the LDC's creates problems in terms of reduced bio-diversity, global warming and so on. Like air and water pollution, degradation destabilises nature's fragile balance, hence threatening our quality of life as well. Unless that is, the aid bureaucracy can steer developing countries along a sustainable path. Development is the utmost concern. But it must be undertaken with sensitivity to the environment, as reduced fecundity means reduced productivity. To avert this, AIDAB has implemented vetting procedures. On the one hand, the environmental impact of projects is to be studied more rigorously, while activities that exacerbate problems are to cease. These include activities that:

- adversely affect soil structures and long-term fertility;
- adversely alter levels or flows of ground water;
- cause irreversible damage to estuarine, coastal or oceanic seas;
- impinge on sites of particular scientific or conservation significance;
- do not provide for adequate waste management;
- further deplete the ozone layer; and
- are likely to cause the extinction or endangering of any species flora/fauna association or ecosystem.\(^63\)

In this way, development with its ensuing benefits can be attained without creating problems in the long-term. From a concept based on Australia benefiting through poverty alleviation, aid now revolves around benefits through

\(^{63}\) Ibid.

\(^{64}\) Ibid, especially pp.48-52.
development without environmental degradation. But despite undergoing an adjustment, the concepts truths remain the same; those being the instrumental rationality of bureaucratic guidance. In keeping with Foucault, power through knowledge is not repressive per se. State-capitalism's truth sets do not preclude resistance. Instead, they promote it. Concepts do change with the acquisition of 'new' data, but what must be realised is the bias within this information given that it is gleaned from within the present regime of truth. So in spite of the amended focus of aid onto sustainable development, very little has changed. The truths of aid discourse still demand system preservation. Bureaucratic governance must avert the political, economic and environmental threats to our prosperity. In short, it must safeguard our material advancement which has empowered us. Otherwise all is lost.

A clear articulation of this can be found in Toh Swee-Hin's articles on the PEACE paradigm. For Toh, the First World must address the inequitable distribution and depletion of resources if Third World underdevelopment is to be cast off and long-term stability attained. Three key issues are identified. The first is the 'global stranglehold'. This pertains to the exhaustion of resources by the First World, and the disaggregation of production to the Third World. Both are seen to further degrade the environment whilst marginalizing the poor. The second is

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65. Refer to note Chapter 3 Section I: Aid as a concept.


67. Ibid, pp.60-62. Also refer to Rene Dumont, Stranglehold on Africa.

68. As once resources are further depleted it means that an ever diminishing share is allocated to the very poor.
the 'technocratic trap'. Here blame is apportioned to 'experts' who seek to stimulate growth via export-oriented strategies. Usually, these require industries and technologies that are inconsistent with Third World needs. Worse still, they are often unsafe given the absence of adequate safeguards and strict policing. Bhopal is a salient example. Then comes the final issue: the 'pity trap'. Characterised by Toh as the transfer of funds from First to Third World countries, the 'pity trap' acts to salve our conscience without addressing the underlying inequities. In effect, it diverts attention away from the root causes of poverty and suffering in the Third World.

The PEACE approach, by contrast, looks to redress the imbalance. Basically, PEACE is seen as resistance to the dominant discourse through an amalgam of basic needs and environmental concerns. This is perceived as the means of attaining Third World stability whilst averting the threat of continued environmental depredation. In the words of Toh:

...the acronym PEACE...upholds development policies which are participatory with the poor no longer powerless and passively accepting decisions dispensed from above by elites or experts. Participation allows the accumulated knowledge of the poor to be tapped, rather than ignored to the detriment of many modernisation schemes, social, political and economic structures require radical transformation, so that societal resources and wealth are equitably distributed within and between nations. Methods and technology have to be appropriate optimising the use of local material, human and cultural resources and capable of maximising economic benefits to the poor majorities. Above all, PEACEful development embodies the process of conscientization, whereby the oppressed understand the political roots of their poverty and act to liberate themselves. But at the same time, such mass-oriented development should harmonise with, not destroy, the


71. Toh, 'Survival and Solidarity', pp.63-64.
environment on which long-term human survival depends.72

The correlation with basic needs is salient. Both eschew the trickle-down component of the main discourse. For them, strategies of poverty alleviation must begin at the grass-roots. Development programs should address the basic needs of the poorest in order to ameliorate their plight. Of particular importance is the establishment of industries and technologies attuned to the needs of the poor.73 Increased productivity and consumption amongst the poor 'masses' is seen as the impetus for growth; material improvement and stability will follow.

However, there is a conspicuous difference. That being the emphasis on the environmental facet of underdevelopment. Ongoing depletion is related to marginalisation of the Third World.74 Whereas basic needs underscores the failure of neoclassical paradigms to redress poverty, PEACE blames First World excesses.75 Resource exhaustion, inappropriate technologies, and disaggregation of production have compounded the Third World's plight. 'Northern' experts and 'southern' elites have colluded to promote unequal development, with the costs being counted in terms of human misery and a degraded environment.

While the PEACE model does look to extend basic needs through an environmental discourse, its objectives still correspond with the bureaucratic imperatives of 'sustainable development'. State-capitalist reason is transparent. Modernisation must be framed against environmental concerns. Like strategic and economic truths, they threaten our

72. Ibid, p.60.

73. Such as water, sanitation, crop productivity, small absorptive industries, and so on.


75. Toh, 'Survival and Solidarity', p.61.
material advancement, or put simply, our domination of nature. If the earth's resources continue to be depleted by a rapacious First World and inappropriate modernisation programs, then our standing will be undermined. Marginalisation will precipitate massive unrest in the Third World. The end result being an explosion that threatens the already tenuous global stability. According to Toh:

"Peace workers who agree that Third World peace is no less important than the threat of nuclear destruction, will need to constantly clarify to the average citizen the differences between the two competing development worldviews. In particular, the prospects for authentic world peace are enhanced if advanced industrialized peoples are willing to contribute their part in rejecting and creating alternatives to three major dimensions of underdevelopment: the global stranglehold, the technocratic trap, and the pity syndrome."

Clearly, this accords with the instrumentality of the dominant paradigm. There is resistance insofar as environmental concerns are paramount. But like the economic, geopolitical and 'sustainable' truths of the main paradigm, they arise from nature-domination. The principal concept is built on an irrational fear of a regression to nature through diminished prosperity. Economic advancement in the Third World provides Australia with an environment conducive to further progress. Aid can enhance our political and economic prospects. Or put another way, it can establish the conditions that will strengthen our 'civilised' status.

The PEACE model is not markedly different. It seeks to fashion Third World development on the basis of two imperatives. First, the industrialised world must arrest the diminution of non-renewable resources, otherwise the material basis of our prosperity could be lost. But more than that, denudation will precipitate greater Third World marginalisation and with it massive unrest; the fear being

76. Ibid, p.60.

77. Which is, of course, primarily related to Asia.
that such instability could engulf the globe. Pockets of unrest could flare up into major conflict. Alignments could be established and armaments used that would plunge us all into internecine war. Ultimately our material status would suffer, with nature again exerting its control.

78. Toh, 'Survival and Solidarity', p.60.

79. Indeed, the dramatic transformation of the lives of the Yugoslavians induced by the internecine sectarian conflict illustrates this point. The Bosnians and Croations, who formerly enjoyed a reasonably high standard of living, now suffer scarcity, disease and sundry other privations, again they are at nature's mercy.
Conclusion.

In terms of its larger significance, this study has examined the formulation of Australian aid vis-a-vis Southeast Asia from a Critical Theory perspective. Using the Critical Theory of Adorno and Horkheimer it has shown that aid policy is based on several principal axioms. These are the need to comprehend and dominate nature, because according to Critical Theory the development of human cognition has been shaped by a fear of the myriad phenomena encompassing us. Hence, successive totalities have been constructed to explain these phenomena and allow humanity to direct them. In effect, human thought has been conditioned by the need to lift ourselves above nature's slime. Yet these totalities are not constants. Rather, 'regimes of truth' have changed according to society's configuration. So when the material base of Western society changes, so too does the means to comprehend and control our surrounds. This is the materialism of Critical Theory. It believes that concepts describing objects are formed within the universal whole. The way we see, explain, and accept 'things' is determined by a shaped subjectivity.

For Critical Theory, then, Western society has evolved within these parameters. Each 'societal moment' has been a revised form of the nature-dominating discourse. Beginning with ritual and myth, and continuing through the Judaeo-Christian tradition, the Reformation, and liberal-enlightenment, societies have been justified on the basis of their ability to distance humanity from nature. Capitalism is the same. Referred to as 'state-capitalism' by Critical Theory, capitalism has inherited this tradition; only now it takes the form of bureaucratic guidance. Given the monopolization and possible stagnation of the capitalist economy, the state has increasingly replaced market mechanisms. The state acts to reinvigorate the capitalist structure by maximizing profitability within the domestic market, whilst establishing markets overseas. But unlike orthodox and even structuralist Marxism, with their idealistic economic determinism, this does not signal the end of capitalism. Instead, it shows how the structure of society has changed thus leading to a reinterpretation of the nature-dominating discourse. Now, the state's functions are legitimised
by its preservation of affluence and prosperity, both of which are seen as the keys to extricating ourselves from natures grasp. Together they provide the basis for technological advancement. So whilst 'primitive' societies are still governed by their surrounds, we are no longer at the mercy of its caprice. Instead, 'advanced societies', have the means to direct and explain virtually all phenomena. Or at least we envisage that one-day we will have.

Aid is thus posited within this whole. Aid is formulated by the state and implemented by the administrative bureaucracy as part of the all-embracing subjectivity. The state shapes aid according to these objectives. Primary concepts such as economic goals, strategic imperatives and even humanitarian beliefs are all part of this universal whole. In the last instance the pragmatism and humanitarianism of aid relates back to nature-domination. This is their genesis. Economic equates with expanding markets and the preservation of affluence. It also constitutes an attempt to draw Southeast Asia into our sphere of influence. Likewise strategic concerns arise from a fear that Australian prosperity and resources may be threatened by hostile and bellicose neighbours - unless a policy of appeasement is conducted through aid relations. And even humanitarian concerns relate to perceptions of 'primitive' and 'advanced'. We have the means to control whereas they do not, therefore obliging us to help them lift themselves above nature via the allocation of funds and technical expertise.

But this begs the question as to how the underlying discourse can be exposed. If we are all enmeshed in this 'moment of societal totality' (as clearly Critical Theory's materialism rebuts humanism), then how can we begin to examine its profound effect on us? Critical Theory overcomes this problem through negative-dialectics. This involves contrasting a concept against the object it claims to represent. In this way, the concepts irregularities are drawn out, thus exposing its part in the universal whole. For aid, this entails an analysis of policy statements to show how the concepts are undermined by the actuality of the object. Or put another way, how the objects actuality rests on subjectivism.

Such an analysis reveals that the Australian aid program, as
articulated by the Jackson Report, is enmeshed in state-capitalist reason. The current aid program should be seen as a hypostatised entity reflecting state-capitalism's regime of truth. Based as it is on the reprised linear-stages model, the Australian aid 'concept' as it is expounded relates to the alleviation of poverty through infrastructural development. Aid is to remove obstacles to development within recipient countries, thus allowing them to develop more robust, export-oriented economies. Once this stage is attained, according to the linear-stages model, the recipient LDCs economy will expand with the ensuing benefits of growth 'trickling-down' to even the poorest members of society.

This premise is the humanitarian concept of aid as it is enshrined in the Jackson Report. Yet through negative-dialectics, the flaws inherent in the concept are drawn out, thus exposing aid's dependency on state-capitalism's regime of truth. The most damning statistic evinced by the negative-dialectical technique is the increasing importance placed on Southeast Asia. During the 1980s, at a time when the aid budget suffered draconian reductions, (refer to Chapter 3), one region continued to enjoy Australian largesse. Southeast Asia, or more precisely the ASEAN states, have progressively received the lions share of aid behind only that of Australia's traditional dependent, Papua New Guinea; although even PNG's share has diminished during this time. In no way can this be predicated on the humanitarian concept. Conversely, Australia's predilection to ASEAN states betrays the import of strategic and economic truths, as this is now a region of rapid economic growth amongst countries largely attaining middle-income status. On the one hand, aid is to be used as a buffer to any unrest or disturbance caused by hostilities within Southeast Asia; a policy underscored by Australia's interactions with Indonesia via aid.

Australian aid to Indonesia typifies the predominance of nature-domination in the bureaucratic discourse. By devoting an increasing amount of aid to Indonesia it is hoped that the goodwill generated will galvanise a more amicable diplomatic relationship between the two. Indeed, during a period of tense relations, which it was feared could be inflamed by border problems in Irian Jaya with PNG and the Organisasi Papua Merdeka, Australia has needed to establish good office. Above
all, Australia has needed to establish goodwill, not because of the threat of direct military action, but more because of the strategic position of Indonesia. By straddling our lines of communication and trade, Indonesia has the potential to severely impair Australia's economic well-being, which is anathema to state capitalist reason and the compelling need to preserve prosperity and, therefore, the techniques of self-preservation and control over nature.

Allied to this are the economic imperatives. If relations with Indonesia deteriorate, then Australia's economic advancement will also be severely inhibited. The reason being that Indonesia is literally Australia's gateway to ASEAN. Apart from its physical proximity, the delicate balance of power within Asia would ensure that discord between Indonesia and Australia would turn Australia into a pariah. Fellow ASEAN members would be reluctant to imperil nascent economic and political ties developing between them by antagonising Indonesia. Hence, Australia would be precluded from the region of rapid expansion which holds the promise of rejuvenation for our own stagnating economy. Cast aside by the fledgling economic powers of Southeast Asia, Australia's economy, its prosperity, and therefore its degree of comprehension and control over nature would recede - a fear at the very heart of the state-capitalist discourse.

Moreover, it is this irrational fear of nature which informs the 'dissenting' discourses within the aid debate. Unlike the tendency of Critical Theory to examine power through knowledge (or the shaped subjective) as a repressive function which stymies and suppresses, Foucault allows for the positive development of alternative discourse, or points of resistance to the predominant bureaucratic discourse, within the present regime of truth. Consequently, the amalgam of Foucauldian post-modernism with its precept of constrained truth, and Critical Theory's nature-dominating reason, creates a paradigm that perceives reason as materially governed, but not necessarily repressive. Reason is posited in history. In keeping with Foucault, regimes of truth, or systems of cognition, beliefs and practices, are materially governed by the society in which they are located. But in the last instance, the predominant discourse, and its opponents within the power grid, are shaped
by the need to rule nature.

Such is the case with the adversarial international-structuralist discourses of the aid debate discussed in Chapter 4. The redistribution with growth paradigm of the 70s, the basic needs approach of the 80s, and Toh's PEACE paradigm of the 90s all stem from aid truths pertaining to the protection of our material standing. Despite these models' attempts to elicit their own power through resistance, they in fact correlate with state-capitalist reason. One statement from ACFOA underscores the preponderance of nature-dominating reason. The following statement encapsulates the need for a prudent aid commitment, for as ACFOA states:

Australian-ASEAN relations are critical to the future of this nation. The ASEAN states are our neighbours so we need to develop neighbourly relations if there is to be peace, stability and progress in the neighbourhood.¹

The correlation with the predominant discourse is unmistakable. Again, the themes of cordial relations between Australia and ASEAN specifically, and Southeast Asia generally, are invoked as imperative for ongoing economic development and nature control. If the state, through aid, engages in bridge-building exercises, then prosperity via economic integration and geopolitical stability is assured.

To conclude, this study has set out to challenge the humanist idealism of orthodox Marxism, structural functionalism and liberal rationality, through the fusion of Critical Theory and Foucault when studying aid. The subsequent model has explored how reason is posited in history, not above it. Additionally, through Foucault, Critical Theory has taken a further step in overcoming its principal flaw of repressive power. In its original form, the Critical Theory of Horkheimer and Adorno portrayed systems of cognition as wholly negative. Systems of beliefs were interpreted as stifling and repressing humanity through the imposition of an immutable set of thought, ideas and practices: whereas Foucault, by introducing a power network, has allowed for the positive aspects of a conditioned subjectivity

¹ Australia and ASEAN: A Submission to the Sub-Committee on Australia and ASEAN of the Joint Committee on Foreign Affairs and Defence, ACFOA, (May 1984), p.2.
to be drawn out. That is, the expanded Critical Theory model understands that resistance to the predominant interpretation of the nature-dominating discourse does occur, but that divergent models are still based on the same truths of state intervention and guidance to preserve our advanced economic status and, by association, our advanced techniques of control over, and comprehension of nature.
APPENDIX I: The Composition of the Committee on Australia's Relations with the Third World.

- Professor O. Harries, Chairman, University of New South Wales and Department of Foreign Affairs.
- Mr E.K. Fisk, Research School of Pacific Studies, Australian National University.
- Mr A.T. Griffith, A.M., Special Advisor Department of the Prime Minister and Cabinet.
- Mr N.D. McInnes, Deputy Director-General, Office of National Assessments.
- Mr J.D.C.C. Moore, First Assistant Secretary, Department of the Treasury.
- Mr P.I. Nolan, Secretary, Australian Council of Trade Unions.
- Mr A.R. Parsons, Deputy Secretary Department of Foreign Affairs.
- Dr B.W. Scott, Managing Director, W.D. Scott & Co. Pty Ltd.
- Mr J.T. Smith, I.S.O. Canberra.
- Mr J.A. Uhrig, Managing Director, Simpson Pope Ltd.

APPENDIX II - The Composition of the Committee to Review Australia's Overseas Aid Program.

- Sir Gordon Jackson, Chairman, Deputy Chairman C.S.R., member of the Board of of the Reserve Bank of Australia.
- Professor Helen Hughes, Executive Director of the Development Studies Centre, ANU - Deputy Chairperson.
- Neil Batt, Resident Director of the TMT Group of Companies for Victoria and Tasmania.
- Professor David Lim, School of Modern Asian Studies, Griffith University.
- Dr Peter McCawley, Head of the Indonesian Project, Research School of Pacific Studies, ANU.
- Dr Brian Scott, Chairman and Managing Director of W.D. Scott & Co. Pty Ltd.

### APPENDIX III - Total Australian Aid Flows to Major Recipients 1987-88 to 1990-91 ($m)

<table>
<thead>
<tr>
<th>Major Recipient</th>
<th>1987-88</th>
<th>1989-90</th>
<th>1990-91</th>
</tr>
</thead>
<tbody>
<tr>
<td>PAPUA NEW GUINEA</td>
<td>306.0</td>
<td>337.8</td>
<td>333.0</td>
</tr>
<tr>
<td>SOUTH PACIFIC</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fiji</td>
<td>19.0</td>
<td>25.3</td>
<td>22.7</td>
</tr>
<tr>
<td>Vanuatu</td>
<td>10.4</td>
<td>12.4</td>
<td>13.9</td>
</tr>
<tr>
<td>Solomon Islands</td>
<td>11.2</td>
<td>13.3</td>
<td>12.7</td>
</tr>
<tr>
<td>Western Samoa</td>
<td>9.8</td>
<td>10.2</td>
<td>12.3</td>
</tr>
<tr>
<td>Tonga</td>
<td>9.5</td>
<td>10.4</td>
<td>10.7</td>
</tr>
<tr>
<td>Kiribati</td>
<td>3.0</td>
<td>5.4</td>
<td>3.9</td>
</tr>
<tr>
<td>Tuvalu</td>
<td>1.6</td>
<td>2.0</td>
<td>2.4</td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>SOUTH-EAST ASIA</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Indonesia</td>
<td>89.1</td>
<td>98.0</td>
<td>107.9</td>
</tr>
<tr>
<td>Philippines</td>
<td>28.3</td>
<td>30.2</td>
<td>50.1</td>
</tr>
<tr>
<td>Thailand</td>
<td>25.0</td>
<td>46.6</td>
<td>38.3</td>
</tr>
<tr>
<td>Malaysia</td>
<td>50.3</td>
<td>35.2</td>
<td>26.8</td>
</tr>
<tr>
<td>Vietnam</td>
<td>14.2</td>
<td>16.8</td>
<td>10.0</td>
</tr>
<tr>
<td>Laos</td>
<td>7.2</td>
<td>8.3</td>
<td>8.4</td>
</tr>
<tr>
<td>Cambodia</td>
<td>6.1</td>
<td>8.7</td>
<td>8.3</td>
</tr>
<tr>
<td>Singapore</td>
<td>5.2</td>
<td>2.7</td>
<td>1.8</td>
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<tr>
<td>Burma</td>
<td>11.8</td>
<td>4.0</td>
<td>1.0</td>
</tr>
<tr>
<td>Other</td>
<td>13.3</td>
<td>11.7</td>
<td>17.0</td>
</tr>
<tr>
<td>OTHER REGIONS</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total East Asia</td>
<td>43.3</td>
<td>48.9</td>
<td>45.2</td>
</tr>
<tr>
<td>Total South Asia</td>
<td>30.2</td>
<td>88.3</td>
<td>82.4</td>
</tr>
<tr>
<td>Total Indian Ocean</td>
<td>6.4</td>
<td>4.6</td>
<td>4.1</td>
</tr>
<tr>
<td>Total Southern Africa</td>
<td>25.0</td>
<td>67.9</td>
<td>42.0</td>
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<tr>
<td>Total Other Sub-Saharan Africa</td>
<td>34.3</td>
<td>27.7</td>
<td>30.2</td>
</tr>
<tr>
<td>Total North Africa/ Middle East</td>
<td>24.1</td>
<td>22.9</td>
<td>22.6</td>
</tr>
<tr>
<td>Rest of World</td>
<td>1.3</td>
<td>5.8</td>
<td>5.3</td>
</tr>
</tbody>
</table>

APPENDIX IV : Dissenting View from Mr J.T. Smith in the Harries Report.

An example of the Foucauldian/Critical Theory thesis of seemingly divergent discourse actually being located within society's present regime of truth, based as it is upon the current interpretation of nature domination, is found in the statement of dissent submitted by a member of the Harries Committee, Mr J.T. Smith. As he states:

I dissent from the proposition, which is the foundation of the Committee's first recommendation, that Australia is a Western country. This view is vigorously repeated in Recommendation No.13 (i); it is the opening thought in Chapter VI on Australian interests involved in relations with the Third World; and indeed it is a recurring theme in the Report.

...How much more perplexing it would be to the Third world, and especially Asia, to discover that we regard ourselves as Western and our basing our policy towards them on that, just when (after 30 years effort on our past) they were beginning to believe that we really are Australian's and not Europeans or British.1

Mr. Smith's observations betray an underlying structural-functionalist approach revolving around the 'realpolitik' of Forbes' 'new realism' given that Smith advocates the selective adoption and denunciation of the Western tag in Australia's efforts to pursue its self-interest through the recognised international diplomatic, economic, and cultural edifices.2 In that regard, as is endemic in the structural-functionalist account, such a dissenting critique converges with the subjectivism of the Foucault-Adorno-Horkheimer synthesis model of reason in history. Here, in keeping with Foucault, a view dissenting from the bureaucratic model is expressed, thus constituting a power network wherein resistance to the pre-eminent model elicits power in itself. Nonetheless, as with the materialism of Critical theory and Foucault, reason or knowledge is governed in the last instant by the present incarnation of society's regime of truth. Consequently, to invoke the Critical Theory paradigm, the truths or beliefs of Mr Smith's account correlates with the precepts of the principal discourse. Both relate back to state-capitalist reason which is the moment of societal totality. Nature-domination through state initiated action to preserve affluence is the prevailing rationality determining thought.

Support for the Critical Theory assessment is evinced by


the notion that Australia must prevaricate when using the Western tag in relation to Europe and Asia. The principal concern (via-a-vis state-capitalist reason) is that the projection of a Western affinity by Australia will preclude Australia from integration into the Asian sphere with its ensuing economic and strategic benefits. That is, Smith fears that a Western tag would inhibit the expression and pursuit of Australia's interests through the recognised institutions when dealing with Asia. Such an outcome would be catastrophic in the eyes of state-capitalism with its emphasis on the preservation and advancement of affluence to enhance the technologies of self-preservation and survival. As Smith states:

This is not to say that on matters of mutual interest we should not caucus at international gatherings and have other arrangements with the countries of Western Europe, the United States, Japan, Canada and New Zealand - all included in the Committee's definition of the 'West'. We have done so with advantage to our interests and should, as appropriate, continue to do so. But these linkages, however described, should be seen as the consequences or means of pursuing our interests internationally not the starting point in approaching our relationships with the Third World.1

For Smith, in line with state-capitalist reason, it is imperative that Australia present an independent image divorced from the Western persona. To do so would facilitate the ongoing assimilation into Asia thus protecting Australia's advanced status. Otherwise, as Smith speculates:

The main thrust of this Report is to seek a stronger and realistic relationship with the Third World countries of our region and with the groupings (like ASEAN) building up there. How can we approach them successfully as anything else than Australians, genuinely independent and ready to be part of an Asian-Pacific world, uncluttered by labels like 'Western' or other appeals to the past?

As this Report brings out very clearly, the Third World tends to see 'the West' as its adversary - in terms of its colonial past, its economic exploitation, its resistance to their demands and sometimes for its grudging concessions. By so deliberately identifying ourselves as Western we would invite the Third World to see us in the same light - yet that is not our real image.2

3 Smith, 'Dissenting View', p.192.
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