

**AUSTRALIA'S MOTIVES PROVIDING FOREIGN AID IN HEALTH AND
EDUCATION SECTORS IN NAURU 2019-2020
UNDERGRADUATE THESIS**



**UNIVERSITAS
ISLAM
INDONESIA**

Written by:

REYGA ARDHEAS TARA

21323260

**DEPARTMENT OF INTERNATIONAL RELATIONS
FACULTY OF SOCIO-CULTURAL SCIENCES
UNIVERSITAS ISLAM INDONESIA**

2025

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UNDERGRADUATE THESIS**

Proposed to the Department of International Relations

Faculty of Socio-Cultural Sciences

Universitas Islam Indonesia

As partial fulfillment of the requirements to earn

Bachelor Degree in International Relations



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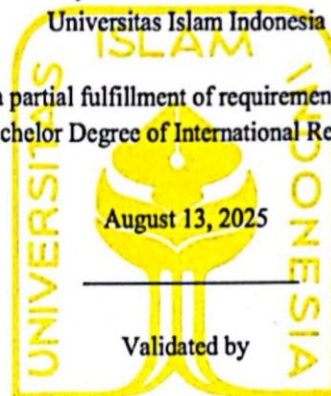
Australla's Motives Providing Foreign Aid in Health and Education Sectors in Nauru

2019-2020

Defended in front of Board of Examiners
in the Department of International Relations
Faculty of Socio-Cultural Sciences

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Department of International Relations
Faculty of Socio-Cultural Sciences
Universitas Islam Indonesia



Board of Examiners

Signature

- 1, Hasbi Aswar, S.I.P., M.A., Ph.D.
2. Ayu Heryati Naqsabandiyah, S.I.P., M.A.
3. Masitoh Nur Rohma, S.Hub.Int., M.A.

Three handwritten signatures in black ink, each written on a horizontal line. The first signature is the most prominent, followed by two smaller ones.

STATEMENT OF ACADEMIC INTEGRITY

I hereby declare that this undergraduate thesis is the result of my own independent scientific work, and that all material from the work of others (in books, articles, essays, dissertations, and on the internet) has been stated, and quotations and paraphrases are clearly indicated.

No other materials are used other than those contained. I have read and understood the university's rules and procedures regarding plagiarism.

Making false statements is considered a violation of academic integrity.

22, July 2024

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Reyga Ardheas Tara

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ABSTRACT

This study examines Australia's aid diplomacy in supporting Nauru's health and education sectors during 2019-2020, coinciding with the Pacific Step-Up policy implementation. Using Carol Lancaster's foreign aid theory, this qualitative research analyzes the multifaceted purposes of Australia's assistance through government reports and international organization publications. Australia provided AUD 25.8 million in total aid, with AUD 5.2 million (20.1%) allocated to health sector focusing on non-communicable diseases and healthcare infrastructure, and AUD 3.9 million (15.1%) to education through teacher training, curriculum development, and scholarships. The findings reveal that Australia's aid serves dual functions: promoting genuine development through infrastructure support and capacity building, while strengthening strategic regional influence amid geopolitical competition. The study demonstrates humanitarian response, through medical supplies and vaccine distribution. This research concludes that Australia's aid diplomacy exemplifies multifunctional foreign assistance, successfully integrating developmental outcomes with diplomatic objectives. The findings validate Lancaster's framework, showing how aid serves both humanitarian and strategic purposes while highlighting tensions between development goals and donor dependency in small island developing states.

Keywords: Australia's aid diplomacy, Pacific Step-Up, Health sector development, Education development, Foreign aid theory, Nauru development assistance

CHAPTER I

INTRODUCTION

1.1 Background

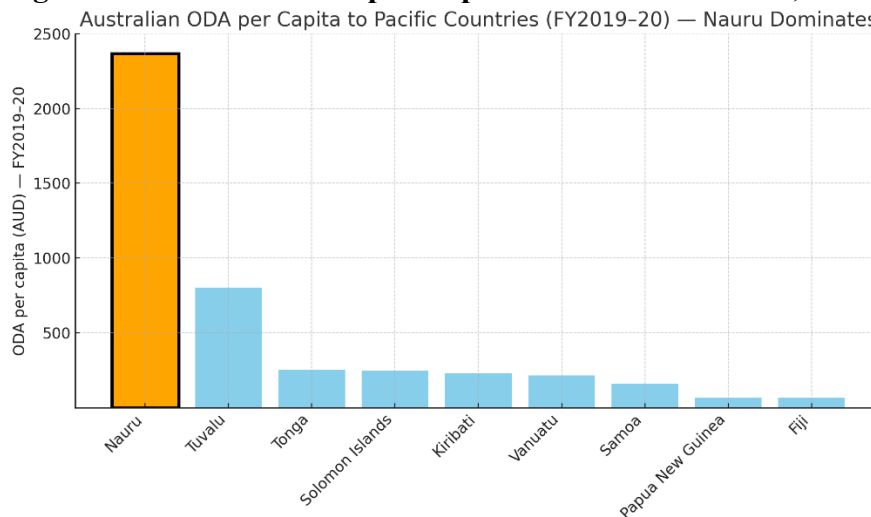
Australia has long been recognised as a significant diplomatic and developmental ally for nearby island nations, due to its status as an enormous regional force in the Pacific. Australia is engaged with such nations to safeguard its strategic interests in regional security, stability, and economic development. Nauru serves as a compelling case study for Australia's diplomatic initiatives in the Pacific, particularly in terms of health and education advancement. This is due to its numerous distinguishing characteristics that differentiate it from other Pacific Island nations.

Nauru was selected for this research because of many specific factors that demonstrate its significance in Australia's Pacific diplomacy. Nauru, with around 21 square kilometers and housing a population of around 10,876 individuals as of 2019, is the smallest sovereign country globally. This renders it a crucial test case for the efficacy of targeted assistance (World Bank 2020). Nauru is smaller than other Pacific nations such as Fiji and Papua New Guinea, facilitating the examination of the impacts of aid and diplomacy.

Nauru's distinctive economic reliance on Australia renders its relationship with Australia unparalleled in the Pacific region. Nauru has been heavily reliant on Australian financial assistance following the depletion of its phosphate reserves, which once constituted 90% of its GDP (Connell 2006). In 2019–2020, Australia's

Official Development Assistance (ODA) to Nauru amounted to AUD 25.8 million, or about 20% of Nauru's entire government expenditure. This reliance ratio significantly exceeds that of Australia's aid connections with other Pacific states (Department of Foreign Affairs and Trade 2020). The figure depicts Australia's Official Development Assistance (ODA) per capita to specific Pacific nations for the 2019–2020 fiscal year. The vertical axis, delineated at intervals of 500, 1000, 1500, and 2000 AUD, signifies the average annual help per inhabitant received in Australian dollars. The horizontal axis enumerates the receiving nations. Nauru's bar far above the 2,300 AUD per person benchmark, outstripping all other Pacific nations. Tuvalu, the second biggest beneficiary, earned almost 802 AUD per capita, whilst Tonga and Kiribati received about 250 AUD per capita, and Fiji received little over 65 AUD per capita (DFAT 2020; World Bank 2020).

Figure 1. Australian ODA per Capita to Pacific Countries, FY2019–2020



Source: Australian Department of Foreign Affairs and Trade (DFAT) “Australian ODA by country and region of benefit, 2019–20”; World Bank, Population Data 2020.

This significant gap suggests that Nauru obtains an excessive amount of help in relation to its population size. Despite Papua New Guinea receiving the

highest total of Australian aid (exceeding 600 million AUD yearly), its substantial population leads to a significantly lower per capita amount. Nauru's remarkable per capita allocation is indicative of two interconnected factors: its profound economic reliance on foreign financing and its strategic significance to Australia (DFAT 2020).

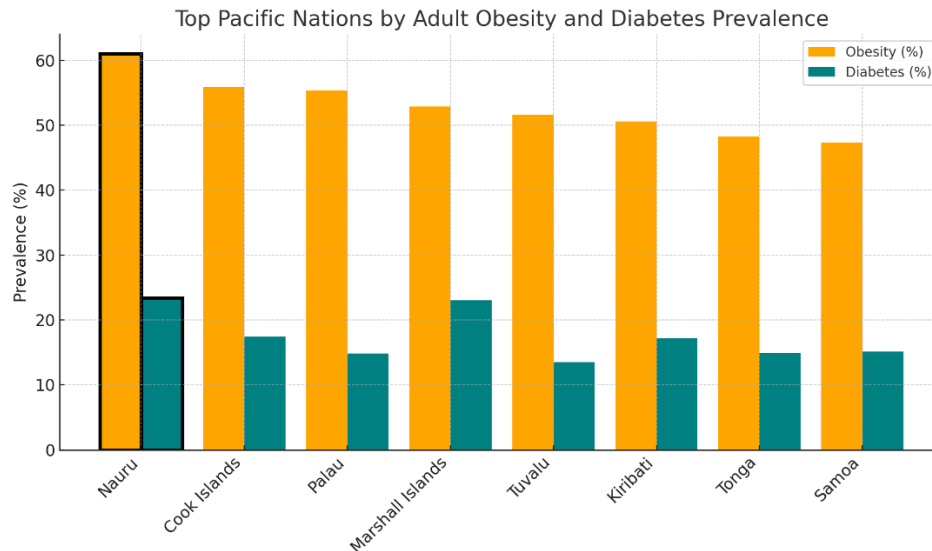
The magnitude of Australia's per capita aid to Nauru indicates a concentrated, low-diffusion aid model, wherein a donor allocates considerable resources to a tiny state of considerable geopolitical significance. Nauru serves as a longstanding partner for Australia and hosts the Regional Processing Center (RPC), an essential component of Australia's immigration and border control strategy. Moreover, its physical location in Micronesia augments its significance for regional security, marine governance, and diplomatic alignment in Pacific matters.

The relationship between Australia and Nauru is defined by a distinctive institutional framework via the Regional Processing Centre (RPC), created under Australia's offshore processing policy. This arrangement, in effect since 2012, has established a mutually reliant relationship in which Nauru gets significant financial remuneration (about AUD 30 million per year) while Australia achieves its immigration detention goals (Refugee Council of Australia 2019). This symbiotic connection establishes a diplomatic dynamic that is unique compared to Australia's interactions with other Pacific states.

Nauru is facing unparalleled health issues, rendering it an exemplary case study for the efficacy of health sector help. The country possesses the greatest worldwide prevalence of obesity (71.1%) and diabetes (23.3%), in addition to

notably elevated rates of renal disease and cardiovascular disorders (World Health Organization (WHO) 2020). Nauru's health indices are markedly lower than those of other Pacific nations, rendering it a pivotal example for Australia's health diplomacy efforts.

Figure 2. Top Pacific Nations by Adult Obesity and Diabetes Prevalence



Source: World Health Organization (WHO) Global Health Observatory; International Diabetes Federation (IDF) Diabetes Atlas; World Bank Population Data.

The graphic combines adult obesity rates with diabetes prevalence in specific Pacific Island nations, indicating that Nauru continuously occupies the highest position in both metrics. During 2019–2020, the prevalence of adult obesity in Nauru was estimated at 61%, the highest among the Pacific nations included in this analysis and one of the highest globally. Over sixty percent of individuals in Nauru are classified as clinically obese.

The nation's diabetes prevalence is also concerning, at 23.4% among persons aged 20 to 79. This statistic reveals that over 25% of individuals are afflicted with diabetes, a prevalence significantly above that of most nations and considerably beyond the global average. The simultaneous prevalence of extreme

obesity and widespread diabetes illustrates the critical non-communicable disease issue confronting Nauru, attributable to dietary changes, decreased physical activity, and a significant dependence on imported, processed goods subsequent to the decline of its phosphate mining industry.

The picture further emphasizes that other Pacific nations, like the Cook Islands, Palau, and the Marshall Islands, exhibit comparably elevated rates of obesity and diabetes; however, none exceed Nauru in both metrics concurrently. This solidifies Nauru's status as both a statistical anomaly and a central hub for public health initiatives in the Pacific area. The combination of elevated obesity and diabetes rates has significant implications for life expectancy, healthcare expenditures, and economic productivity, rendering it a critical priority for national health policy and global assistance initiatives.

Besides that, Nauru's educational system has distinct issues stemming from its remoteness and constrained resources. Its education sector, comprising merely 19 teachers and having constrained post-secondary options, necessitates targeted interventions that markedly diverge from those in larger Pacific nations with more advanced educational frameworks (Pacific Islands Forum Secretariat 2019).

Since the early 20th century, Australia and Nauru have had a unique historical connection among Pacific states. From 1920 until 1968, Nauru was managed by Australia, New Zealand, and the United Kingdom under a League of Nations mandate that transitioned to a United Nations trusteeship in 1947, with Australia assuming the predominant role (Connell 2006). This historical administrative relationship established institutional ties and governmental frameworks that endure today, positioning Nauru distinctively within Australia's

Pacific involvement policy.

The "Pacific Step-up" policy, launched by Australia in 2016, designated Nauru as a key partner owing to its strategic position, historical connections, and developmental requirements (Department of Foreign Affairs and Trade 2018). By 2019, this policy had been executed in full, meaning the 2019-2020 period is especially crucial for examining Australia's diplomatic relations with smaller Pacific states. Nauru, despite its diminutive size, holds a strategically significant position in Micronesia for marine security and surveillance activities. Its geographical position affords Australia significant benefits in overseeing regional marine operations and sustaining a presence in the central Pacific, especially in light of the increased Chinese influence in the area (Wallis 2017). Unlike other Pacific states that maintain different diplomatic contacts, Nauru's economic reliance assures persistent alignment with Australian strategic goals.

Nauru is a pivotal case study for Australia's Pacific diplomacy for several reasons. Nauru is currently facing a critical health crisis, marked by a high incidence of non-communicable illnesses necessitating immediate support from neighboring countries. The World Health Organisation indicates that 94.5% of Nauruans are overweight or obese, with 71.7% categorized as obese. This identifies Nauru as the country with the greatest obesity prevalence worldwide. Nauru has the highest global prevalence of type 2 diabetes, affecting 40% of its population (World Health Organization (WHO) 2024; Diabetes.co.uk 2022). The World Health Organization indicates that diabetes, cardiovascular disease, and hypertension constitute 75% of all fatalities in the Pacific archipelago.

Nauru's economy is distinctly precarious, providing a compelling case study

for assessing the effectiveness of help. Historically, phosphate mining substantially bolstered the nation's economy; however, this resource is practically exhausted, resulting in the government facing restricted avenues for economic diversification. The nation's limited population of around 10,000 inhabitants and its precarious economy both complicate and facilitate the quest for focused developmental aid.

Nauru's strategic location in Micronesia offers Australia vital regional security and surveillance functions. The country's geographical location is vital for maritime security and regional stability, especially given the escalating power conflicts in the Pacific area. Australia serves as Nauru's principal source of bilateral assistance, supplying development funds that represent 17% of the Nauruan Government's budget (Department of Foreign Affairs and Trade 2019). This significant financial connection enables the assessment of the effectiveness of Australia's assistance diplomacy.

The timeframe from 2019 to 2020 was chosen for a number of reasons. This year signifies the full execution of Australia's Pacific Step-up plan, enabling a thorough assessment of its preliminary implications and efficacy. The effort started in 2016 and achieved completion by 2019, providing programs adequate time for initiation and preliminary result assessment. The Australian government contributed \$25.8 million in assistance to Nauru during the 2019–2020 fiscal year. This is a significant contribution that needs comprehensive analysis. This significant amount demonstrates that Australia prioritizes Nauru within its Pacific aid programs.

The timeframe from 2019 to 2020 was selected for a number of reasons. This year marks the full implementation of Australia's Pacific Step-up plan, thereby

enabling a comprehensive evaluation of its preliminary implications and efficacy. The initiative was initiated in 2016 and concluded in 2019, thereby providing programs with sufficient time for initiation and preliminary outcome assessment.

During the 2019–2020 fiscal year, the Australian government allocated a total of \$25.8 million in financial assistance to Nauru. This is a substantial contribution that necessitates a thorough examination. This substantial allocation underscores Australia's strategic prioritization of Nauru within its Pacific aid initiatives. To provide a foundation of concrete figures relevant to health and education under the Pacific Step-Up, Table 1.1 offers a summary of Australia's ODA to Nauru in FY2019–2020. This summary combines DFAT's program budget and the Government of Nauru's Development Fund projections (Adeang, 2019; Australian Aid, 2020).

Table 1.1 Australia’s ODA to Nauru, FY2019–2020 (focus on health & education)

Sector/Item (FY 2019– 2020)	Cash (AUD)	In-kind (AUD)	Total (AUD)	Notes
Total Australian ODA to Nauru	—	—	25,800,000	DFAT program budget estimate (Australian Aid, 2020)
Education	2,700,000	920,000	3,620,000	Includes Australia Awards and support to the Education Sector Strategy (Adeang, 2019)
Health	2,700,000	636,010	3,336,010	Australia Nauru Health Management Services support (Adeang, 2019)
COVID-19 package (specific)	—	—	4,500,000	Outbreak preparedness/response, technical assistance, and economic recovery; plus AUD 100,000 medical supplies (Adeang, 2019)

Sources: DFAT 2019–20 Nauru Development Program Progress Report; Republic of Nauru; Development Fund Annual Projections 2019–2020.

The table demonstrate that, within the Pacific Step-Up period, Australia designated health and education as fundamental sectors, allocating a combined total of over AUD 6.9 million through a combination of financial and in-kind contributions. These resources were directed towards capacity-building initiatives, scholarship programs, enhancing teaching quality, and fortifying health systems, including the management of non-communicable diseases. The addition of a dedicated package to the end of the fiscal year, which included technical assistance and AUD 100,000 in medical supplies, was indicative of a human-security lens. This was in alignment with the argument posited in the thesis that Australia's aid advances developmental outcomes and diplomatic objectives in a small, highly dependent Pacific partner (Adeang, 2019; Australian Aid, 2020).

The period from 2019 to 2020 is of particular significance as it marks the time right before the worldwide emergence of the novel strain of coronaviruses that would subsequently be designated as SARS-CoV-2, also known as the "novel coronavirus." This period offers insights into Australia's assistance diplomacy within standard operational settings (Dornan and Pryke 2017).

The years 2019 to 2020 cover Australia's involvement immediately before the COVID-19 pandemic, which profoundly transformed international relations and development objectives. This pre-pandemic study offers significant insights into Australia's conventional strategic growth objectives, which serve as a basis for analyzing the progression of assistance provision and priorities since that period. By 2019–2020, assistance had nearly returned to its 2007–2008 level. Nevertheless, it rose once again in 2020–2021 as a result of COVID-19 and intensified rivalry with China (Development Policy Centre 2025). The years 2019

to 2020 are crucial for understanding how Australia aligns its strategic objectives with its developmental goals.

Australia possesses several strategic motivations for supporting Pacific states, especially Nauru. Australia, as a regional power, considers it crucial to uphold safety and stability in the Pacific. Supporting the development of smaller island republics enhances regional stability by addressing potential issues proactively. The Pacific has emerged as a focal point of competition for dominance, with China and other nations demonstrating increased interest in the region. Australia's aid policy aims to sustain its influence and counteract the power of other nations (Dornan and Pryke 2017).

Australia's interest in Nauru encompasses factors beyond mere geographical proximity. Nauru holds a significant position in the Pacific region, despite its small size. This case study is important in terms of Australia's involvement in the Pacific because of the unique challenges and opportunities it presents. Nauru encounters considerable difficulties regarding its economy, ecology, and population. The economy of the nation has traditionally depended on phosphate mining, yet it has faced challenges in diversifying its economic activities. The nation exhibits a significant prevalence of non-communicable diseases. Nauru's strategic location in Micronesia is crucial for marine security and surveillance within the region.

Australia has served as Nauru's principal source of support for an extended period. Australia's support for Nauru focusses on three main objectives: improving public sector management, developing infrastructure to stimulate economic growth, and advancing human development, especially in health and education (Australian High Commission in Nauru 2024; Department of Foreign Affairs and Trade 2024a).

Australia's main contributions include advancements in the health sector, efforts to combat non-communicable diseases, enhancements to health infrastructure, and improvements in public health systems. Australia has also made contributions to curriculum development, educator training, and the provision of scholarships for higher education within the country.

Australia supports the development of other Pacific Island nations; however, Nauru's circumstances are uniquely different in certain aspects. Nauru is the smallest sovereign nation in the world, possessing a population considerably smaller than that of most other Pacific Island nations. This facilitates the delivery of more targeted and potentially more effective support. Nauru's economy also exhibits fragility stemming from its reliance on phosphate mining, unlike countries such as Fiji or Samoa, which have more diversified economic structures. Nauru exhibits some of the lowest health indices in the Pacific, especially regarding the prevalence of non-communicable diseases, highlighting a significant requirement for support within the health system.

During 2019–2020, Australia concentrated its assistance in Nauru on the health and education sectors with a specific purpose. The selection of these two sectors was based on their direct relevance to community survival, the political legitimacy of the Nauruan administration, and Australia's diplomatic objectives. Health emerged as a significant concern due to Nauru's encounter with the most acute non-communicable disease (NCD) problem globally. Over 60 percent of individuals in Nauru are classified as obese, and over 23 percent are afflicted with diabetes (WHO 2020; IDF 2019). With a population of around 10,800, this indicates that virtually every household has a critically ill or high-risk individual. Nauru's

healthcare infrastructure is severely constrained, with only a single primary hospital equipped with rudimentary equipment (Government of Nauru 2019). In the absence of Australian assistance, including the supply of pharmaceuticals, healthcare professionals, and COVID-19 readiness initiatives, the healthcare system would likely disintegrate. Consequently, health aid is not just a humanitarian concern, but also a pivotal factor in social and political stability. Should health services falter, public trust in the government would diminish, endangering the nation's legitimacy (DFAT 2020; WHO 2020).

Education is vital due to the significant limitations in Nauru's human resource capabilities. Data indicates that there were around 19 active local educators during the 2019–2020 academic year. This figure is excessively inadequate to accommodate the full student body. Nauru's educational institutions rely on expatriate instructors for operation, with 40 in 2019, a figure that declined to 34 in 2020 (Pacific Islands Forum Secretariat 2019; DFAT 2020). In the absence of expatriate educators, several schools would cease operations. This scenario exemplifies the systemic reliance on external assistance. For Australia, endorsing the education sector entails maintaining essential public services while developing sustainable capacity to avert Nauru's total reliance on help in the future.

This emphasis is also congruent with Australia's strategic objectives. Nauru accommodates the Regional Processing Centre (RPC), a significant establishment in Australia's border strategy. For this collaboration to persist, the Nauruan government must maintain domestic stability and legitimacy. By supporting health and education services, Australia is not just safeguarding the Nauruan populace but also preserving its own diplomatic interests. The domestic stability of Nauru is

integral to the stability of the RPC, which is essential for Australia's foreign policy and border security (Refugee Council of Australia 2019; Government of Australia and Nauru 2021).

In summary, Nauru's distinctive blend of high dependency, strategic positioning, significant health issues, constrained educational resources, and historical ties with Australia presents a unique case for analyzing Australia's aid diplomacy. Nauru serves as a unique case study for examining Australia's approach to balancing strategic interests with developmental objectives, particularly in relation to its smallest and most dependent Pacific partner, in contrast to other Pacific nations that possess more diversified relationships and resources.

Australia's efforts to support Nauru's health and education sectors from 2019 to 2020 illustrate its overarching strategy for engagement in the Pacific region. This period, preceding the global COVID-19 pandemic, provides crucial insights into Australia's conventional development diplomacy strategies and their effectiveness in small island developing states (Department of Foreign Affairs and Trade 2020).

1.2 Research Question

Why does Australia provide foreign aid to Nauru in the health and education sectors in 2019-2020?

1.3 Research Objectives

1. Examine the dynamic of Australian aid to Nauru.
2. To determine the Australian diplomacy implementation in giving aid to the sectors of health and education development to Nauru in 2019-2020

1.4 Research Scope

This study examines Australia's assistance diplomacy in advancing the health and education sectors in Nauru from 2019 to 2020, framed within the framework of the Pacific Step-Up strategy implementation. The scope includes numerous essential characteristics consistent with the thesis form. The study is limited to the 2019-2020 timeframe, encompassing the complete execution phase of Australia's Pacific Step-Up plan and the pre COVID-19 pandemic setting, which offers foundational insights into Australia's traditional aid diplomacy methodologies.

The analysis concentrates solely on two pivotal sectors: first, the health sector, which includes healthcare infrastructure development, non-communicable disease programs, medical personnel training, hospital management system enhancement, and pandemic preparedness initiatives; second, the education sector, encompassing teacher training programs, curriculum development support, educational infrastructure improvements, and vocational training initiatives. The study investigates Australia's foreign aid utilizing Carol Lancaster's theoretical framework, assessing its many objectives such as diplomatic, developmental, humanitarian, commercial, cultural, global challenges, and conflict resolution aspects. The research assesses assistance implementation methods, distribution networks, and strategic goals in relation to regional geopolitical factors.

The methodological scope analysis is predicated on a qualitative examination of primary sources (Australian and Nauru government documents, DFAT reports) and secondary sources (academic publications, international

organization reports), concentrating on aid flows, policy documents, and program outcomes within the designated timeframe. The research specifically excludes analysis of other Pacific Island nations, alternative time periods, sectors beyond health and education, and commercial or trade relationships that fall outside the aid diplomacy framework.

1.5 Literature Review

Written by Erwin Amiruddin, Asma Amin, Riady Ibnu Khaldun, 2023 *“Kepentingan Australia dalam Diplomasi Pembangunan terhadap Nauru”* examines Australia's development diplomacy goals in Nauru, as well as the challenges to attaining or maintaining these interests. This phenomenon was analyzed using the concepts of development diplomacy and national interests. Furthermore, in this study, qualitative research methodologies are used using data-gathering strategies such as book studies or Internet research, and all data is secondary. However, the page lacks detailed information about Australia's development diplomacy towards Nauru and how it fits into larger regional policies. More in-depth study and concrete examples would help to reinforce its case and offer a greater understanding of Australia's involvement in Nauru's growth.

Prepared by Cardno Emerging Markets, 2017, *“Poverty, Social and Gender Assessment Nauru: Port Development Project” by Cardno Emerging Markets”* The Asian Development Bank issued this paper to analyze the possible social and gender consequences of the Nauru Port Development Project. The findings emphasize the importance of port development in promoting Nauru's economic and social progress, notably in terms of job generation and infrastructural enhancement. This

study is vital for the thesis because it sheds light on the social and economic components of Nauru's development, which are critical in assessing the impact of Australia's development aid. Although the research emphasizes improving port infrastructure as an important contributor to economic and social growth, it does not go into detail on the project's possible environmental consequences. A more thorough examination of the environmental implications might offer a more complete picture of the project's possible effects on Nauru's natural systems.

Written by McDougall, D, 2019 "*Australia in the South Pacific: Growing the Yoke of Patronage? The Round Table*" The report focuses on Australia's technical assistance in public financial management and its work with Nauru on essential infrastructure projects. The findings emphasize the importance of these measures in fostering Nauru's economic growth and stability. The article might need a more in-depth examination of the potential environmental consequences of Australia's development plans. The report emphasizes infrastructure improvement as a key contributor to economic growth and stability; nevertheless, it does not thoroughly investigate the possible environmental effects of these initiatives (McDougall 2019).

McDougall's critical examination of Australia's role in the South Pacific, while valuable, has significant limitations. Because of its wide regional focus, the article misses the subtleties of bilateral interactions, especially with tiny countries like Nauru. It challenges the extent of Australia's impact, but it skips over a thorough examination of particular aid initiatives or how they are carried out. A sophisticated grasp of the reciprocal advantages and strategic concerns in these partnerships is lacking in McDougall's description of Australia's involvement as

somewhat condescending. The thesis tackles these issues by providing a thorough analysis of Australia's 2019–2020 diplomacy in the fields of education and health in Nauru. By applying Carol Lancaster's theoretical framework, the research provides a more nuanced understanding of the complex interplay between strategic interests and developmental goals in Australia's aid policy, offering a counterpoint to McDougall's more critical stance.

1.6 Research Framework

This study utilises Carol Lancaster's theory of Foreign Aid: Diplomacy, Development, and Domestic Politics (2007) as its theoretical framework (Lancaster 2007). Lancaster's framework offers a detailed analysis of the role of foreign aid in international relations and diplomacy, which is especially pertinent for examining Australia's aid relationship with Nauru.

1. First, Defining Aid

Lancaster (2007) defines foreign aid as "a voluntary transfer of public resources, from a government to another independent government, to an NGO, or to an international organization (such as the World Bank or the UN Development Program) with at least a 25 percent grant element, one goal of which is to better the human condition in the country receiving the aid" (p. 9). Assistance may be provided as cash (grants or concessional loans), in kind (such as food aid), or through debt relief (Lancaster 2007).

These transfers can support a variety of activities, including budgetary and balance of payments needs in recipient countries, investment projects, research

activities, economic or political reform programs, technical advice and training, and humanitarian relief. For instance, assistance can offer training and guidance to government officials in areas such as budgeting, auditing, program management, planning, and various other technical and managerial domains.

Aid may serve as an incentive or incentives for recipients to engage in behaviors preferred by the donor, contingent upon the recipient's adherence to specific actions (e.g., implementing economic policy reforms or aligning with the donor government's positions in international forums). Conversely, aid may be reduced or withdrawn if recipients exhibit undesirable behaviours from the perspective of the donor government (Lancaster 2007).

2. Second, Defining Aid's "Purposes"

Lancaster believes that foreign aid fulfils numerous objectives concurrently. Throughout the majority of this research, foreign aid was allocated for four primary purposes: diplomatic, developmental, humanitarian relief, and commercial. Cultural motives were evident but less pronounced.

1. **Diplomatic purposes** encompass international security, political objectives, and the regulation of intergovernmental interactions. The word diplomacy generally encompasses all forms of inter-state contacts, including development, humanitarian assistance and intervention, cultural matters, and others (Lancaster 2007).
2. **Development as a purpose of aid** emphasises the enhancement of economic growth and social advancement in recipient nations through

mechanisms such as infrastructure development, capacity building, and institutional strengthening (Lancaster 2007).

3. **Aid for humanitarian relief** addresses immediate human suffering caused by natural disasters, conflicts, or other emergencies, representing the most directly altruistic dimension of foreign assistance (Lancaster 2007).
4. **Commercial purposes of aid**, Lancaster (2007) asserts that the commercial objective of foreign assistance is to advance the economic interests of the donor nation by enhancing trade links, investment, and direct advantages for the donor's domestic enterprises
5. **Aid for cultural objectives** includes educational exchanges, cultural events, and efforts aimed at fostering mutual understanding and the projection of soft power (Lancaster 2007).
6. **Aid for addressing global issues** has evolved to encompass transnational challenges such as climate change, terrorism, and pandemic diseases that require coordinated international responses (Lancaster 2007).
7. **Aid for conflict mitigation** came to be used increasingly during the 1990s for mitigating conflicts and managing post-conflict transitions, representing an expansion of aid's diplomatic functions (Lancaster 2007).

Lancaster's theoretical framework is pertinent to this study for several reasons that correspond with the distinct characteristics of the Australia-Nauru relationship. The aid relationship between Australia and Nauru illustrates Lancaster's assertion that foreign aid fulfils various objectives concurrently. Australia's health and education assistance to Nauru illustrates diplomatic objectives (sustaining regional influence and partnership loyalty), developmental

aims (responding to Nauru's essential health and education requirements), and strategic intentions (guaranteeing ongoing collaboration on regional security and immigration policies). The multi-purpose nature of Lancaster's framework renders it suitable for analysing the complexity of this relationship.

1.7 Provisional Argument

Australia provides foreign aid in Nauru during 2019–2020 because such assistance advances its diplomatic, developmental, and humanitarian objectives in ways that are strategically aligned with both countries' needs. The first motive is diplomatic, as aid helps secure Nauru's cooperation in hosting the Regional Processing Centre (RPC) and strengthens the legitimacy of its government, which is essential for Australia's border security strategy. The second motive is developmental, since Nauru faces critical weaknesses in education and health, and Australian aid fills these gaps by funding teachers, scholarships, and hospital services. The third motive is humanitarian, as Nauru suffers from extreme rates of obesity and diabetes, requiring urgent health assistance that Australia provides.

According to Carol Lancaster's (2007) paradigm, foreign aid serves seven principal purposes: diplomatic, development, humanitarian, commercial, cultural, global issue resolution, and conflict mitigation. Nonetheless, not all of these reasons are relevant to the context of the relationship between Australia and Nauru during 2019–2020. This research contends that just three objectives are most pertinent in this context: diplomatic, developmental, and humanitarian assistance. The diplomatic objective is distinctly apparent in Australia's funding to Nauru, which bolsters the nation's political stability and sustains the Regional Processing Centre

(RPC), a crucial component of Australia's border policy. Health and education support function as diplomatic tools, allowing the Nauruan government to uphold legitimacy among its populace while sustaining strategic collaboration with Australia (Refugee Council of Australia 2019; Government of Australia and Nauru 2021).

The objective of development is evident in the assistance aimed at enhancing Nauru's institutional capacity, especially within the health and education sectors. Initiatives offering expatriate educators, pedagogical training, and public health assistance exemplify Australia's tangible commitment to augmenting human resource quality and enhancing fundamental services in Nauru (DFAT 2020; Pacific Islands Forum Secretariat 2019). The humanitarian aim is evident in the reaction to Nauru's health problem, characterized by some of the highest obesity and diabetes rates globally (WHO 2020; IDF 2019). Australia's health support serves as both a long-term developmental goal and a humanitarian measure designed to alleviate suffering from chronic illnesses and the COVID-19 epidemic.

Conversely, the remaining four objectives in the Lancaster framework are either unimportant or minimally represented. The business objective is nonexistent, as Nauru lacks the economic capability or substantial market to further Australia's trade interests. The objective of conflict reduction is likewise inconsequential, given Nauru is neither a conflict- nor post-conflict nation. The cultural objective is discernible only on a limited scale via scholarship initiatives like the Australia Awards, however it is not a principal emphasis. Likewise, the focus on global concerns arose only in certain circumstances, such as assistance for COVID-19

readiness, but was not significant within the broader aid framework (DFAT 2019–20).

Consequently, the first assertion of this study validates that, among the seven objectives in Lancaster's theory, only three were genuinely pertinent to Australia's relationship with Nauru during 2019–2020: diplomatic, development, and humanitarian aid. Simultaneously, commercial, cultural, global issue resolution, and conflict mitigation objectives were not significantly influential in the context of foreign aid directed towards the health and education sectors.

1.8 Research Method

1.8.1 Type of the Research

This study employs a qualitative research method to examine the types of aid provided by Australia to Nauru's health and education sectors from 2019 to 2020, as well as the purposes of that aid. The qualitative technique was selected to facilitate a detailed examination and comprehensive analysis of Australia's assistance diplomacy initiatives, policy implementations, and the underlying motivations for supporting Nauru's development.

1.8.2 Subject and Object of the Research

The subject is Australia's diplomatic efforts and development aid to Nauru, while the object is Identify Australian diplomacy implementation to give aid in sectors of health and education development to Nauru in 2019-2020

1.8.3 Method of Data Collection

This study employs a comprehensive document collection strategy, examining both primary and secondary data sources to analyse the impact of Australia's assistance diplomacy on the development of Nauru's health and education sectors from 2019 to 2020. The data collection methodology is designed to obtain valuable and credible information from diverse, reliable sources. Primary data for this study is primarily sourced from official government documents and publications available on government websites. This study utilises documents and publications sourced from the official website of the Australian Department of Foreign Affairs and Trade (DFAT). Secondary data is obtained from various sources, including news articles, academic journals, and analytical studies, to provide a comprehensive understanding and multiple perspectives on Australia's assistance diplomacy.

1.8.4 Process of the Research

The author began their research by collecting precise information from various online sources, including journals, reports, news articles, official websites, and books, regarding Australia's aid diplomacy in supporting Nauru's health and education sectors during the period of 2019 to 2020. This involved searching for publications addressing Australia's foreign assistance and diplomatic strategies in the Pacific region, focussing on the collaboration between the two countries in health and education.

Following the initial phase of data collection, the researcher conducted a comprehensive review of the literature concerning Development Aid Theory,

Foreign Aid Diplomacy, and Australia-Pacific relations to establish a robust theoretical foundation for the study. This literature review encompassed academic sources from journals focused on international relations and publications pertaining to development studies. The researcher examined additional studies regarding Australia's aid programs and their implementation in small island developing states.

Following the establishment of the theoretical framework, the researcher systematically collected data from diverse sources, including primary data from official government websites such as the Department of Foreign Affairs and Trade (DFAT), the Australian Agency for International Development (AUSAID), and publications from the Republic of Nauru Government.

The subsequent step involved sorting and organising the collected data in accordance with the study objectives. This involved analysing the types of assistance provided by Australia and investigating the underlying motivations for these programs. The researcher subsequently examined the acquired papers qualitatively, focussing on the implementation of policies, the functioning of aid, and the effectiveness of these measures in promoting health and education growth in Nauru.

A comprehensive review of Australia's assistance diplomacy techniques and their impact on Nauru's health and education sectors yielded several findings. The researcher compiled data from primary and secondary sources to provide a comprehensive analysis of Australia's aid diplomacy, highlighting the most significant types of assistance and the strategic objectives these programs fulfil within the context of Australia-Nauru relations from 2019 to 2020.

1.9 Thesis Outline

Chapter I: Introduction, background of the study, research question and objectives, research scope, literature review, research framework, provisional argument, research method,

Chapter II: Discuss about Australia's Development Aid to Nauru: An Overview, historical context of Australia-Nauru relations, and Pacific Step-UP Strategy

Chapter III: Discuss the implementation and Impact of Australian Aid in Nauru's health and education sectors within use Carol Lancaster theory's, analysis of Australian aid programs in health and education, Overview of Australia Aid flows and priorities in Nauru (2019-2020), The health and education sectors as strategic imperatives, and 7 aid's puposes by Carol Lancaster.

Chapter IV: Conclusion and Recommendations, synthesis of key findings, theoretical and policy implications, recommendations for future aid strategies

CHAPTER 2

AUSTRALIA'S DEVELOPMENT AID TO NAURU: AN OVERVIEW

Australia values Nauru for reasons more than just its proximity. In the Pacific, Nauru holds a critical position despite its modest size. It is a significant case study for Australia's Pacific engagement due to its distinct problems and opportunities. There are significant social, environmental, and economic issues facing Nauru. Once mostly dependent on phosphate mining, its economy has had difficulty diversifying. The nation also has one of the highest non-communicable illness rates in the world (World Health Organization (WHO) 2020). It is also crucial for regional maritime security and surveillance because of Nauru's advantageous location in Micronesia.

For a number of reasons, the 2019–2020 timeframe is important. During this time, Australia's Pacific Step-up policy is fully implemented, enabling an evaluation of its first effects. A glimpse of Australia's involvement preceding to the worldwide COVID-19 epidemic, which profoundly changed international relations and humanitarian objectives, is also included. Examining Australia's long-term development policies in action throughout this timeframe builds on prior years of participation (Department of Foreign Affairs and Trade 2019).

2.1 Historical Context of Australia-Nauru Relations

The relationship between Australia and Nauru exemplifies a complex bilateral interaction in the Pacific region, shaped by colonial history, extractive economics, and ongoing political and social dynamics. Australia has been instrumental in the governance of Nauru since 1920, first through a League of Nations mandate with

the United Kingdom and New Zealand, and subsequently as a trustee state under the United Nations until Nauru achieved independence in 1968 (Connell 2006). Under this administration, phosphate exploitation became pivotal to Nauru's economy, yielding substantial economic advantages for Australia via the British Phosphate Commission. In contrast, Nauru experienced severe environmental repercussions, with around 80% of its land area rendered uninhabitable due to extensive mining (McDaniel and Gowdy 2000).

Post-independence, Nauru exhibited significant reliance on Australia in terms of economic, educational, health, and diplomatic relations. The dependence became increasingly evident as phosphate reserves diminished and the Nauru Trust Fund was exhausted due to mismanagement in the 1990s. The economic crisis significantly affected Nauru, causing its per capita Gross Domestic Product (GDP) to decrease from approximately USD 15,000 in the 1980s to below USD 2,500 by the early 2000s. This phenomenon resulted in Nauru undergoing one of the most rapid economic contractions in contemporary history (World Bank 2014). The economic instability compelled Nauru to receive significant Australian aid, which rose from AUD 3.8 million in 1990 to AUD 15.2 million in 2004 (Department of Foreign Affairs and Trade 2005a).

A significant shift in the bilateral relationship took place at the onset of the 21st century, notably in 2001 with the establishment of the Regional Processing Centre (RPC) in Nauru, which was integral to Australia's immigration policy. This policy enhanced Nauru's status as a strategic partner and yielded substantial financial compensation, with revenues from the RPC's operations constituting around 35% of Nauru's GDP in 2015 (Australian Human Rights Commission 2017).

The RPC represented a distinct symbiotic relationship, wherein Nauru gained significant economic advantages, while Australia addressed its migration policy issues.

Nauru's distinctiveness to Australia is attributed to its historical context, economic relationships, and specific demographic and geographic features. Nauru, the world's smallest sovereign state, encompasses an area of merely 21 km² and has a population of approximately 10,000. It functions as a case study for assessing the efficacy of highly targeted aid (World Bank 2020). Nauru exhibits a significant economic dependence on Australia, with aid constituting 17–20% of its national budget, a proportion that surpasses that of other Pacific nations (Department of Foreign Affairs and Trade 2019). Challenges in the health and education sectors are pronounced; Nauru exhibits the highest global prevalence of obesity (71.7%) and type 2 diabetes (40%), while the education system encounters substantial resource limitations (World Health Organization (WHO) 2024; Pacific Islands Forum Secretariat 2019).

Nauru's geographic position in Micronesia offers considerable strategic importance for Australia, especially regarding maritime security and regional surveillance in light of increasing geopolitical competition with China (Wallis 2017). The long history of administrative interaction, significant economic interdependence, institutional uniqueness, substantial development challenges, and strategic regional position render Nauru a notable case in Australian foreign policy and aid within the Pacific context.

2.2 Pacific Step-Up Strategy

The concept of Pacific Step-Up Strategy embodies "genuine partnership," contrasting with the paternalistic attitude to conventional development aid that is often criticized. The Australian Aid Policy (2017) articulates that its principal objective is "supporting Pacific priorities, in Pacific ways, with Pacific people." (Australian Aid Policy 2017).

Pacific states should independently choose their developmental priorities. This is a significant departure from previous practices reliant on donor-driven efforts. The 2019 Parliamentary Inquiry into Australia's Aid Program states that "Pacific Step-Up acknowledges that sustainable development can only be realized when recipient nations possess complete ownership of the development process." (Australian Aid Investment Plan for the Pacific 2019).

The second notion is the partnership approach, emphasizing that Australia and Pacific nations should cultivate a more equal relationship. This perspective recognizes that Pacific nations possess the authority and capacity to make autonomous decisions, and that external assistance should not supplant that authority and capacity. The third notion is long-term commitment, indicating that sustained success necessitates long-term investment. Australia is dedicated to providing assistance that is consistent over an extended duration to facilitate genuine structural transformation.

The fourth notion is regional integration, indicating that developmental issues in the Pacific often transcend individual nations and necessitate resolution at the regional level. The objective of Pacific Step-Up is to enhance regional institutions and promote collaboration among Pacific nations.

From a theoretical perspective, the Pacific Step-Up might be regarded as an illustration of the evolution of contemporary aid diplomacy paradigms. This method integrates several theoretical ideas into a cohesive framework and the Pacific Step-Up is founded on the principles of liberal institutionalism, emphasizing the significance of institutions and collaboration with other nations to achieve common objectives. Keohane and Nye (2011) assert that "complex interdependence" underpins effective aid diplomacy. This indicates that the interests of donor and recipient nations are interconnected and may be fulfilled via mutually beneficial partnership (Keohane and Nye 2011).

Through the Pacific Step-Up initiative, Australia aims to enhance conditions for everybody by ensuring that the development of Pacific nations aligns with its strategic objectives. This differs from the conventional realism perspective, which perceives assistance as a competition devoid of victors.

The concept of smart power, created by Joseph Nye, is also employed in the Pacific Step-Up initiative. Nye (2009) defines smart power as "the capacity to integrate hard and soft power resources into effective strategies." The Pacific Step-Up integrates Australia's soft power via development assistance with hard power issues such as regional security and access to critical regions (Nye 2009).

The Australian Department of Defence Strategic Update (2020) explicitly states that "development assistance is a fundamental element of Australia's holistic strategy for regional security." This illustrates Australia's utilization of aid diplomacy as a component of its comprehensive national security strategy (Department of Defense 2020).

The Constructivist Paradigm, from a constructivist perspective, the Pacific Step-Up is Australia's endeavor to cultivate a regional identity that positions the nation as a "natural partner" for Pacific nations. The Pacific Step-Up aims to convey that Australia and the Pacific Islands share a "common destiny" and aspire to the same objectives: peace and stability in the region. "We are not merely neighbors, but family united by common values and objectives," states the Australia-Pacific Partnership for Development (2019) (Australia-Pacific Partnership for Development 2019).

The Pacific Step-Up strategy emphasizes the health and education sectors as "foundational sectors" that might accelerate sustainable development. These two areas were selected after considerable strategic deliberation. Besides that, health is a fundamental component of human security under the Pacific Step-Up framework, which originated the concept of human security. The Australian Human Development Report (2018) states, "Health security encompasses not only individual health but also the health of entire communities and nations." (Australian Human Development Report 2018a).

An effective health system is crucial for enhancing the resilience of Pacific nations against natural disasters and climate change. The Pacific Step-Up initiative recognizes that investing in the health sector not only benefits individuals but also enhances regional stability.

Individuals perceive the education system as a "great equalizer" capable of assisting Pacific nations in addressing their underlying issues. The Australian Education Policy Framework for the Pacific (2018) asserts that "education is the most potent instrument for dismantling cycles of poverty and fostering

opportunities for sustainable development." (Australian Education Policy Framework for the Pacific 2018).

The Pacific Step-Up initiative adopts a holistic approach to education encompassing foundational, technical, vocational, and higher education. This strategy is based on the premise that varying levels of education fulfill certain purposes for development and must be integrated into a coherent system.

Pacific Step-Up recognizes the interconnection between health and education, advocating for their simultaneous addressal. Research indicates that investing in health education might result in enhanced health outcomes. Moreover, children with better health typically perform better academically.

The Australian Aid Investment Plan for the Pacific (2019) explicitly states that "health and education are interdependent sectors that collectively constitute the foundation for human capital development." The Pacific Step-Up distinguishes itself from previous aid initiatives by employing an integrated strategy rather than concentrating on a singular location at a time (Australian Aid Investment Plan for the Pacific 2019).

The Pacific Step-Up illustrates the tendency of regionalization in aid diplomacy when donor nations embrace a regional strategy instead of a strictly bilateral one. This acknowledges that developmental difficulties in the globalization period are frequently international and necessitate regional solutions.

The integration of development and security approach illustrates the growing interconnection between development and security concerns in modern foreign policy. The Pacific Step-Up demonstrates that the perceived conflict

between developmental objectives and security concerns may be reconciled through a holistic strategy.

The Australian Strategic Policy Institute (2020) states, "Pacific Step-Up illustrates that development assistance can fulfill both humanitarian and strategic objectives without undermining either." This serves as a paradigm for other donor nations in incorporating aid diplomacy into their overarching objectives.

The Pacific Step-Up offers critical insights into the particular dynamics of aid diplomacy concerning Small Island Developing States (SIDS). The vulnerabilities and capacity limitations inherent to SIDS need a distinct strategy that diverges from the development paradigms established for bigger developing nations.

The Australian Pacific Partnership Framework (2019) recognises that "Pacific Island countries possess distinct characteristics and challenges necessitating customised approaches instead of uniform solutions." This acknowledgement is crucial for the advancement of a more contextually attuned understanding of assistance diplomacy. The Pacific Step-Up Strategy offers a crucial conceptual framework for comprehending the reasons and procedures of Australian assistance diplomacy in the health and education sectors of Nauru. The approach offers a practical tool for executing assistance programs and a theoretical framework for evaluating the efficacy and influence of aid diplomacy in fulfilling development and strategic goals (Australia-Pacific Partnership for Development 2019).

CHAPTER 3

UNPACKING AUSTRALIA'S AID MOTIVES IN NAURU WITH CAROL

LANCASTER LENS

3.1 Foreign Aid

The foreign aid provided by Australia to Nauru in the 2019-2020 period reflects an asymmetric yet strategic form of international relations, where donor countries provide aid voluntarily to support the development of partner countries (International Monetary Fund 2020). In this context, Australia not only acts as a donor country committed to the stability of the Pacific region, but also as a major actor playing a diplomatic and developmental role through aid mechanisms (Lancaster 2007).

In substance, the aid provided by Australia to Nauru is non-commercial and oriented towards social development, especially in two vital sectors: health and education. The aid is provided in various forms: grants, human resource training, technical assistance, and support for basic infrastructure development. This approach shows that Australia is not simply providing material or financial assistance, but is also trying to strengthen Nauru's institutional capacity and self-reliance in managing key sectors.

In the health sector, Australia's assistance focuses on meeting the basic service needs of the community. This includes the provision of health facilities, supply of essential medicines, and training support for local medical personnel. Australia is also supporting health education programs and strengthening hospital management systems. In the early days of the COVID-19 pandemic in 2020,

Australia was one of the first countries to respond by sending personal protective equipment, medical logistics and other technical support to Nauru, including vaccination assistance and coordination within the Pacific regional health system. This assistance indicates attention to the community's immediate needs and demonstrates Australia as a responsive partner in health crisis situations (Department of Foreign Affairs and Trade 2019).

Meanwhile, in the education sector, Australia has made an important contribution to the development of education quality and access in Nauru. Assistance is directed at improving the competence of educators, developing a curriculum that is appropriate to the local context, and improving school infrastructure such as classrooms and learning facilities (Burnett and Suluma 2024). Several training programs for teachers and education staff are implemented by involving educational institutions from Australia, strengthening academic networks and knowledge transfer between countries. In addition, there is a scholarship program that enables Nauru students to pursue higher education in Australia, which also reflects the long-term development dimension and investment in human capital (Serow et al. 2016).

It should be noted that this form of assistance provided by Australia is not based on a reciprocal economic relationship or any particular return on Nauru's part. There is no explicit commercial agreement accompanying this assistance, so it can be categorized as a voluntary, unilateral transfer, albeit within the context of broader diplomatic relations. The Australia-Nauru relationship in this case illustrates cooperation based on development needs and regional solidarity, where a large

country feels obliged to support the stability and well-being of a small neighboring country (Bem et al. 2007).

Aid is also channeled through several channels, both bilaterally directly between the Australian government and the Nauru government, as well as through international agencies such as the World Health Organization (WHO), UNICEF, and the Pacific Community (SPC). This confirms that Australia's assistance is not only focused on intergovernmental relations, but also involves multilateral actors that can increase the effectiveness of programs run in the field (Specialist Health Service 2022).

Overall, Australia's assistance to Nauru in the 2019-2020 period illustrates a model of foreign assistance oriented towards improving the human condition, through a layered approach: from interventions in the basic service sector to strengthening local institutions. Australia positions itself not just as a donor, but as a development partner actively involved in the process of structural and social improvement in the recipient country (Lancaster 2007).

3.2 Overview of Australian Aid Flows and Priorities to Nauru (2019-2020)

The Department of Foreign Affairs and Trade (DFAT) is in charge of all of Australia's aid to Nauru. The primary document that they use to achieve this is "Australian Aid: Promoting Prosperity, Reducing Poverty, Enhancing Stability" (Department of Foreign Affairs and Trade 2005). This strategy makes it clear that the main goal of aid is to help Nauru's economy stay stable, build up its infrastructure, and enhance the quality of public services, especially in the health and education sectors, which are very important right now. This policy framework

stresses the need for accountability, a focus on outcomes, and adapting assistance policies to the changing needs of local communities and Australia's strategic goals in the Indo-Pacific region.

In 2019–2020, Australia gave Nauru AUD 25.8 million in aid, mostly for key development areas. The infrastructure and trade sector got the most money, AUD 7.5 million, or about 29.1% of all the aid. This money was used for projects to improve ports and logistics, such as building ports that can withstand climate change (Department of Foreign Affairs and Trade 2020). The health sector got AUD 5.2 million (20.1%), which went toward educating health professionals, making hospitals better, and dealing with non-communicable illnesses, including diabetes and obesity, which are quite common in Nauru (World Health Organization (WHO) 2024; Department of Foreign Affairs and Trade 2020).

Australia spent AUD 3.9 million (15.1%) on teacher training, developing new curricula, enhancing school facilities, and giving out scholarships through the Australia Awards program in the education sector. The Australia-Pacific Training Coalition also helped with vocational education to improve the skills of the local workforce (DFAT 2020). AUD 3.3 million (12.8%) was set aside for governance and public sector reform. The main goals were to make budgets more clear, reform the public sector, and make government institutions stronger. Australia also gave AUD 4.5 million (17.4%) in general support and AUD 1 million (5.5%) in social and environmental resilience aid. This money was used to help social policies and add to the Intergenerational Trust Fund for the People of Nauru (Department of Foreign Affairs and Trade 2020).

Australia has a variety of ways to send help to Nauru, all of which are meant to be as successful as possible and fit the needs of the people there. About 35% of all funding goes directly to the Nauruan government budget to pay for things like civil service salaries and other public services. There are strict rules around fiscal transparency and public financial management reform that must be followed for this payment (Department of Foreign Affairs and Trade 2019). DFAT or hired contractors directly oversee around 40% of aid, mostly in the health and education sectors, to make sure that programs are carried out according to set criteria and goals (Department of Foreign Affairs and Trade 2020). Technical help and developing capacity are also essential parts, with around 15% of all aid going to training, placing consultants, and creating capacity in the Nauruan bureaucracy. This includes staff exchanges and training programs in Australia.

Australia may use the knowledge and skills of people from across the world to help Nauru's development projects reach more people by giving some aid through multilateral organizations like the WHO, UNICEF, and the Asian Development Bank. This channel gives out around 7% of all aid (Department of Foreign Affairs and Trade 2020). Partnerships with both foreign and local NGOs are also formed, mostly to help public health services and non-formal education. However, this only makes up around 3% of all aid.

Australian aid to Nauru can be classified using Lancaster's (2007) theoretical framework, which identifies various forms of aid with specific objectives, including diplomatic, developmental, humanitarian, cultural, global, or conflict mitigation aims. The implementation of the RPC, direct fiscal assistance, and public governance reforms enhances Australia's standing in regional security

and inter-state relations (Department of Foreign Affairs and Trade 2019; Refugee Council of Australia 2019). Investments in infrastructure, education, and health are designed to foster economic growth and social advancement via port development, training for health workers, scholarship initiatives, and the enhancement of institutional capacity (Department of Foreign Affairs and Trade 2020). Programs targeting non-communicable diseases, offering essential health services, and addressing the COVID-19 pandemic represent direct interventions aimed at mitigating the suffering resulting from the health crisis (Department of Foreign Affairs and Trade 2020; World Health Organization (WHO) 2024). Student exchange programs, the Australia Awards, and non-formal education support enhance cultural understanding and bolster Australia's soft power in Nauru (Pacific Islands Forum Secretariat 2019). Australia's emphasis on transnational issues is evident through its support for climate-resilient infrastructure projects and climate change mitigation policies (Department of Foreign Affairs and Trade 2020). Assistance for public sector reform and governance seeks to prevent political instability and facilitate transitions following economic crises (Department of Foreign Affairs and Trade 2019).

3.3 Defining Aid's Purpose

3.2.1 Diplomatic purposes

The assistance provided by Australia to Nauru during 2019-2020 reflects strong diplomatic interests, especially in the context of regional political dynamics in the Pacific region (Moore 2024). Nauru's small but strategic geographical location makes it an important part of Australia's agenda in maintaining influence

among Pacific countries. Australia actively maintains its position as a key partner to Pacific nations, and foreign aid has been an effective tool in maintaining this proximity (Wulandari and Saragih 2023). This facility enables Australia to confine asylum seekers outside its borders, particularly in Nauru, thereby restricting the influx of unlawful migration (Refugee Council of Australia 2019). This approach can only be executed if the Nauruan administration is prepared to collaborate and possesses political legitimacy in the perception of its citizens. This is the point at which Australian help is relevant. By bolstering the health and education sectors, Australia indirectly enhances the Nauruan government's ability to deliver essential services to its populace. The Nauruan government's legitimacy is upheld due to the population's perception of enhancements in public services, notwithstanding its need on foreign funding. This guarantees the socio-political stability essential for sustained RPC collaboration (Government of Australia and Nauru 2021).

This perspective is consistent with Carol Lancaster's assertion that foreign aid frequently functions as a diplomatic instrument, utilized by donor nations to achieve objectives such as enhancing influence, achieving political alignment, or securing access in regions of strategic importance (Lancaster 2007). Aid, in this context, can be interpreted as both an incentive and a signal of political alliance.

Australia and Nauru's relationship is the existence of the Regional Processing Center (RPC) in Nauru, an offshore detention facility that houses asylum seekers seeking to enter Australia. To maintain this cooperation, Australia provides substantial financial assistance, including in the form of funding to domestic sectors such as health and education. This aid indirectly serves as a

political incentive for Nauru to support Australia's strict migration policy (Morris 2019; Tubakovic and Nethery 2025). Lancaster's analysis reveals the existence of analogous practices in which the provision of aid is contingent, either explicitly or implicitly, on the recipient's actions aligning with the foreign policy objectives of the donor (Lancaster 2007).

The viability of the RPC relies not just on international agreements but also on the internal political legitimacy of the Nauruan administration. Australian aid sustains this legitimacy by enhancing the quality of fundamental services, especially in health and education. In 2019, Australia financed almost two-thirds of Nauru's government budget via a blend of development aid and RPC compensation (Asian Development Bank 2020). This assistance allows the Nauruan government to compensate public servants, finance hospitals, and guarantee children's access to education. The nation's survival is significantly bolstered by Australia.

The implications for politics of this approach are substantial. The Nauruan government attains internal legitimacy since its populace continues to get essential services, although its significant dependence on Australia for resources. The Nauruan government continues to endorse Australia's policy concerning the RPC in return. The extension of the Memorandum of Understanding (MoU) between Australia and Nauru in 2021 demonstrates the viability of the Regional Processing Centre (RPC) as a long-term commitment for both nations (Government of Australia and Nauru 2021).

Furthermore, this diplomatic relationship is also built on a narrative of regional solidarity. Australia presents itself as a responsible regional leader in assisting small Pacific states facing development challenges. By providing aid that

is not commercially conditional but brings strategic benefits, Australia asserts the role of aid diplomacy as one of the tools to form and maintain a long-term political alliance with Nauru.

Within the Lancaster paradigm, diplomatic aid extends beyond political exchanges to include initiatives aimed at sustaining enduring partnerships between nations (Lancaster 2007). In this context, assistance in the health and education sectors functions as a "legitimate pillar" for the Nauruan administration and a "guarantee of stability" for Australia's strategic objectives (Lancaster 2007). This illustrates that contemporary diplomacy is not just executed by military or aggressive political means, but also through developmental assistance mechanisms aimed at the social sector (Lancaster 2007).

The impact on politics of this diplomatic aim are reciprocal. The presence of the RPC reinforces Australia's domestic political stance as a nation with a robust migration policy. Australia's financial and technical assistance underpins the legitimacy of Nauru's administration. This supports Lancaster's (2007) assertion that foreign aid serves as a diplomatic instrument to manage inter-country relations while affecting the internal political dynamics of recipient nations. The Nauru story illustrates that assistance diplomacy pertains not just to international relations but also to the domestic political stability of tiny, donor-dependent nations.

3.2.2 Development as a Purpose of Aid

In Carol Lancaster's theoretical framework, development is a principal purpose of foreign aid. Lancaster underscored that development as an assistance aim prioritizes not just economic growth but also the fortification of public institutions, enhancement of human resource capability, and the establishment of

more stable and resilient social circumstances. For recipient nations such as Nauru, development entails guaranteeing the provision of sufficient health and education services, which subsequently enhance governmental legitimacy and societal resilience (Lancaster 2007).

Australia emphasized development as a primary focus in its aid package for Nauru, especially during the 2019–2020 budget year. In that fiscal year, Australia's entire Official Development Assistance (ODA) grant to Nauru amounted to AUD 25.8 million, with a substantial chunk directed towards the health and education sectors. The selection of these two sectors is deliberate, as they embody both fundamental requirements and significant issues confronting Nauru (DFAT 2020). Nauru's health sector is in a serious state. The nation exhibits the highest rates of obesity and diabetes globally. A WHO assessment reveals that over 60 percent of individuals in Nauru are obese, with diabetes prevalence affecting over 23–25 percent of the working-age population (WHO 2020). This circumstance leads to almost every household in Nauru being impacted by non-communicable illnesses, which directly influences life expectancy, economic productivity, and the nation's financial strain.

Australia's developmental assistance in this area encompasses the establishment of fundamental healthcare facilities, the training of medical professionals, the distribution of critical pharmaceuticals, and the enhancement of hospital administration. At the commencement of the COVID-19 pandemic in 2020, Australia sent emergency medical assistance to Nauru, including personal protective equipment, laboratory apparatus, and technical support to enhance its readiness against global health risks (DFAT 2019; WHO 2020).

At the same time the education sector in Nauru has significant human resource limitations. During the 2019–2020 academic year, the local teacher count was around 19, a level markedly insufficient to fulfill national educational requirements. Nauru significantly depends on expatriate teachers, with their numbers fluctuating between 34 and 40 throughout that period (Pacific Islands Forum Secretariat 2019). Australia contributed development aid to enhance teacher training, curriculum development, and educational infrastructure. Additionally, scholarship initiatives like the Australia Awards Pacific Scholarships and assistance for the Australia-Pacific Training Coalition (APTC) offer Nauruan students the chance to engage in higher education and vocational training abroad, with the expectation that they will return to enhance the local workforce's capacity (DFAT 2020).

Australian development aid include not just money transfers but also technical and in-kind help. For instance, a portion of the revenues is designated for civil servant wages and public service expenses via budget support mechanisms, while the remaining is assigned to finance technical initiatives, including hospital administration and school construction. A DFAT review study on health investment in Nauru demonstrates that these initiatives are consistent with Nauru's national development goal. The report identified deficiencies in the monitoring and evaluation system, complicating the consistent measurement of the program's long-term impact (DFAT 2022).

Moreover, the objective of Australian aid is to enhance Nauru's institutional capability. Due to the nation's diminutive size, constrained bureaucratic capabilities, and reliance on external funding, enhancing this ability is an essential

precondition for the state's sustained operation. Australia aims to assist Nauru in attaining budgetary stability and enhancing bureaucratic efficiency through the deployment of specialists, staff exchange programs, and technical support in public governance (Connell 2020). Nonetheless, institutional obstacles persist, especially in diminishing dependence on foreign staff within the health and education sectors.

From Lancaster's perspective, the development of Australian aid to Nauru in 2019–2020 has two interconnected dimensions. This assistance is explicitly designed to enhance the receiving nation's own capabilities, notably in tackling the health issue stemming from the prevalence of obesity and diabetes, as well as the scarcity of educators in the educational system. This development also possesses political ramifications. The provision of sufficient public services enhances the legitimacy of the Nauruan administration, hence sustaining political stability and facilitating ongoing strategic collaboration with Australia. Consequently, development as an assistance aim is not isolated but is interconnected with diplomatic and regional security concerns.

However, a significant concern emerges the challenge of sustainability. Nauru's reliance on Australian help affects its developmental autonomy. The DFAT review study reveals that inadequate monitoring and evaluation methods, coupled with restricted local ability, render development accomplishments susceptible should aid be terminated. This affirms that development reliant on external assistance is improbable to attain enduring self-sufficiency without a local human resource retention plan and comprehensive policy reforms, especially in tackling non-communicable illnesses (DFAT 2022; Connell 2020).

Therefore, development as a goal in the Australia-Nauru relationship encompasses not only the enhancement of fundamental services but also the establishment of a political and strategic tool, providing immediate advantages to the Nauruan populace, while concurrently positioning Australia as a pivotal ally in shaping the nation's long-term developmental trajectory.

3.2.3 Humanitarian Aid Relief

Carol Lancaster asserts that the humanitarian purpose of relief efforts is founded on altruistic intentions to address human suffering resulting from natural catastrophes, wars, or health crises. This humanitarian aid is often emergency-based, short-term, and focused on preserving lives and fulfilling fundamental necessities, including sustenance, potable water, medical care, and safety (Lancaster 2007). Nevertheless, Lancaster underscores that, despite its humanitarian designation, its operations are frequently interwoven with political and developmental objectives, especially when the crisis is extended and necessitates enduring structural assistance.

The situation in Nauru during 2019–2020 illustrates that humanitarian goals are essential in Australian aid efforts. Nauru is a little island nation susceptible to health emergencies, climatic catastrophes, and food scarcity. The health industry confronts not just a significant incidence of obesity and diabetes but also the constraints of the healthcare system in addressing global problems. This became increasingly evident with the onset of the COVID-19 pandemic in early 2020. Nauru, with minimal medical infrastructure with only one primary hospital and a scarce number of healthcare professionals, could not have confronted the epidemic without foreign assistance (Connell 2020).

Australia extended humanitarian aid by supplying personal protective equipment, pharmaceuticals, laboratory apparatus, and technical help to ensure the preparedness of Nauru's healthcare system for a possible epidemic. A DFAT report indicates that this emergency COVID-19 aid package was part of Australia's commitment to enhancing the health resilience of Pacific nations amid the global crisis (DFAT 2020). This aid not only preserved lives during the epidemic but also illustrated that humanitarian goals are a fundamental basis of the Australia-Nauru bilateral relationship.

Additionally, humanitarian aid included logistical and nutritional help. Nauru's near-total dependence on food imports rendered it vulnerable to food insecurity due to interruptions in international supply chains in 2020. Australia provided logistical support and ensured the community's access to essential resources. Consequently, the humanitarian aims of providing assistance encompass not just pandemic response but also initiatives to meet individuals' everyday need during crises (DFAT 2021).

The execution of humanitarian goals in Australian aid corresponds with Lancaster's notion, which highlights that humanitarian assistance frequently coexists with developmental aims. In Nauru, emergency health and food aid extended beyond immediate delivery to encompass long-term health development initiatives, including enhancements to primary care, fortification of medical referral systems, and support for national food security policies. Consequently, the distinction between "development" and "humanitarian" becomes indistinct, as elucidated by Lancaster in his theoretical framework (Lancaster 2007).

From the Lancaster framework perspective, Australia's humanitarian aid to Nauru in 2019–2020 exhibited two primary characteristics. The altruistic aspect involves the dedication to delivering timely, life-saving assistance despite the constrained resources of a tiny nation such as Nauru. The COVID-19 emergency help package and food assistance immediately addressed the community's fundamental needs. Secondly, the geopolitical aspect, specifically that this humanitarian reaction concurrently bolstered Australia's status as a pivotal ally in the Pacific area. By safeguarding Nauru from the most severe effects of the pandemic, Australia indirectly preserved political and social stability, which is vital to its interests, especially regarding the viability of the Regional Processing Centre (RPC).

Notwithstanding its concrete advantages, this humanitarian aid encountered obstacles. Nauru's need on foreign aid to address the crisis underscored its inadequate internal capability to handle catastrophes and health emergencies. In the absence of a sustainability plan, humanitarian aims may devolve into transient interventions that fail to provide structural resilience. Consequently, to enhance the impact of humanitarian assistance on long-term development, a more robust combination of emergency aid and capacity-building initiatives is essential.

Consequently, humanitarian assistance in relation to Australia's support for Nauru signifies not only an immediate reaction to human distress but also illustrates the profound interrelation of humanitarian, developmental, and diplomatic aspects. This corresponds with Lancaster's idea that the incentives for foreign aid never exist in isolation but are, in actuality, interconnected (Lancaster 2007).

3.2.4 Commercial Purposes

Commercial purposes did not play a significant role in Australia's aid relationship with Nauru during the 2019–2020 period. There is no strong evidence that Australia used aid to create markets for its goods and services or to secure preferential economic access within Nauru. This is understandable given the small size of Nauru's economy and the lack of commercially significant market potential. This is understandable given the small size of Nauru's economy and the lack of commercially significant market potential. However, it is important to note that in the dynamics of foreign aid, economic impacts are not always direct. For example, the involvement of Australian contractors in development projects funded by the Australian government could be seen as a form of indirect economic benefit to national companies. However, in the context of this study, there is no data to suggest that economic interests are a major consideration in the distribution of aid to the education and health sectors.

However, it is important to note that in the dynamics of foreign aid, economic impacts are not always direct. For example, the involvement of Australian contractors in development projects funded by the Australian government could be seen as a form of indirect economic benefit to national companies (Lancaster 2007). However, in the context of this study, there is no data to suggest that economic interests are a major consideration in the distribution of aid to the education and health sectors. Thus, while the possibility of small commercial benefits remains, Australia's assistance to Nauru during 2019-2020 was driven more by political, social and humanitarian considerations, rather than economic orientation (Amankwa et al. 2025).

3.2.5 Cultural Objectives

Foreign aid functions as a conduit for the dissemination of cultural values and the cultivation of mutual comprehension among disparate communities. Within the broader context of Australia–Nauru relations, the cultural dimension is exemplified by educational and professional training exchange programs facilitated by Australia. A select group of students and professionals from Nauru are granted the opportunity to pursue advanced education or training at Australian higher education institutions. These interactions contribute to the development of both individual technical competencies and personal networks, thereby fostering the strengthening of interpersonal relationships.

Carol Lancaster acknowledges that cultural objectives, though less prominent than development or diplomacy, remain a legitimate purpose of aid. She observes that donor countries frequently employ aid as a means to promote language, education systems, or religious and moral values that reflect their identity (Lancaster 2007).

The following text is intended to provide a comprehensive overview of the subject matter. Consequently, the process facilitates the introduction and adoption of Australian cultural values, including good governance, professionalism, and strong ethical standards, by Nauruan participants (Serow et al. 2016). Furthermore, the existence of cooperative endeavors in the domains of broadcasting, media coverage, and social activities engenders a milieu conducive to cultural exchange. While not as significant as objectives related to development and diplomacy, cultural objectives support Australia's strategy of building long-term relationships based on shared understanding and values.

It is essential to note that the cultural aspects of Australia-Nauru relations are primarily managed through separate cultural diplomacy mechanisms and exchange programs, which operate independently and are not included in the direct aid system examined in this research. Cultural exchange programs can effectively complement assistance programs; however, they operate through distinct diplomatic channels and cultural organisations rather than integrating into the conventional aid distribution framework. Programs such as the Australia Awards Scholarships (AAS) represent regional initiatives encompassing multiple Pacific Island nations, rather than being limited to Nauru alone. This situation renders them incompatible with the bilateral aid framework central to this research. This study focuses exclusively on assistance diplomacy in health and education, excluding cultural aspects of the relationship between Australia and Nauru, such as educational exchanges, cultural programs, and individual linkages.

3.2.6 Aid for Addressing Global Issues

In the context of global issues, Australia's assistance to Nauru demonstrates active engagement in addressing transnational challenges, particularly those related to the global health crisis. The COVID-19 pandemic is a clear example of how foreign assistance is being used in response to challenges that cannot be addressed unilaterally. Australia not only provided vaccines and medical equipment, but also strengthened regional coordination through various Pacific cooperation initiatives to ensure small countries like Nauru were not left behind in the global response to the pandemic. This approach reflects an understanding that the health stability of one country can have far-reaching impacts on the region as a whole (Gay et al. 2022; Cox et al. 2022).

In addition, Australia has explicitly made the Sustainable Development Goals (SDGs) a key framework in its aid planning and implementation (Brolan, McEwan, and Hill 2019). In the context of Nauru, two SDGs that are particularly relevant and the focus of Australian aid are SDG 3: Good Health and Well-being and SDG 4: Quality Education. Aid in the health sector supports inclusive and resilient service delivery systems, aligned with SDG 3 targets such as reducing mortality from infectious diseases and increasing the capacity of national health systems. While in the education sector, Australia encourages the achievement of SDG 4 through strengthening teacher training, improving educational facilities, and providing scholarships for Nauru students to study in Australia.

This commitment is contained in Australia's development strategy in the Pacific region, which integrates the principles of sustainability, resilience and equality (Brolan, McEwan, and Hill 2019). While not always explicitly mentioned in every program, the SDGs-based approach ensures that Australian aid not only addresses short-term needs, but also contributes to long-term development aligned with the global agenda. Beyond health and education, Australia also continues to support the climate change and environmental adaptation agenda as part of regional cooperation, reflecting the integration of aid to global challenges across sectors.

3.2.7 Aid for Conflict Mitigation

During the 2019-2020 period, Nauru did not experience any internal conflicts or major political tensions. Therefore, Australian aid was not directly directed at mitigating conflict or supporting reconciliation processes. However, sustained development of sectors such as education and health has a long-term

impact in maintaining social cohesion and preventing the emergence of socio-political instability.

Improved access to public services such as equitable education and reliable health services can reduce social disparities as well as inequalities between regions and between social groups. As such, it serves as a mechanism to prevent structural conflicts that can arise from inequality and public discontent. Australia seems to understand that sustainable development is the foundation of long-term social peace (International Monetary Fund (IMF) 2024; The Guardian 2025). Therefore, although this dimension is not explicit in aid documents, implicitly contributing to social stability has been part of the aid mission.

CHAPTER 4

CONCLUSION

4.1 Conclusions

Australia's foreign aid to Nauru during 2019 to 2020, particularly in health and education, exemplifies contemporary multifunctional aid diplomacy, integrating strategic, developmental, humanitarian, and cultural objectives. This thesis, utilizing Carol Lancaster's theoretical framework (2007), demonstrates that Australia's aid to Nauru constituted not merely a financial commitment, but also a strategic diplomatic action aimed at fulfilling both moral and political objectives.

This research indicates that Australia's primary motivation for providing aid was to facilitate development. Nauru, recognized as the smallest republic globally, faces significant challenges in delivering basic public services due to its limited economic and personnel resources. Australia's targeted assistance in healthcare, including the construction of hospitals, the combat against non-communicable diseases, and the education of medical personnel, significantly strengthened Nauru's previously inadequate healthcare system. Similarly, Australia's investment in education, encompassing teacher training, curriculum support, scholarships, and school facilities, has addressed deficiencies in human capital development (Burnett and Suluma 2024; Department of Foreign Affairs and Trade 2020).

Simultaneously, diplomatic considerations were equally significant. It is essential to consider Australia's assistance to Nauru within the broader context of power dynamics in the Pacific region. Nauru's position in Micronesia, its history as an Australian-administered territory, and its role as the Regional Processing Centre

(RPC) contribute to its geopolitical significance. In this context, aid serves not only as support for development but also as a mechanism for Australia to enhance its influence, particularly in light of China's increasing presence in the Pacific (Wallis 2017; Moore 2024; Dornan and Pryke 2017). Consequently, aid functions as a diplomatic instrument that maintains Nauru's political alignment and contributes to regional stability.

Australia's assistance, particularly at the onset of the COVID-19 pandemic, demonstrates its capacity for rapid response to health crises. Australia's role in safeguarding human welfare and preventing systemic collapse in at-risk island nations is evidenced by its support for the provision of vaccines, medical equipment, and personal protective gear (United Nations Development Programme (UNDP) 2021; World Health Organization (WHO) 2024). Initially, these actions were not intended as emergency relief; however, they significantly enhanced public health.

The assistance program did not prioritize business objectives; however, the indirect benefits to Australian contractors and schools involved in aid distribution indicate the presence of economic spillovers. Throughout the analyzed period, these economic factors were subordinate to strategic and developmental objectives (Amankwa et al. 2025).

Australia's assistance program encompassed support for addressing global issues such as climate change and pandemic preparedness, which is a significant aspect. Investment in infrastructure capable of addressing climate change and establishing platforms for regional coordination reflects a comprehensive understanding of aid as a mechanism for managing transboundary hazards. This

enhances Australia's standing as a responsible actor in the region (Department of Foreign Affairs and Trade 2020; Nye 2009).

This study identifies inherent structural issues within the assistance relationship that remain unresolvable, despite the positive aspects noted. In 2019–2020, Australia's Official Development Assistance constituted nearly 20% of Nauru's national expenditure, indicating a significant reliance on external support. This prompts inquiries regarding the sustainability of development initiatives and the autonomy of recipient institutions (Department of Foreign Affairs and Trade 2020; World Bank 2020). Australia's financial assistance is primarily unconditional; however, its political influence remains significant. This imbalance may result in enduring issues, including diminished control over policy and excessive reliance on external entities for critical public services.

4.2 Recommendations

Based on the research results and conclusions that have been presented, the author realizes that there are a number of limitations, both in terms of access to information and the scope of analysis that would benefit from further development. Therefore, the author presents several recommendations for further research and policy development relevant to Australia-Nauru cooperation within the framework of aid diplomacy in health and education sectors. Further studies should enhance the evaluation of the significant impact of Australia's aid programs in Nauru, particularly concerning long-term outcomes and sustainability in the health and education sectors. Future research should focus on the effectiveness of capacity building programs and their role in strengthening institutions within Nauru's health

and education systems. It is advisable for research to incorporate a comprehensive Nauruan perspective and the voices of local stakeholders to achieve a balanced understanding of the dynamics surrounding aid reception, implementation challenges, and the community-level impacts of Australia's development assistance.

Future research should conduct a comparative analysis of Australia's aid diplomacy strategies across various Pacific Island nations to identify best practices and lessons learnt. Comparative studies of aid effectiveness in small island developing states, including Tuvalu, Kiribati, and the Marshall Islands, may elucidate the impact of contextual factors on aid outcomes. Research on the coordination between Australia's bilateral aid programs and multilateral initiatives, such as those facilitated by the Pacific Islands Forum, is essential for enhancing aid coordination and effectiveness in the Pacific region.

Additionally, it is essential for researchers to examine the incorporation of climate change adaptation and resilience-building elements in Australia's aid initiatives directed towards Nauru. Climate change presents considerable challenges for small island developing states. Future research should examine the integration of climate resilience strategies within health and education aid programs and their role in promoting long-term sustainability. Investigating innovative aid delivery mechanisms, such as digital technologies and remote assistance models, is particularly pertinent due to Nauru's geographical isolation and limited infrastructure.

The Australian government, in collaboration with strategic partners including the Department of Foreign Affairs and Trade (DFAT) and development organisations, should persist in enhancing the monitoring and evaluation

frameworks for aid programs in Nauru. This may involve the development of more robust impact measurement systems, the establishment of clear performance indicators for health and education outcomes, and the creation of mechanisms for regular feedback from local communities and implementing partners. The enhanced monitoring capacity is essential for ensuring accountability and transparency in aid delivery, which is critical for the long-term success of Australia's development assistance to Nauru.

Australia must proactively identify and mitigate challenges in the implementation of aid programs, including capacity limitations within Nauru's institutions, coordination issues among various aid modalities, and possible shifts in political leadership that may affect program continuity. The government can enhance its aid delivery by implementing regular review mechanisms, fostering robust diplomatic dialogue with Nauru's leadership, and ensuring that aid programs adapt to evolving local needs and priorities. Australia-Nauru cooperation through aid diplomacy, when guided by a more comprehensive and responsive strategy, has the potential to evolve into a sustainable development partnership model that may be applicable in other Pacific Island contexts.

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