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Draconian cuts to aid and development will not reform the system



Years ago, a department head I knew at a medium-sized international media organisation complained bitterly about the inefficiencies in his own operation and submitted a radical plan to overhaul it.

Instead, the board, after going through the motions of studying his plans, determined that the whole department should be shuttered. I was reminded of this by the radical cuts to the global aid system, first and foremost those in the US.

Talk to almost anybody in the international aid and development field, and they will admit to the need for a deep and possibly systemic restructuring. They will cite a well-known catalogue of woes and misgivings.

This includes inefficiencies and waste, the failure of capacity-building in receiving regions and countries, the creation of aid-dependency, the unwitting propping up of otherwise doomed governments, and much more.

The biggest scandal, though, according to many, is the huge proportion of most national aid programmes that ends up being spent not in the places that need it most but in the donor countries themselves.

That's not always a problem. Japan, for example, usually delivers high-standard equipment. Even though that's sometimes not what serves the situation best, it is often a valuable contribution.

Humanitarian cowboys

The US and some European countries are not averse to this either but also 'donate' an enormous amount of non-tangible aid in the form of consultancy, project management, even auditors and the like.

In the lingo of the international aid industry, yes there is such a sector; some of them are called 'humanitarian cowboys'. While the field has been trying for years to address this issue, they are still around.

For all its flaws, the international aid and development system not only saves lives

Yet, for all its flaws, the international aid and development system not only saves lives; it has also helped over the decades lift millions of people out of poverty.

Here it is important to make a distinction between the many different kinds of aid, from emergency and disaster relief to longer term health programmes, such as those on HIV, to food security, to capacity building to more structural development goals.

Yet, all of these also form an intricate network that is often interdependent; if one aspect disappears, the others are affected.

Draconian cuts

Plenty has already been written about the disastrous effects of the Trump administration's sudden and comprehensive evisceration of USAID. Even though most immediate life-saving programmes in the disaster, health and food security fields have received waivers, many still expect that lives have been or will be lost as a result. Even the uncertainty that accompanies the measures has been disruptive and has caused untold hardship.

The cuts are by all accounts draconian, although new [analysis](#) by the Centre for Global Development has now put the estimated dollar value of the aid reduction at 34%, rather than the more than 80% that was first mooted. The latter figure seems to refer to the number of programmes, rather than to their monetary value.

While still being hugely impactful and often damaging to both the interests of recipients as well as the US itself, a 34% cut is much more in line with what various European countries have been doing.

In case of recent European reductions in aid, these are mostly driven by a pivot to more defence spending after the Russian invasion of Ukraine

The UK is now **cutting** its aid budget to 0.3% of GDP, from 0.7% in 2021 and 0.5% currently. France, Germany, the Netherlands and Belgium are all in the process of making cuts of between 25 and 45 per cent.

In case of recent European reductions in aid, these are mostly driven by a pivot to more defence spending after the Russian invasion of Ukraine, combined with a worsening fiscal outlook.

The political dimensions of the cuts

Yet, the idea that there is also an ideological or political dimension to the cuts among an increasingly rightward drift is hard to dismiss. The amounts that are saved on national budgets are often relatively small, while the impact of the cuts in the receiving countries is disproportionate.

This follows the same pattern as with other far-right-inspired, so-called budgetary measures in, for example, the fields of culture, education, or social programmes.

The savings are often relatively minor, while the impact on the respective fields is **devastating**. They serve more as a cultural marker of a government than that they contribute to fiscal responsibility.



A reformed US aid platform would be a temporary waystation on the road to a much larger defunding of international aid and also of the UN system

The political dimensions of the aid and development budget cuts are particularly clear in the US. Not only is USAID of outsize importance because of its heft, its downsizing is accompanied by a slew of other policies that cause huge damage to the international system.

Among these are the Trump administration once again **pulling** out of the WHO and the Paris climate agreement.

Such steps show that this administration is barely interested in reforming the system but might rather be seeking its destruction. This also calls into doubt the recently emerged plans for a leaner, more focussed US humanitarian programme that came out of the State Department.

At most, such a reformed US aid platform would be a temporary waystation on the road to a much larger defunding of international aid and also of the UN system.

As with many of the steps taken by the Trump administration, this withdrawal from the international aid and development scene appears not to be in the interest of the US.

The wrong way to reform the system

First of all, even though it was often excoriated by development experts, the part of the aid

budget spent in the US created jobs and helped economic activity at home.

Also, an increase in international poverty, instability, conflict, migration etc. could blow back on the US, as it might on the Europeans. Despite the continued funding for many food and health programmes, the knock-on effect of cuts, for example to funding clinics or hospital construction, is likely to make outcomes worse.

An increased risk of another pandemic emerging and remaining undetected for too long due to the aid cuts, could far outweigh any savings.

China and Russia, would benefit from the resentment among the recipients for being left in a lurch

From a geopolitical perspective, with some in the US favouring a pivot to Asia that is meant to confront an ascendant China, aid cuts in Asia and Africa would significantly weaken the US position.

Not that China is likely to pour in the money and the resources that would compensate for the Western withdrawal of aid. That might only be partly the case, but China, and also Russia, would certainly benefit from the resentment among the recipients for being left in a lurch. It will cement the reputation of Western countries as being unreliable and self-interested, and deservedly so.

The wholesale reduction in aid that is now happening across the Western world is the wrong way to reform the system. It is not intended to reform it but to dismantle it.

What happened to the news organisation I mentioned at the start that shuttered one of its important departments? For the powers that be, this was just the first step, and the organisation as a whole is now gone.