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# PROMISING DEVELOPMENT

**THE FUTURE OF AID IN AN  
UNCERTAIN WORLD**

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EDITED BY IGGY WOOD AND GIDEON COOLIN



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Fabian Society  
61 Petty France  
London SW1H 9EU  
[www.fabians.org.uk](http://www.fabians.org.uk)

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# FOREWORD

HEATHER STAFF AND JOE DROMEY

International development puts into practice this simple insight: all of us, no matter who we are, should be able to live a good life, free from want and fear. This principle is one which is shared by our party. Clause IV, the statement of our guiding values, puts it well: Labour's purpose is to "create for each of us the means to realise our true potential." It is no wonder that it was a Labour government which created the Ministry for Overseas Development in the 1960s, and which reconstituted it in the 1990s; which trebled aid and cancelled debt; and which put ending poverty around the world at the heart of its agenda – not for electoral gain, but as an application of our values.

Earlier this year, the current Labour government cut British aid spending to the lowest level since the mid-90s. This was a difficult decision, and one that deeply jars with our instincts and our values. But it is not just Britain. This has been a dark year for international development, with aid cut across the world. Poverty, on a seemingly inexorable slope downwards for 40 years, has stopped falling. We

face grave humanitarian crises that are leading to famine and death. The poorest countries in the world are stuck in a cycle of debt and deprivation, with little way out. The challenge has never been so great.

The shock of this moment has prompted an explosion of thought on how to meet it. This collection of essays brings together leading politicians – past and present – and NGO leaders to answer the question we face: what is the future of international development? Our contributors explore both how we can maximise the impact of aid investment in the short term and how we might be able to rebuild political support for international development in the long term.

Baroness Chapman – the minister for international development – argues that we need to move beyond defining our value by how much we spend. She sets out four shifts – from donor to investor, service delivery to system support, grants to expertise, and international intervention to local provision – which she hopes will improve the impact we can deliver in straightened times.

Two decades on from the Make Poverty History campaign, Kirsty McNeil MP explores why support for aid has declined, and challenges advocates of aid to change their approach in order to rebuild the political consensus. In a new and more contested context, Anneliese Dodds MP argues for a new approach, which both evidences the effectiveness of aid and demonstrates how it is in our national interest. A group of Labour MPs, led by Jeevun Sandher, set out ideas to reduce extreme poverty without revisiting the aid budget.

David Miliband explores a new geography of poverty, with poverty increasingly being driven by conflict and the failure of states and markets, and calls for aid to be focused where it can deliver most good. Clare Short

explores the challenges of delivering aid in an increasingly fractured geopolitical context. And Moazzam Malik argues for a collective focus on ensuring all children can grow up free from violence, hardship and fear.

Shukria Dini highlights the impact of women's rights organisations in Somalia, with Finian Ali and Nana Oleko setting out the importance of youth-led development in Nigeria. In both cases, they argue, vital support is at risk from the decline in investment in international development.

We hope that this collection prompts debate and discussion on this important issue.

*Heather Staff is the chair of Labour Campaign for International Development.  
Joe Dromey is the general secretary of the Fabian Society.*

# CHAPTER 1

## FOUR SHIFTS

*Baroness Chapman, minister of state for international development, sets out how Labour will deliver impact in straightened times*

Earlier this year, I visited Adre, a remote town in eastern Chad, a vast country to the west of Sudan. Adre, once a town of 20,000, is now brimming with more than 200,000 people who continue to cross the border daily each week in search of safety from the endless fighting in Sudan.

There I met incredible women, with lives put at risk and brilliant futures put on hold by a brutal conflict. They are among some of the 30 million people in urgent need of food in what is now the world's worst humanitarian crisis. Listening to them – one a medical student, another a psychologist – it became obvious they desperately want their old lives back, their jobs and families, their independence.

Forty years on from Live Aid, 20 years after Gleneagles, sitting in a hot, dusty tent, talking with women about their experience of horror and their fears for their children, it is natural to wonder whether anything important has been

achieved. But we must always remember how much has.

To the east of Sudan lies Ethiopia, where a grotesque famine 40 years ago shocked the world. After decades of investment, development and support, it is remarkable that in 2024 Ethiopia's economic growth was 6.7 per cent. It is now building one of the world's biggest airports close to Addis Ababa. There are other astonishing success stories too, like South Korea, who has gone from recipient of World Bank funding to a huge contributor. While there are some conflicts and crises which demand traditional aid, as the only way to support people through dehumanising and traumatic situations where governments have failed, there are more and more leaders across the developing world telling us they want a new approach.

They want the old dynamic of donor and recipient to give way to a partnership, based on investment. It is

a message I have heard repeatedly since I started my role in February this year. Countries, which we traditionally think of as aid recipients, want the respect of partnership and the freedom to make decisions that good development enables.

The scale of the challenge remains huge. About 8.5 percent of the global population was living in extreme poverty in 2024, according to the World Bank. This means that 692 million people worldwide are living on less than \$3 per person per day. Poverty reduction has slowed to a standstill since 2015. The United Nations has said that over 305 million people are in need of humanitarian assistance in 2025, more than double the number a decade ago. The World Economic Forum has said that by 2050 climate change may cause an additional 14.5 million deaths and \$12.5 trillion in economic losses worldwide.

The UK's job now is to listen, learn and where necessary change the way we think about international development. We need to act in solidarity with the world's poorest countries, listen to and amplify their voices so they can be heard globally. We need to act on what they tell us in order to rebuild the trust we have lost over decades, where too often the tone of western countries was one of paternalism when it should have been partnership.

There is nothing new about this argument. There are many highly respected voices who have been banging this drum for a long time. The president of the African Development Bank Akinwumi Adesina shared this view in

a speech in Abuja, Nigeria in April.

He said: "The era of aid or free money is gone. African countries must now learn to develop via investment discipline. Countries can no longer rely on aid for growth or count it as part of government revenue, as has been the case for decades."

When the UK announced its renewed support for Gavi, the vaccine alliance, in July this year, the then-foreign secretary David Lammy co-wrote a piece with Nigeria's health minister Muhammad Ali Pate.

They wrote: "A modernised approach to international development is not about handouts. It's about partnering with a country like Nigeria for mutual benefit. Nigeria is taking bold steps, reorientating its health system, with vaccination and primary healthcare at the foundation. This means investing more of its domestic budget and localising manufacturing over time."

"In Nigeria, we've both met talented young people, each an entrepreneur of sorts. Gavi's work means more young people like these enter a rapidly growing market, brimming with potential. That's good news for Nigeria, but also good news for British businesses ready to seize the resulting opportunities."

African leaders are not alone in their demand to change the way things are done. Over half (55 per cent) of the British public do not support spending their money on development. So a change in approach is needed.

Stefan Dercon, professor of economic policy at the Blavatnik School of Government, says in his book *Gambling on Development*: "Outsiders, whether

governments, aid agencies, NGOs, or development funders, cannot simply engineer change and development, whether through aid or other means. They should strongly support those... choosing to gamble on growth and development.”

Dercon is right: “one party has to lead”, and it should be the developing country. Or as the respected academic Dr Ken Opalo has put it, traditional aid structures represent an “outsourcing of ambition” from developing country governments to the global north.

That means we will change how we work in four essential ways. We are moving from:

1. “Donor” to investor. We’re taking the long-view of an investor, partnering closely with countries to unlock growth, jobs and trade, and drive innovative finance and private sector investment. We’ve established an industry-led Investor Taskforce – bringing together investors and government to take action that will unlock more private capital for emerging markets and developing economies.
2. Service delivery to system support. We should be working alongside countries as they build their own education, health and economic systems – so they can thrive without aid – not delivering those services unless absolutely essential, such as in humanitarian crises. Our investment in Gavi is a great example – Nigeria now contributes almost two-thirds of the cost of its vaccination programmes, up from less than half seven years ago.

3. Grants to expertise. We know that change is not solely about the funding we provide, but how we can work alongside partners with deep expertise – leveraging the strengths we have in the UK, like our world-class universities, or our financial, health and tech sectors. Drawing on expertise of partners including the Bank of England, the City of London and the University of Cambridge, the UK has helped train financial regulators across 15 countries.
4. From international intervention to local provision. Change will come from local partners – governments, civil society, and people – driving their own sustainable, locally-led solutions, and we’ll work more closely with them. Our joint Shifting the Power programme with Comic Relief has demonstrated how we can put decision-making power and resources into the hands of local communities.

These changes were needed regardless, but they are absolutely essential in today’s context. The global approach to international development is changing fast. The US pulling money out has violently shaken the system. To increase defence spending, we have reduced our development budget. But we have not reduced our commitment to international leadership. We are restating it and seizing the moment to make the changes some have argued in favour of for years.

This means our bilateral programmes are going to need to change in some places – and some will receive cuts in funding. Of course, we are sustaining



our leading humanitarian role in Sudan, Gaza and Ukraine. In areas not in major crisis or conflict, the UK is already increasingly sharing expertise with some countries – rather than giving direct funding. For example, we would prefer to send tax experts to growing economies in Africa and Asia to help their governments generate more income, rather than giving them money to support their social welfare systems.

We will have to approach some issues differently too, remembering that spending is not the only way to support a country in its development journey. The best thing we can do to support girls' education, for example, is to make the case for investment with governments and support the building of effective education systems with partners who want to make a change. Our diplomatic and political relationships are going to have to be worked harder. We need all the tools at our disposal, from impactful programming in the right places, to inspirational figures like Baroness Harman, who will be leading our charge to stand up for women and girls around the world.

Alongside our refreshed approach to partnerships, the UK needs to be an activist shareholder in the multilateral system. We should invest in the parts of it which are too big to fail, while arguing for reform where it's needed. The levels of duplication and confusion – you hear it everywhere you travel – cannot be tolerated anymore.

I announced in July this year that the UK would prioritise its spending on the most impactful multilateral organisations. At the same time,

underperforming multilateral organisations will face cuts.

We are making choices in line with this vision. In July 2025, we announced substantial UK support for Gavi, the vaccine alliance. We have kept our promise on the World Bank's International Development Association. Later this year, we will co-host the replenishment of the Global Fund with South Africa. We are working together with other countries to deliver results and secure investment which allows the UK to support far more people than we could do alone.

We must reach beyond traditional government resources and facilitate the involvement of willing partners across the UK. For example, working to harness the power of the UK's financial industry – co-chairing the City's Emerging Markets and Developing Economies Taskforce alongside the Treasury – will help unlock private sector finance to tackle global challenges.

How we work as an organisation will change for the better too, finally realising and completing some of the logic behind the FCDO merger in the first place. This is about giving our experts more certainty through longer term funding arrangements, and empowering them to make decisions based on their knowledge of their context. I want to give authority and choice to our fantastic teams across the world, rather than forcing them to shoehorn work into a set of rigid ministerial diktats from London.

Many of international development's most passionate advocates were concerned that less money from the

UK would mean less leadership, or less action. I can passionately affirm this is not the case. Far from it. The cuts to spending around the world have forced us to accelerate changes already underway and long overdue, to genuinely prioritise, and to focus on working in a different way, more in tune with what partners around the world tell us they want – modern development focused on investment, expertise and

partnerships

We have to move beyond defining our value by how much we spend and respond to the public's desire for understanding what we can do and what we have achieved, not what we haven't. This is critical to maintaining the credibility of this agenda and confidence in it, both from our public, and those countries we are proud to partner with around the world.

# CHAPTER 2

## A MULTI-ALIGNED WORLD

*David Miliband, CEO and president of the International Rescue Committee and the former foreign secretary, sets out how to rebuild consensus around aid*

The tension between Labour's moral commitment to international solidarity and the constraints on public spending is palpable. With record numbers of people in humanitarian need, the consequences of the cuts announced in February are grave. However, such tension is not new. The Wilson government of the 1960s did a great thing by creating the first Ministry for Overseas Development, and giving Barbara Castle a cabinet position to lead its work. But while the government pledged to raise aid spending to 1 per cent of GNP by 1970, it in fact cut the budget.

The geopolitical circumstances, on the other hand, are new. America still has global interests, but it increasingly acts unilaterally. China – while it calls itself a developing country – is fast becoming a global power. Europe and Japan have been left clinging to multilateralism to maintain their influence. And emerging powers – India, Brazil, Saudi Arabia, Turkey, South

Korea – are asserting economic clout without yet assuming corresponding global responsibilities.

What is emerging is not a neatly balanced multipolar order, but a more fluid, transactional, world in which coalitions are built issue by issue – to use a phrase coined by Indian diplomat turned politician Shashi Tharoor, a “multi-aligned” world. This is already visible in the aid sector: in funding priorities, in who gets help and who doesn't, and in how states calibrate aid for political or commercial leverage. This is the context for a rethink on Labour's aid approach.

### CLARIFYING TERMS

The words “development” and “aid” are often used interchangeably, reflected in the fact that, when we set up the Department for International Development in 1997, its central purpose was to use aid to tackle poverty. Yet only by distinguishing between the two can

we achieve policy coherence, mitigate the consequences of aid cuts, and chart a way forward for our party's commitment to contribute to the war on poverty abroad. The task is not to retell the old aid story. It is to tell a different one – one that matches aid finance and instruments to distinct international purposes, refocuses on extreme poverty, and embraces reform and innovation to drive impact in the world's most fragile places.

The definition of Official Development Assistance is: "government aid that promotes and specifically targets the economic development and welfare of developing countries". You can see the logic of this: poorer countries are home to a lot of poor people, and so if their economies can be developed, then poverty will be reduced. But today, the link between aid and development, and between development and reductions in poverty, has been diluted.

First, aid is not the principal driver of development. Countries like India, Ghana, South Korea, China and Vietnam, which have achieved remarkable reductions in poverty in the last thirty years, developed because of markets at home and market access abroad, governance, remittances and investment. Remittances alone total nearly \$700bn annually, more than three times global ODA.

In 1987, 30 per cent of countries were classified as low-income. Today, it is just 12 per cent. That is progress. In south Asia, the proportion of low-income countries has fallen from 100 per cent to 13 per cent. Extreme poverty is now, in the majority of cases, an African challenge. Sub-Saharan Africa is home

to 559 million people living on less than \$3 a day, which equates to nearly 70 per cent of the world's extreme poor.

Second, developing countries where economic growth is raising average incomes are increasingly marked by rising inequality. China is a prime example of this, but far from an exception. Just think about Nigeria, which has both 63 million people living in extreme poverty and vibrant cities where average monthly incomes are 352,000 NGN (£1,291 of purchasing power in the UK). This phenomenon is not primarily the product of failings in the aid system; it is the result of domestic policy.

Third, conflict is the primary driver of extreme poverty today. Conflict shatters economies and immiserates people. The duty to protect civilians and their infrastructure – a cornerstone of international humanitarian law (IHL) – is routinely ignored. Just look at Gaza and Sudan, the two worst humanitarian crises in the world today. In these and other conflicts, civilians and the infrastructure they depend on – hospitals, schools, markets, and water supply – are increasingly targets of attack. The consequences are devastation and long-term economic disruption. In 1990, less than 10 per cent of the extreme poor lived in conflict states. By 2024, it was over 50 per cent; the World Bank projects it will rise to 65 per cent by 2030.

## THE NEW GEOGRAPHY OF POVERTY

None of this diminishes aid's importance. In fact, it sharpens its purpose: aid is most needed in settings where markets fail, where governments are

too fragile to act, and where urgent humanitarian need overrides all else. That is why it must be concentrated, not diluted – on the poorest people in the most hostile environments.

Yet when you look at the numbers, the aid budget is spread far too thin. It is as if we were living in a world where all the rich countries were spending 0.7 per cent of national income on aid, when in fact only three do, and increasing their aid budgets, when in fact they are being cut in most cases.

In 2024, Official Development Assistance (ODA) amounted to \$212bn globally. Only 14 per cent went to humanitarian relief, and just 10 per cent to health. Meanwhile, 60 per cent of bilateral aid went to tackling global public goods – climate, infectious disease, peace and security, and R&D. The pandemic fund at the World Bank's comes out of the aid budget. These serve vital goals, but often investment in them comes at the expense of support for the poorest. Worse, donor countries now spend significant proportions of their aid budgets at home on temporary housing for refugees and asylum seekers, undermining the very notion of “overseas aid”. Britain has been a notable case of this phenomenon (28 per cent spent at home).

When it comes to which countries receive aid, the picture is equally skewed. Ukraine, understandably a recipient of substantial support, received around \$30bn in 2023. But the 19 other countries on the IRC 2025 Emergency Watchlist received just 12 per cent of the total aid budget.

In other words, aid is spread wide at a time when need is deep and concentrated. And, even as need is shifting from a primarily developmental challenge to one rooted in fragility and conflict, the aid system still defaults to working through governments, which are frequently either too weak or too compromised in conflict settings. Humanitarian agencies – local, national, and international – have proved themselves able to operate in these environments, sustaining service delivery even amid violence. Aid works in these settings. But only 22 per cent of global aid in 2023 went to fragile and conflict-affected states – a steep decline from 2019.

All of this will be made much worse by the aid cuts announced by the Trump administration – and the destruction of aid infrastructure at the hands of the “wood chipper” established by the so-called Department of Government Efficiency. This is because the US has long been the anchor of the global aid system. It provides around 30 per cent of all foreign aid, underwrites up to half the budgets of major UN agencies, and dominates in philanthropy, private-sector involvement, and institutional reach.

Since the start of this year, over 80 per cent of US aid programmes have been terminated or curtailed. The danger is not just lives lost; it is that other donors respond by spreading existing funds even more thinly – across more goals, more geographies, and more institutions. This is a huge challenge for the UK with its significantly reduced funds.

## WHAT IS TO BE DONE?

The G7 provides 75 per cent of global aid while accounting for just 30 per cent of global GDP. The Gulf states, despite their immense wealth, are inconsistent contributors. The UK's aid cuts make it harder to make the argument for burden sharing, but one thing the government can do is ensure that the commitment to spend 0.3 per cent of GNI on aid really means 0.3 per cent on overseas aid, not domestic refugee hosting costs. Beyond that, there is a lot to do.

First, we should recognize the link between aid policy and international economic policy. As former US treasury secretary Larry Summers recently warned, rising interest rates have sucked nearly \$200bn from developing countries in 2023 alone – equivalent to the entire aid budget. Aid cannot compete with capital outflows. We need new instruments: humanitarian debt swaps, climate-contingent debt pause clauses, and debt relief that links repayment to outcomes.

Second, we should double down on innovation where it matters. We must back innovations in aid, from AI-enabled diagnostics to mobile-based farmer services, with real capital, not just pilot funds. International Rescue Committee (IRC)'s work with anticipatory action models – like “Follow the Forecast” – has demonstrated how AI can predict and mitigate climate shocks before they happen. Our new AI-powered diagnostic tools for frontline health workers in remote areas show how innovation can be both cost-effective and life-saving. But such tools require upfront investment, pooled risk, and

public-private collaboration.

Third, we should focus aid where it does the most good. Aid should follow both need and evidence, targeting a smaller number of countries exposed to intersecting risks of conflict, poverty and climate shocks, and organised through programmes proven to work. We are a long way away from this today. Acute child malnutrition, for example, affects 45 million children, yet 80 per cent of those in conflict zones do not receive treatment. Community health worker models have shown huge impact at low cost. Similarly, cash aid – which is simple, direct, and efficient – makes up less than 20 per cent of the humanitarian budget. Because conflict cuts off aid to those who need it most, we will need to better utilise civil society channels. Development actors like the World Bank can make partnerships with civil society NGOs the norm so that aid flows directly to people when the state is unable or unwilling. As a major World Bank shareholder, the UK can be a critical voice in calling for this reform. IRC's work in east Africa with Unicef and Gavi, a public-private partnership focusing on vaccination, shows how even “no-go” zones can become immunization hotspots – with over 13m vaccinations delivered.

Fourth, we must drive cost-effectiveness. IRC's analysis shows that moving from one-year to multi-year grants can increase efficiency by up to 30 per cent. Bundling services like immunization and malnutrition treatment could yield another 20 per cent. And moving from input-based to outcome-based accountability systems would drive

further gains.

Fifth, our reset with the EU should include a warm embrace of shared endeavours on the aid front. The EU is now a superpower in the aid world. They share our values and have a network on which we can piggyback. Rather than duplicate and complicate bureaucracy, personnel and priorities, we should be seeking the greatest possible integration of our efforts.

Finally, we must be clear that for development interventions and funding reforms to work, civilians and their infrastructure must be protected. These principles are enshrined in the laws of war for a reason. When conflict settles, reconciliation and rebuilding is the surest way to stability. However, in war zones, from Sudan to Gaza, there is impunity on a dangerous and growing scale. The UK has an important role to play in efforts to uphold international

humanitarian law through any leverage it can find.

## **CONCLUSION**

Policy and politics is being shaken by a world of rapid technological advances, growing global risks, and unprecedented geopolitical fragmentation. The 20th century anchor of the international system, the US, is being pulled up by an administration that defines its project in revolutionary terms. That makes our government's commitment to thinking for the long term – abandoning the “sticking plaster” solutions, as Keir Starmer puts it – all the more relevant.

A recent More in Common poll shows that voters across all parties in the UK support international aid if it is focused on immediate humanitarian needs. There is an opportunity, then, to do something that is both right and popular – Labour must seize it.

# CHAPTER 3

## A CHANGED CONTEXT

*Anneliese Dodds MP, minister of state for development from 2024 to 2025, assesses the pressures on the aid sector and sets out how politicians can build public support*

In comparison with some of the other attempts by the Labour government to reduce departmental budgets, the cut to overseas development assistance (ODA) this February met with relatively little criticism. Yet the scale of the reduction is eyewatering: by 2027, the UK will be spending just 0.3 per cent of GNI on development – potentially with a significant portion of that figure spent on UK-based accommodation for asylum seekers. This is a far cry from the 0.7 per cent target enshrined in the UK's International Development Act.

The cut was presented as the only way to deliver greater national security via increased defence spending. I believe that our current, more insecure, world requires much broader questions about fiscal policy and taxation to be reopened, and that cutting aid will reduce, rather than increase, our security. Nonetheless, the straightforward approach of advocating for one 'clean' aid cut to scale up defence spending clearly appeared to

many to be an easier option – at least in the short term.

The cut was announced soon after the 20th anniversary of the launch of the Make Poverty History campaign. Some have suggested that there has been a straightforward withdrawal of public consent for international development spending since Nelson Mandela's stirring speech in Trafalgar Square in 2005. Yet even then, neither politicians nor the public prioritised international development. According to a key organiser of Make Poverty History, Tony Blair's initial response to the campaign was "pretty limp."<sup>1</sup>

In this article, I argue a more complex process has been underway. The need for, nature of and politics of aid have all changed irreparably since 2005 – never mind since 1969 when the Pearson Commission first set the 0.7 per cent goal. With Reform growing in strength and the rightwards shift of the Conservative party, aid-sceptical arguments



have strengthened. A critique from the left has also developed, potentially leading to fewer Labour politicians being willing to publicly criticise the cut.

Now that the cut is in the process of being delivered, I believe it is essential for those who support international development to acknowledge the new, much more contested context. That will require a new approach which practically demonstrates the effectiveness of aid, works more closely with new partners, especially from the global south, and is transparent about the political nature of aid and the fact that it benefits our national interest. Greater honesty about the mutual benefits from aid has long been demanded by those in the global south. Today it is also demanded by the British public – and must be delivered.

### **AID IN A CHANGED WORLD**

When commemorating the anniversary of Mandela's Trafalgar Square speech, many people stressed to me that at least part of his vision had been realised. In 2005, almost one in three people worldwide lived on three dollars or less a day. By 2025, only one in 10 lived in this kind of extreme poverty, according to World Bank figures. During this period, east Asia and the Pacific surged forward, with China in particular lifting hundreds of millions of its people out of extreme poverty. Extreme poverty also fell in south Asia, although this progress has stalled recently. Incidentally, it was back in 2005 that the UK's economy was, for the first time, assessed to be smaller than China's (based on 2004 figures). Now, the UK

economy is less than a quarter the size of China's.

Simultaneously, there was a corresponding concentration of the world's very poorest people. Back in 1990, sub-Saharan Africa had a lower poverty rate than east Asia and the Pacific. By 2024, two thirds of the world's extreme poor were living in sub-Saharan Africa, despite this region accounting for only 16 per cent of the world's population. Population growth means that, though the region's extreme poverty rate has fallen – albeit more slowly than elsewhere – the absolute number of people living in extreme poverty in sub-Saharan Africa has risen substantially, a development also seen in fragile- and conflict-affected states in the Middle East and north Africa. By 2024, three-quarters of the world's extreme poor lived in sub-Saharan Africa or in 'fragile or conflict-affected states' – with 42 per cent living in countries falling into both categories.<sup>2</sup> An increasingly small number of these people are receiving support from the global humanitarian system with the emergence of huge funding gaps, which have deepened further since USAID's cuts. The world's poorest are also now far more likely now to experience the double whammy of droughts and floods associated with the climate crisis.

Relatedly, the extent of conflict has also risen globally, and particularly over the last few years.<sup>3</sup> The numbers of battle deaths in 2021, 2022, 2023 and 2024 were all greater than during the previous most violent year since the second world war, 1989. (That spike was related to the impact of the US and

USSR backing different sides in civil wars, followed by the disintegration of the USSR and Yugoslavia.) Civilians' exposure to violence, and the number of groups involved in violence, including jihadists, has increased. There has also been a growth in the number of countries experiencing two or more separate state-based conflicts.<sup>4</sup>

This rise in conflict has coincided with global democratic backsliding, which arguably began around the time of Mandela's speech in 2005. Overwhelmingly, this regression has taken place in new and emerging democracies.<sup>5</sup> A range of factors have been marshalled to explain this phenomenon, from the influence of Russia and China to the impact of new technologies, rising inequality, slow growth, political populism and polarization. Above all, however, the most immediate drivers of backsliding have been democratically-elected leaders sliding into illiberalism and authoritarianism.<sup>6</sup>

All this has coincided with a diversification of the actors involved in the delivery of aid, which now includes huge NGOs like the Gates Foundation and the Children's Investment Fund Foundation; the Gulf countries, who have increased engagement with humanitarian issues in their region; and China, whose hallmark has been economic and infrastructure delivery.

This changed context – greater and more concentrated global need, and greater global contestation – might have catalysed a renewal of political support for aid in the UK. Yet these developments have rarely been discussed in recent political discourse.

The rightwing critique of aid is well-known, and I will not rehearse it here. I believe that the left critique has also been important. While receiving less commentary, it arguably reduced the confidence of those who might have adopted aid as a political cause, both in the UK and elsewhere. Last year, the singer, songwriter and rapper Fuse ODG set out a left-wing critique of aid which was subsequently amplified by Ed Sheeran in his public disavowal of the charity single *Do They Know It's Christmas?* It was not without merit, especially as a description of how development was often conducted and talked about in the past. Yet in junking the colonialist bathwater, the (often female) baby has been thrown out, too. As the chair of the international development select committee put it, a girl in Malawi whose education is no longer supported due to cuts “probably does not care whether it is driven by ideology; she just knows that her opportunity has collapsed in front of her eyes.”

Many African political and civil society leaders have, research suggests, continued to call for genuine, flexible and respectful partnerships with the UK, which last for the long term – including through development.<sup>7</sup> In my experience, the modern delivery of ODA by the UK, outside of in humanitarian emergency situations, already embodies Thomas Sankara's maxim that “[t]hose who come with wheat, millet, corn or milk, they are not helping us. Those who really want to help us can give us ploughs, tractors, fertilizers, insecticides, watering cans, drills and dams. That is how we would define food aid.”

Indeed, UK ODA now often focuses on supporting governments to reform their own systems to deliver such support. I saw this for myself in Zambia, where UK-funded expertise supported the government to switch from a wasteful one-size-fits-all subsidy scheme to a decentralised system. The new approach empowered farmers to diversify production, making it more climate-resilient and supporting the creation of local seed shops and markets.

Overall the left critique, then, patently fails to align with the interests of those it ‘speaks for’ today (as opposed to in the past).

### WHAT TO DO

The most important thing that Labour politicians can do now about aid is talk about it – honestly and transparently. Most Brits assume that aid consumes far more of the government coffers than is the reality (guessing 0.9 per cent of public spending in 2023), with almost a third believing it costs 10 times more public money than is the case, according to More in Common research commissioned by Future Advocacy. In addition, it is assumed that much aid goes towards corrupt politicians or is wasted in other ways.<sup>8</sup> Clarity about exactly how aid will be spent is therefore key, including explanations of how comparatively minimal amounts of public spending can catalyse huge results and save lives.

Aid is inherently political. Of course, subordination to the daily rough and tumble of politics is unhelpful: ODA budgets should not be raided merely to provide a ‘comms hook’ for a politician’s

visit to a country. But while rejecting this subordination, it is nonetheless important to acknowledge that aid has always been a mechanism for national influence, whether more or less explicit; and that this politicization has become more intense over recent years, with humanitarian norms under threat, the creation of non-UN ‘humanitarian agencies’, and increases in both Chinese and Russian influence.

Survey and focus group evidence suggests that the British public does indeed want UK aid to focus on our national interest. Delivering on this demand need not betray the world’s poorest people, but it will require more honesty and transparency about the mutual benefits received from aid – something that global south leaders repeatedly told me they wanted as a basic condition for a more respectful relationship.

How members of the public define our national interest is, obviously, complex, and appears to be strongly related to how different alternatives are presented. Research, especially that conducted by the Development Engagement Lab, has consistently indicated support for humanitarian aid and support for health. Vaccination programmes appear particularly strongly supported by many surveys. Other research suggests that tackling problems ‘upstream’ of issues affecting the UK is key for our national interest in the public’s mind: for example, developing livelihoods – ‘teaching a man to fish’, as the old adage goes – and thus economies, and so encouraging people to stay closer to home and avoid

migrating to the UK. Some of the differences may relate to how sceptical or otherwise different segments of the public are about government intervention in general, with those supporting more right-wing parties keener to back aid dealing with urgent issues, and less keen to support action on systemic issues.

All of this indicates that politicians must indicate why specific international development interventions are in our country's national interest, rather than just stating that they are – or worse, failing to explain what development funding is doing. Providing humanitarian support will often not only be the 'right thing to do' in the face of famine or disease. It will also project our country's values ('if we can help, we should do our bit') and enable us to build alliances with other nations, including those beyond Europe. While supporting economic reform is often not strongly supported by the public, it is rarely framed as enabling greater trade with the UK or as facilitating self-sufficiency – even when it strongly contributes to both these things, which are valued by the public. Clearer explanation is clearly required in both these areas.

The impact of aid on our national security, and on migration, must be more clearly spelled out. Current and former military figures have often been the clearest exponents of the advantages of development in terms of stability, having seen its impact with their own eyes. As Bond has found, this message can also be particularly powerful when articulated by doctors, teachers and

nurses. We should also emphasise that China and Russia have been seeking to expand their influence globally, especially in many African nations, and explain how UK presence and support can help to counteract this trend.

The links between aid, security, development and migration also need to be set out more clearly. Of course, the relationship between international aid and migration is complicated. But practical examples can show how humanitarian crises impact on migration, including to the UK; and how positive measures can help people to stay where they want to be – at home, or at least close to home. In that vein, it is significant that the world's biggest humanitarian crisis, Sudan, is currently the origin of the largest proportion of non-accompanied asylum-seeking children who are arriving in the UK. And Syrian refugees who have been enabled to develop their kids' education and to live safely in refugee camps near their home country, supported via aid, have been more likely to stay in their home region instead of seeking to emigrate to countries like the UK.

Honesty about the positive impact of aid in terms of our national interest, then, is critical. We also need honesty when it comes to the impact of other national policies on the world's poorest people. A Labour government must support pro-poor positions on taxation, recognising that the OECD's approach might be viewed as successful by countries in the global north, but has largely failed to support global south countries to effectively tax multinationals. It should also support the representation

of the global south on global bodies and the reform of debt restructuring alongside financial innovation, trade, and access to technological infrastructure. Such policies are no substitute for aid,

but they are equally necessary. When, on the contrary, the UK advocates for policies that perpetuate global inequalities, it undermines alliances that will be critical for our country in the future.

# CHAPTER 4

## LIVES ON THE LINE

*Finian Ali, youth coordinator of the Scaling Up Nutrition Civil Society Youth Network in Nigeria, writes with Nana Oleko, youth coordinator of the Scaling Up Nutrition Civil Society Network of the Democratic Republic of Congo, about what aid cuts will mean for the most vulnerable*

In a world already reeling from climate change, conflict, and economic instability, the UK's decision to reduce official development assistance (ODA) to 0.3 per cent of gross national income (GNI) is not merely disappointing. It is dangerous.

As a young nutrition advocate and the youth coordinator of Nigeria's Scaling Up Nutrition Civil Society Youth Network, I have worked directly with hundreds of young people across the country. I have sat under tin roofs in rooms without electricity, listening to young people share heartbreaking stories of skipping meals, surviving on less than a dollar a day, and watching siblings waste away due to malnutrition.

The British government played a role in the early days of the global Sun movement and its funding. More broadly, the people we work with – and the communities they represent –

benefit directly and indirectly from the ripple effects of global cooperation in which the UK has been a principal partner. If that cooperation dries up, people will suffer. People will die.

### **A NATION ON THE EDGE**

Nigeria is at the heart of West Africa's nutrition crisis. More than 33 million people face food insecurity. More than one in three children under five are stunted. Millions of women live with anaemia, with irreversible consequences for their health and that of their unborn children.

Yet within this context, hope is being built at the community level. Through the youth leaders for nutrition programme, we have mobilised and trained more than 110 young people across six states to lead grassroots interventions. They are delivering community dialogues, organising

advocacy campaigns, influencing state policies, and holding duty-bearers accountable. They are improving food and nutrition environments, promoting healthy consumer behaviour, and contributing to ending malnutrition — preventing lives from wasting away and securing a more hopeful future.

From the 57 community dialogues we have facilitated, one theme emerges: young people — many unemployed or underemployed — are deeply aware of the multiple crises they face: malnutrition, hunger, food price inflation, gender inequality, and lack of basic health services. These are not abstract challenges; they are lived realities. And while these youth may not all receive direct UK aid, many benefit from health programmes, nutrition interventions, agricultural support, and school meals that depend on UK development funding.

When Britain cuts aid, it does not merely alter figures on a spreadsheet. It removes health workers from clinics, stalls school feeding programmes, leaves young mothers without supplements, and strips rural farmers of the training they need to feed their families.

### **WHAT WE BUILT**

Before this youth network existed, there was no organised national platform for young people to engage in nutrition advocacy in Nigeria. We filled that gap — recruiting, training, and empowering youth advocates in each of the six states, creating a structured network that now operates effectively and autonomously.

These advocates are community voices for change. They engage with

peers, state nutrition officers and technical working groups. In Cross River state, our youth network has been admitted to the state committee on food and nutrition, a strong recognition of youth capacity and contribution.

We have also ensured inclusion. Our network involves persons with disabilities, including young advocates with mobility and visual impairments, who lead nutrition advocacy in their own communities. This level of inclusion is possible only when development programming values local ownership, representation, and capacity-building, principles long supported by UK aid.

Our work shows that investing in youth and communities delivers results. But we cannot do it alone. When UK funding shrinks, already fragile systems are forced to carry heavier burdens, and communities without alternative resources are left behind.

### **CUTTING AID COSTS LIVES**

As a young person drawing from lived experiences and community realities, it is clear to me that cutting aid will risk lives. In countries like Nigeria, every day a child dies from hunger-related causes. Women die during childbirth because the nearest clinic has no trained midwife. Toddlers with wasting fail to get therapeutic food in time. These are precisely the services that ODA supports.

Every pound cut from the UK aid budget means fewer ready-to-use therapeutic foods, fewer nutrition supplements, weaker health systems, and fewer trained leaders to sustain advocacy where government presence

is weak.

It is easy for policymakers in Westminster to see aid as abstract or inefficient. On the ground, however, UK aid has trained nutrition officers, provided emergency rations, improved maternal and child health, strengthened food security, and enabled global coalitions – such as the scaling up nutrition movement – that amplify our work even without directly funding it.

These cuts come at a time when the world needs more cooperation, not less. From climate adaptation to pandemic preparedness to food security, the challenges are global, and the responses must be global. Turning away from aid is turning away from responsibility.

### WHAT THE UK SHOULD DO

If the UK government believes in fairness, solidarity, and global justice, it should:

1. Restore ODA to 0.7 per cent of gross national income without delay,
2. Prioritise investment in grassroots, youth-led, and locally owned initiatives, recognising their long-term impact.
3. Avoid tying aid to political or migration agendas, focusing instead

on rights-based, needs-driven support.

4. Invest in building systems – rather than only addressing crises – by strengthening capacity, youth engagement, and inclusive policy platforms.

### A FINAL REFLECTION

African youth are watching, and we are organising and leading. We are doing the work our governments cannot always do alone. But if international donors such as the UK retreat now, those who will suffer most will not be those with the loudest voices. They will be rural girls, children with disabilities, pregnant teenagers, and elderly grandmothers raising malnourished grandchildren.

Aid should never be a ‘nice to have’. It should be a moral commitment.

In many of our community dialogues, young people have said: “we are hungry, but nobody is listening.” If the UK continues to cut aid, that silence will only grow louder. By listening to grassroots voices and standing in solidarity with those on the frontlines, the UK can reclaim its role as a leader in justice, compassion, and development. This is about restoring hope.



# CHAPTER 5

## A FORK IN THE ROAD

*Moazzam Malik, chief executive of Save the Children UK, sets out how the UK can help create a better world for all children*

Every child is born with a right to childhood – the right to grow and to reach their potential, free from fear and hardship. Recent decades have seen real progress. Children today are healthier and better educated than those in previous generations. But this progress is under threat. The challenges are well-known: conflict, pandemics, climate change, and food insecurity. These are being compounded by the dismantling of the international system that underpinned the progress we have seen. With global leaders, including the UK, stepping back, we find ourselves at a fork in the road. Can the UK chart a new path, built in solidarity with international partners, to ensure a better future for children and a fairer and more stable world for all?

The threat that poverty and inequality pose to childhood is not abstract. I've seen the consequences on visits with Save the Children to Somalia and the occupied Palestinian

territories. Aid cuts are leading to health clinics shutting, children unable to go to school, mental health crises, and reduced food rations in humanitarian emergencies. It is no exaggeration to say that people are facing desperate circumstances, and that many lives are being lost as a result. If aid cuts kill, the reverse must also be true: aid saves lives and has secured material progress for millions.

The imperative to act could not be clearer. We risk becoming a generation that leaves children suffering greater poverty, insecurity and fear than those who came before. This is true not only for children facing conflict and inequality overseas, but also for children here in the UK. Issues of global health, climate change, insecurity and economic instability cross boundaries, and aid cuts threaten the global stability on which our own security and prosperity in the UK depend. And while public opinion on the UK's approach to aid is

split, there is no denying that there is support for the UK to play a positive role internationally.

But we must approach this ‘fork in the road’ with honesty. Geopolitical power is shifting. The UK public is not backing the way that things have been done. Not enough progress has been made for the world’s poorest children. The international infrastructure we have taken for granted is crumbling for lack of money, yet bursting at the seams with rising needs. People are on the move across borders in increasing numbers. Lower income countries are fed up with a system that is fragmented, inefficient, unfair, and does not deliver investment at scale to tackle the priorities of their people. We need change.

It is fine to admit at this stage that we do not have all the answers – indeed, it is necessary to avoid blueprints from London if a new system is to work for everyone. The UK can, however, play a role in co-creating a new vision for international cooperation with partner governments, civil society organisations, and the public. Some key shifts for this ‘post-aid’ world are already clear.

### **FROM “DOING DEVELOPMENT TO THEM” TO “TACKLING GLOBAL ISSUES, TOGETHER”**

Aid is not about charity. It is about investment in a shared future, guided by principles of mutual benefit, shared responsibility, and long-term impact. When done well, international cooperation enables partner countries and their people to prosper and tackle the root causes of poverty and instability, not just the symptoms. Investment in

global health, education, and protection of children from violence, hunger, and exploitation are fundamental for the long-term security and prosperity of all nations in an inter-connected world, including the UK. As pandemics, climate change and conflicts show, no country can build a wall high enough to keep the world out. These are global issues and, rightly, need international cooperation and public investment.

UK aid cuts have damaged our reputation badly. Engaging purposefully and openly with partners in the global south to co-create a new approach to international cooperation can begin to shift that.

### **FROM BILATERALISM TO EFFECTIVE MULTILATERALISM**

Bilateral aid does not have the scale or staying power to solve global problems on its own. Our partners – and the global issues that we need to solve for our mutual benefit – need scale, consistency and predictability that stretch beyond the short term. Our partners in the global south are calling for a stronger international financial system that can help them meet the aspirations of their people.

Again, acting with a broad range of partners, the UK should champion and invest in multilateral institutions that have reach, legitimacy, and proven results, and push for ambitious reforms – in particular, to streamline bureaucracies and to give poorer countries greater rights in governance and oversight. Fundamentally, acting together at scale achieves more than acting alone in a fragmented way. The UK can and should

help build a coalition for multilateral action, stronger collaboration and burden sharing.

#### **FROM 'AID' TO PUBLIC INVESTMENT AND NEGOTIATED COMMITMENTS**

Shrinking aid budgets are jeopardising the provision of investment at a scale required to tackle global challenges. Official development assistance (ODA) cannot solve the problem alone. We need renewed ambition to mobilise new sources of finance. Debt restructuring, remittance reform, leveraging the access of multilateral banks to capital markets, blending private finance, and carbon finance are all essential. But at the base of this system – and especially for the most vulnerable countries with poor creditworthiness – taxpayer-funded public investment remains critical. Without a turnaround in core public investment – including bringing in new donors beyond the OECD group of advanced economies that has provided ODA since the early 1970s – there is no way to generate the overall level of international finance needed to address global challenges.

The concept of ODA is rooted in the post-colonial world. Despite commitments in UN fora and the G7, it has failed to break free from the donor-recipient model that led many to criticise aid. We need an alternative frame, where countries come together and agree the nature of the problem, the scale of investment required and make commitments to each other with clear mutual accountability. High-income countries – around 60 of them, as opposed to less than 40

in the OECD – need to take a lead in responding to the financial burden. ODA is heading towards less than 0.25 per cent of OECD gross national income. Global challenges are likely to need three to four times that level of core public investment from the world's high-income countries.

Whilst challenging, we need a new pact for international cooperation that addresses overall needs related to the UN sustainable development goals, supported by a new system for global public investment. The alternative model, with individual replenishment rounds to tackle climate, health, education, security and other needs separately, has given rise to fragmented and inequitable progress, a lack of transparency and is eroding confidence and trust further.

#### **FROM MISUSING ODA GRANTS TO TAILORED FINANCIAL INSTRUMENTS**

The principle at the heart of the sustainable development goals – to “leave no one behind” – is more important than ever, especially for children who bear the brunt of crises. The lowest income countries and poorest communities, especially those facing conflict and humanitarian crises, do not have the capacity to carry high levels of debt. Grant finance should be reserved for low-income countries and a small number of middle-income countries that face immediate and severe challenges like conflict. Financing models and terms for all other middle-income countries should be tailored to their circumstances.

None of these changes will be a quick

fix. Central to the UK's renewed agenda for international partnerships must be clear recognition that a childhood free from violence, hardship and fear is a universal concern. The UK should position itself as a global champion of the right to childhood, with domestic and international responsibilities and outcomes intertwined and mutually reinforcing.

A century ago, Save the Children was founded in response to the tragic impact of the first world war. We are constantly striving to adapt to changing

context and to do things better, from our partnership with companies like GSK and innovations in treating child malnutrition through the Global Malnutrition Initiative to investment in child and girl-led movement building. But at the heart of what we do is the principle established by our founder Eglantyne Jebb: 'humanity owes the child the best it has to give.'

The UK would do well to hold to this principle as it develops a new vision to meet the current moment of global crisis and uncertainty.

# CHAPTER 6

## LOSING MOMENTUM

*Shukria Dini, the founder and executive director of Somali Women Studies Centre, warns that cuts to aid risk undoing hard-won progress on gender equality*

In recent years, the steady withdrawal of official development assistance has placed countless civil society actors under extraordinary strain. Among those most affected are women's rights organizations (WROs) operating in fragile and conflict-affected contexts like Somalia. These organizations, often underfunded and overstretched, continue to play a crucial role in responding to the multi-layered challenges facing Somali women and girls. From addressing gender-based violence and displacement to advocating for women's inclusion in peacebuilding, WROs remain among the last-standing service providers and defenders of justice in communities often forgotten by formal systems.

The cuts in external funding by governments including those in the US and UK have not happened in isolation. They coincide with a deeply troubling convergence of global and national crises: worsening climate shocks, mass displacement, economic precarity,

political volatility, and shrinking civic space. In Somalia today, humanitarian needs continue to escalate, even as donor support diminishes. These funding shortfalls are not abstract. They translate into broken lives, halted interventions, and silenced voices.

As a woman leading a WRO in Somalia, I have experienced firsthand what it means to navigate these pressures without consistent and reliable external support. Our organization, the Somali Women Studies Centre (SWSC),<sup>9</sup> has for years worked to reach some of the most marginalized women and girls across the country. With the support of international partners, we have provided life-saving services, built platforms for women to engage with policymakers and created spaces for leadership development and policy dialogue. This work is not supplemental to peacebuilding; it is foundational.

External funding has never merely been about running programs. It has

allowed women's organizations like ours to remain present in spaces where no other actors operate. It has allowed us to stand beside survivors of violence, advocate for their protection, and ensure their voices are heard in justice processes. It has empowered us to train grassroots women leaders, to mentor girls, to provide alternative livelihoods, and to respond rapidly in emergencies. In Somalia's fractured and often unaccountable governance environment, WROs have become essential intermediaries, linking communities with formal systems that are either absent or unresponsive.

But these achievements are fragile. In the absence of sustained funding, they begin to unravel. When donors withdraw, they do not simply pause a grant cycle. They dismantle an entire ecosystem of care, protection, and advocacy. Programs once rooted in deep community relationships are halted. Staff who have been trained and mentored for years are lost. Survivors are left with no place to turn. Women and girls who had begun to find their voice are pushed back into silence. Our organization, like many others, has had to make painful decisions: cutting core staff, suspending critical services, and shelving plans that were years in the making.

The impacts are far-reaching. For example, advocacy initiatives that once engaged policymakers around gender-based violence laws have been shelved due to lack of resources. Safe spaces that offered a lifeline to survivors of domestic abuse have had to shut down or dramatically reduce their capacities. Our

ability to respond to emerging needs, whether due to conflict displacement or climate disasters, has been severely compromised. More than anything, the sense of hope that had begun to take root among young women in our communities is slipping away. When women see their only local support structures collapsing, the message is clear: their voices, needs, and safety are not a priority.

This erosion of WROs is happening at a time when they are needed most. Somalia continues to face political uncertainty, with limited inclusivity in electoral reforms and a persistent lack of representation for women in formal political structures. Insecurity remains a daily reality for many, with armed conflict, sexual violence, and impunity intersecting to create an environment of constant threat for women and girls. Humanitarian challenges are compounded by recurrent droughts and floods that have uprooted families and strained already limited resources. In this context, WROs are not only responding to the symptoms of crisis, but are also working to address the structural and normative root causes that perpetuate gender inequality and exclusion.

Despite these adversities, Somali WROs have shown resilience, adaptability, and courage. But resilience without resources is unsustainable. The shrinking of external funding, especially by historically significant donors such as the UK government, threatens to undo decades of hard-fought progress. It risks silencing the very actors who have helped build bridges between

communities and the state. It leaves grassroots women's movements exposed to pushback burnout, and eventual collapse. Women leaders will be silenced and lose presence in the humanitarian and development sector who have fought to be at the forefront of responding to needs of vulnerable population.

If the UK government is serious about its commitment to gender equality, peacebuilding, and human rights, then it must reaffirm its partnership with WROs in Somalia and beyond. That begins by ensuring predictable, long-term, and flexible core funding to women-led organizations. Support must go beyond project cycles. It must prioritize institutional strengthening, leadership development, and movement building. Funding mechanisms should be designed with accessibility in mind, allowing smaller, community-based WROs to apply directly or through consortium models.

The work of WROs in Somalia is not charity. It is nation-building. It is the daily labour of confronting injustice, protecting dignity, and envisioning a different future for women and girls. Without adequate funding, that future will not materialize. The gains made in policy, in protection, in community mobilization, will be eroded. And those who have worked so tirelessly to expand civic space will find themselves forced to retreat into the margins once more.

The international community – and the UK in particular – has long been a partner in Somalia's recovery journey. That journey is far from over. Ongoing investment in WROs should continue being a strategic imperative. At this moment of global uncertainty and local fragility, Somali women leaders are not asking for sympathy. We are calling for solidarity, partnership, and sustained action. Because a future of peace, justice, and equality in Somalia will not be possible without us.

# CHAPTER 7

## A NEW AGENDA

*Five Labour MPs – Dr Jeevun Sandher, Alice Macdonald, Joe Powell, David Taylor, and Noah Law – set out a programme to apply Labour values at home and abroad*

Our party helps to build a better world when it lives up to its values – including the principle that we are all better off when we act to ensure that everyone on this earth can live a decent life. To take just one example, we helped save millions of lives through providing childhood vaccinations. Millions of stories of grief were averted because we lived up to our values. Many of those writing in this collection were part of the last Labour government which, by applying our values at home and abroad, built a stronger, fairer and more secure world. A world in which, as Labour left office, the end of extreme poverty was in sight.

But 2025 is not 2005. Extreme poverty, which had been declining rapidly, is now stubbornly flat. At the same time, the wealthiest around the world have only become wealthier. The world is more dangerous, with greater pressure on public finances both at home and abroad. The financial crisis,

the Covid pandemic, Putin's energy shock as well as the full-scale invasion of Ukraine, and climate change have hit us all, and are hitting the poorest countries the hardest.

We remain the first generation in the history of humankind that can end extreme poverty. But to do so, in these more straitened times, will require a new financing agenda that can help end extreme poverty at little cost to the taxpayer. This requires ideas that allow Britain to show leadership, without necessarily spending more on aid. There are ideas that, by releasing existing funds more quickly, multiplying every pound through innovative financing, and tackling unfair debt, would ensure more investment goes to ending extreme poverty.

### **OUR POVERTY CHALLENGE**

Our era is one in which 'once-in-a-lifetime' global shocks happen every decade. The financial crisis, the Covid



pandemic, and the global effects of Putin's war in Ukraine hit us all; but they hit the poorest countries the hardest. The financial crisis hit growth as commodity prices fell. The Covid pandemic meant governments had to spend their limited resources responding to the virus. The energy shock arising from Putin's war increased inflation in the poorest countries by more than in rich ones, while rising global interest rates drove up the cost of borrowing. Our burning planet will worsen these shocks as global warming leads to drought, crop failure, and an increased likelihood of conflict.

Globally, extreme poverty rates have stopped falling. Economic growth and greater welfare spending in both India and China led to large falls in global extreme poverty at the start of the 21st century. As a result, poverty has become more concentrated in fragile and conflict-afflicted nations. In the poorest region of the world, sub-Saharan Africa, the number of people living in extreme poverty is at 400 million and rising. Such desperate poverty leads to misery, fuels conflicts over scarce resources, and pushes people to leave.

Global shocks have also hit us at home, making us poorer and changing our politics in the process. Britain had a larger productivity slump since the financial crisis than peer nations. We also had the highest inflation rate in the G7 when Putin's energy shock hit, and we have since seen the worst squeeze in real wages for over two centuries. It is harder to build a political consensus around investing public money to help

the poorest overseas when domestic incomes have fallen over the past 14 years.

We are seeing a retreat from development across the world. The US, the historic underwriter of global development, has turned inwards. It has all but abolished USAID and risks weakening the UN and the IMF. In Europe, aid budgets are being cut as nations finance domestic priorities, increase defence spending, and prioritise support to Ukraine. China has been reducing its investments in developing nations, which have to date failed to reduce poverty and have saddled governments with masses of debt, without delivering long-term economic growth and poverty reduction.

But against this backdrop of crisis and retrenchment, there is an opportunity: a Britain led by Labour is uniquely placed to fill the leadership vacuum, just as we did in the 2000s. And we can do so without spending extra taxpayer money.

## **A NEW AGENDA FOR DEVELOPMENT**

There are ideas that could help us achieve this. First, quick reforms that can release funding fast. Second, innovative development finance that can multiply every pound. Third, ensuring countries keep more of their own revenue, by fixing global debt processes. Each of these can reduce poverty without requiring us to spend more on aid. They are not a replacement for overseas aid, but they are a complement to it.

### **1. Releasing existing funds**

There are ideas we can adopt to release funds quickly – both through the aid

budget, and directly into the pockets of those living in the poorest countries.

First, we have £2.5bn, lying dormant, which we could use to increase humanitarian aid today. When Roman Abramovich sold Chelsea FC after Russia's invasion of Ukraine, the profits were earmarked for humanitarian causes in Ukraine and beyond. The government is working to help release these funds and use them to provide humanitarian relief in Ukraine.

Second, more of the money sent overseas in remittances can reach the intended recipients through reduced transaction fees. For some nations, including Gambia, Jamaica, and Somalia, remittances sent from the UK make up over 2 per cent of national income. But remittance fees average more than 6 per cent – double the UN goal of 3 per cent.<sup>10</sup> Working through the Financial Conduct Authority, these fees can be reduced. By matching the UN target, we would free up over £200m for the people that need it the most.<sup>11</sup>

Third, a fifth of the existing overseas aid budget is being redirected to fund the housing costs of asylum seekers in the UK. This government is ending the use of expensive hotels for this purpose and speeding up asylum processing. This will save billions in the next four years, and spending is already coming down from the record high it reached under the Conservatives. If these savings stay with the FCDO, they can be spent on reducing poverty.

## 2. Multiplying every pound

These changes can get finance out the door quickly. But ending extreme

poverty will require scale above all else. By showing leadership and working with allies & multilateral organisations, billions in funding can be provided to the poorest countries, without requiring more aid spending.

Britain has billions sitting in bank accounts that can be leveraged to provide finance for the poorest countries. Our foreign exchange reserves total around £150bn, held in our Exchange Equalisation Account. They were built up to allow us to fix the value of our currency, relative to others. But the UK hasn't fixed its currency for over 30 years, and much of the world has moved to a system of floating exchange rates. This means we don't need to spend our reserves to protect the value of the pound. Even if we did, the current balance is too small to make a meaningful difference to the value of the currency. This money is idle, but it can be made to work to reduce extreme poverty.

Two assets in our reserve accounts are useful here. First, cash, and second, special drawing rights. The first is relatively straightforward. The cash in our reserves can be lent on a long-term, zero-interest basis to institutions like the World Bank International Development Association, which could in turn lend it on to the poorest countries on favourable terms to reduce poverty. This creates funds for investment without drawing down the amount in the account.

Special drawing rights (SDRs) are a little more complex. SDRs are assets created by the IMF that can be exchanged for hard currency. After

the Covid pandemic, the IMF created £470bn in SDRs and allocated them to each contributing member state to support the global economy. The UK received SDRs worth £19bn, taking our total balance up to around £30bn. We should lend them to the IMF, who could then loan them to the poorest countries. We have already done this with 20 per cent of our SDRs, around £6bn, but at levels of lending of peer nations such as Spain and Japan, up to another £9bn to spend on reducing poverty could be unlocked.<sup>12</sup>

These SDRs can also be made more effective by lending them to Multilateral Development Banks (MDBs) that can leverage their value. This would quadruple the value of each SDR.<sup>13</sup> The African Development Bank and the Inter-American Development Bank have been calling on us to do exactly this: to take our idle SDRs and use them to provide the investment – in roads, schools, bridges – that the poorest countries need to reduce extreme poverty.

We can go further still. By extending guarantees as well as grants to MDBs, we can make it easier and cheaper for them to borrow capital to invest in poorer nations. This would replicate the success of the International Finance Facilities for Immunisation (IFFIm) and for Education (IFFEd), which can turn £1 of grants into up to £7 of financing.<sup>14</sup> By focusing on multiplying every pound we put in, the resources we have can be used to create the most impact.

Making this happen will require leadership. Tweaks would have to be made to how Britain regulate our

foreign reserves, and cooperation with allies would be necessary to lend SDRs to Multilateral Development Banks and get behind new International Finance Facilities. But if successful, these ideas could provide billions towards development.

### **3. Ending the debt crisis**

Not every pound spent on reducing poverty is equal. Aid is needed to meet urgent gaping financing holes. But a nation's own revenues, raised from its own taxpayers, can build long-term prosperity far more effectively. No country has ended poverty with donor funds alone. The experience of nations like Somalia and South Sudan should caution against the fairytale that billions in development aid alone will automatically end extreme poverty. It is through aid alongside the building of functioning states that we can help to end extreme poverty. To do this, the poorest countries need to be enabled to keep more of the revenues they raise from their citizens.

But, as it stands, the poorest nations are sending their own tax revenue to pay off hedge funds for debts they cannot renegotiate. This is a particular problem for African nations, which are handing over a fifth of their revenues to lenders. For 32 nations, debt repayments exceed healthcare spending. Increasingly, these payments are going to private lenders, whose loans to African countries have exploded in the past fifteen years. These are loans with interest rates averaging 6.2 per cent – a high return which reflects their higher risk. But the aftermath of Covid made debt

both more expensive (because of the rising value of the dollar) and reduced debtors' ability to pay (because of high fiscal costs incurred in managing the pandemic and the energy shock). This result is a debt crisis that is draining the poorest countries of resources at a time they need them most.

Usually, when a debtor cannot repay their debt, they enter into debt negotiations. But the global system created to renegotiate this debt, the G20 Common Framework, is not working as intended. Only four countries have applied to it since it was founded. In large part, negotiations have been held up because private lenders have little incentive to cooperate in debt negotiations.

Each private lender has an incentive (and, in some cases, a fiduciary duty) to not cooperate in debt negotiations, instead holding out for a larger payout. Debtor nations cannot default without bearing significant economic pain, so lenders know they can either hold up negotiations until they are repaid in full or sue to recover the full amount – which keeps rising with interest. In 2022, Chad applied for relief under the Common Framework, but received none, and had to pay back its debts in full. Knowing they are unlikely to receive it, many countries are not even applying for relief. South Sudan is currently being sued in British courts for \$657m – equivalent to almost half that nation's entire annual budget.

Britain is in a unique place to help to fix broken debt negotiation system. Our legal system, the strongest and deepest in the world, governs 90 per cent of the bonds covered by the G20

Common Framework. This means Britain could pass a law to ensure that private lenders were not able to sue for more than agreed in negotiations under the Common Framework, regardless of whether they participated. This would increase the leverage of debtor nations and incentivise lenders to cooperate, rather than hold out or sue for repayment.

The last Labour government did this. One of their last acts in office was the Debt Relief Act 2010, which applied this principle to the debt of 'heavily indebted poor countries'. The courage shown by Tony Blair and Gordon Brown at the 2005 Gleneagles Summit saw £30bn of debt cancelled. Billions are on the table, not just for today but for the future as well. Getting a debt negotiation system that is fair, which recognises the reward as well as the risk of lending, can enable governments to spend taxpayer revenue on reducing poverty, not on debt they cannot renegotiate.

## CONCLUSION

Britain can show leadership, live up to our values, and help end extreme poverty by releasing funds quickly, innovating to unlock billions in finance, and helping to fix our unfair global debt system to let nations keep the revenue they raise.

A world with less poverty is a safer and more secure world. That is in all our interests. Living up to our values means investing in a better future by recognising our wellbeing is intimately tied up with the wellbeing of others around the world. Stepping up to this challenge will bring us

realpolitik benefits, too, strengthening our relationships with emerging economies, demonstrating to our allies that Britain is back on the world stage after 14 years of decline, and sending out a clear signal of our Labour values to the progressive voters tempted by the parties of the left.

We live in dangerous times. It is for us to make ourselves and others more

secure by building a world true to our values. A world free from extreme poverty is in sight, and building it aligns with our nation's self-interest. But achieving it will require political commitment. This Labour government, like the last, has an opportunity to apply our Labour values at home and abroad – a generational chance to once again lead the world. Let us grasp it.

## CHAPTER 8

### THE WILL TO WIN

*Kirsty McNeill, a minister in the Scotland Office and the Labour and Co-operative MP for Midlothian, examines what the international development sector needs to do better when working with politicians*

The weather was better than expected. The crowd was bigger. The atmosphere warmer.

Twenty years ago, I helped to organise the 2005 Make Poverty History march in Edinburgh. A quarter of a million people turned up in solidarity with people they had not met, whose names they did not know and whose faces they would not see. Why had they come?

Some had been part of the earlier Jubilee 2000 campaign for debt cancellation, often folk motivated by conscience and mobilised at church. Others were the same public sector professionals who had been the backbone of the anti-apartheid movement. Earlier in the year, Nelson Mandela had come out of retirement to speak in Trafalgar Square, telling the crowd: “sometimes it falls upon a generation to be great”. They had answered his call as so often before. And some of them, like me, were

recent additions to the movement – in our 20s and excited to help shape this still-young century, bending history towards a fairer, safer world.

A few days later, the G8 summit was held at Gleneagles. The representatives hammered out a landmark agreement which ensured millions more people got access to AIDS treatment and millions more children went to school.

Back then, I was a young, idealistic Labour activist and a development campaigner. Now I’m a middle-aged Labour MP – and still a development campaigner. The intervening decades have only strengthened my conviction that campaigners make things possible, but politicians make things happen. Activism that shapes debates and mobilises public concern is an essential part of our democracy, but so too is the responsiveness of lawmakers: the people who can take that public call for action and turn it into life-saving and world-

changing policies and budgets.

Both sides needed each other then and both sides need each other now. We must acknowledge, however, just how profoundly the world has changed since 2005. Russia's illegal invasion of Ukraine has brought war to our continent and a generational moment for our national security. Outrages in Gaza, Sudan and the Democratic Republic of the Congo are, due to the ubiquity of smartphones and social media, often the first things we see when we wake up and the last things we see before we go to sleep. And a global pandemic and escalating climate change remind us that some problems know no borders.

One might assume, then, that there would be more public support for development than before: it has become clearer than ever that the line separating 'over here' from 'over there' is very thin indeed. The reality, however, is that advocating for international development – and in particular international aid – is very much a minority pursuit. What has gone wrong?

First, austerity and the cost-of-living crisis have made life far too hard for too many people living in Britain. To be sure, I still receive many emails from people in Midlothian who believe our obligations do not stop at the borders of either county or country, and plenty of compassionate people will continue to dig deep for the Disasters Emergency Committee, Comic Relief or Christmas Jumper Day, even when they have troubles of their own. But people increasingly tend to talk to me about issues much closer to home – the waiting list their partner is on; their

stress when calculating the cost of the weekly shop; the sense that while they work harder and harder, life is still surprisingly tough. It takes a lot of energy to worry about people you haven't met when the ones you know and love are hard up and fed up.

The government's job, of course, is to put our shoulder to the wheel on both sets of issues. While it is 20 years since Gleneagles, it is only one year since this government was elected. We are working around the clock to get the basics right: investing in public services, helping with the cost of living and making the right long-term decisions to ensure growth in every corner of the country.

That sits alongside our efforts to help Britain to stand tall in the world again. We have prioritised trade deals with India, the US and the EU. We convened international partners for a "coalition of the willing" to support Ukraine. And we are increasing defence spending as an investment in safety and stability. Giving people security in a world that feels out of control is the first step on the road back to an aid consensus that will allow us to get volumes back up.

People in foundations, NGOs and CLPs who want to see aid increase again have work to do, too. It begins with truly, deeply wanting to win. Too many development activists seem to believe their task is scolding the public for not having a sophisticated enough understanding of seminar room jargon. And all too often, fundraising appeals can make it seem like the need is endless and nothing ever gets better, even though people have given generously

year after year. Frequently, the story that reaches the public is: you are collectively guilty of the crimes of the past and your previous 'saviourist' efforts have made little difference. Is it any wonder the aid cuts were popular?

So what might a different narrative on aid look like? Let's start with what everyone believes to be true: the world is dangerous and there is strength in numbers; if we can relieve extreme suffering, we should; some of the drivers of suffering are issues no one country can fix on their own. That is the intuitive, everyday language of a new movement of solidarity and partnership, rooted in a belief that we must pull together when risks are many and easy solutions few.

Telling that story will require two main changes to how the case for aid is made. First, we have to stop seeking the magic phrase or tactic that makes all the rest redundant. I have sat in too many pitches for funding as someone claims one thing (a viral film, a concert, a 'frame') will deliver the return on investment we all want. After a quarter of a century trying to build development support, I am afraid I have concluded that there is only one solution: you have to do all of the things, all of the time. Yes, we need local organising. Yes, we need data-driven research. Yes, we need world-class advocacy. Yes, we need arresting journalism from people we trust – whether in 'new' or 'old' media – and yes, we need people who can infuse popular culture with stories of hope and humanity. We need it all – and we need it sustained, at scale. There are no

shortcuts.

Second, we need to stop policing the boundaries of what counts as 'pure' development as rigidly as we did at the turn of the millennium. Back then, we were worried that DFID, then still a newborn, would be too weak to prevent aid from being instrumentalised for purposes other than poverty reduction. Those who had lived through the Pergau Dam scandal – where UK aid was traded for an arms deal – were rightly keen to establish a clear demarcation of different tools (development aid, diplomacy and defence) serving different purposes.

The conditions we face now, however, are different, and new challenges are keeping policymakers awake. The threat of climate breakdown, a failure of the global food system, or another pandemic require policymakers to use every tool simultaneously, including development assistance. We cannot advance an argument for aid that says it helps with the challenges that are top of the political agenda but then demand it is kept wholly separate from discussions about their resolution. Aid is not the whole answer to how we make the world safe – just as it was never the whole answer to how we could make poverty history – but it is part of a wider strategy, and we should be confident in the progressive case for promoting it as such.

Twenty years on from that sunny Edinburgh day, politicians continue to make things happen. The question for those mobilising to influence us is this: how comfortable are you with changing your approach in order to make change possible?



## CHAPTER 9

### ACROSS THE AISLE

*Andrew Mitchell MP, secretary of state for development from 2010 to 2012 and later minister of state for development and Africa, sets out how to forge a new cross-party consensus*

This Labour government is doing something that no other Labour government has done: cutting the international development budget. At the 2010 election, Labour was able to argue that the Conservative government of Margaret Thatcher and John Major had halved the international development budget, while the Labour government of Tony Blair and Gordon Brown had trebled it. And so began an unbroken run of five consecutive general elections during which both main parties shared a consensus on their goal for the international development budget.

I fully accept that Labour was not the first to break a manifesto commitment on this topic – that was the Johnson administration in 2021. I did my best to avert catastrophe, forcing a vote in the Commons and rebelling with twenty-five of my Conservative colleagues, but we fell seventeen votes

short. Every opposition MP joined us, including the entire Labour frontbench.

#### **THE END OF THE CROSS-PARTY CONSENSUS**

The aid consensus which lasted for 15 years, through premierships both Labour and Conservative, is dead and buried. Fast forward to February 2025, and Keir Starmer's surprise decision caused Annelise Dodds, also writing for this collection, to become the only minister of this government to resign over a point of policy disagreement. As she argued in her resignation letter, and in a subsequent lengthy podcast interview, raiding the international development budget to fund defence spending is not sustainable. America's approach to European defence is by no means the only threat we face – and it is not a problem solved by slashing projects to help the poorest people in the poorest countries.

Aid helps people overseas, yes. But it helps us no less. One thing we should have learned from the litany of crises that have convulsed the world, from Covid and Ukraine to famine in East Africa and war in the Middle East, is that what starts ‘over there’ soon reaches our shores. Disease and conflict threaten wider conflagration, while the resulting humanitarian suffering drives desperate people to take desperate measures. Boosting our defence capabilities in the face of Russian belligerence, geopolitical uncertainty and galloping global peril is certainly necessary. But without soft power to create the conditions for stability in fragile settings, military might can only go so far. As General Jim Mattis famously observed, cutting back on aid means more must be spent on ammunition.

### REVISITING THE 2023 WHITE PAPER

The white paper published in 2023 was the first comprehensive approach to development since Douglas Alexander’s 2009 white paper, which I had previously sought to build on as secretary of state for international development during the coalition government. As an FCDO minister, I consulted with Labour’s leading lights – Preet Kaur Gill, Lisa Nandy, and the formidable Sarah Champion – when developing a long-term strategic approach to international development. My white paper was highly praised, and rightly so. It drew on the sharpest and most expert minds in the business: NGOs, academia, the private and financial sector, youth activists, every major political party

in the UK and more than 50 of our partners overseas. Not only intellectually compelling, it possessed the kind of credibility that is only possible when minds at work are unburdened by political agendas and partisanship, and where inputs are driven purely by the desire to find solutions in a policy area that are morally right and nationally necessary.

My white paper set out plans to deliver a quantum leap in the volume of finance received by our partners, which was and is needed to reinvigorate and turbocharge the quest to alleviate poverty. The UK has long been at the forefront of pioneering new approaches to reduce financial burdens in countries vulnerable to climate shocks by pausing debt repayments in the event of natural disasters. The white paper also proposed ways to scale up of the financing capacity of international financial institutions by stretching their balance sheets, while working with institutional investors, including pension funds and the wider private sector, to boost their investment in low-income countries. These are not alternatives to aid – indeed, they require overseas development assistance (ODA) to crowd private sector funding into these markets and derisk investments.

The only criticism from the world of thinktankery was that it was “too comprehensive” and “lacked prioritization”. I left room for Annelise Dodds, who succeeded me after the election, to make these decisions, but instead ministers are now slashing projects without a strategic framework or any idea of when the budget might increase again.

Alas, I see no evidence that the strategies articulated in the white paper are informing the government's current approach. Instead, many programmes have simply been halted, cut back, or abandoned altogether. This includes programmes that have been championed by all parties. The downgrading of the interests of women and girls is a case in point. I have always said that we cannot understand development unless we see it through the eyes of girls and women. Increasing access to education, supporting family planning and combating sexual violence is central to creating conditions for economic opportunity and growth. These rights are universal and should be non-negotiable.

#### **THE CASE FOR AID REMAINS STRONG**

The overarching rationale for international development, aside from the moral imperatives, is that it benefits us. It keeps us safer and healthier. There is growing evidence to support the link between ODA spending and our own security. New research from the Kiel Institute found that improving basic services, for example, reduces the aspiration to migrate: In Sub-Saharan Africa, a marked improvement in public services (such as health and education) was linked to 27 per cent lower intentions to migrate. Similarly, aid can be used to stabilise fragile regions, preventing outbreaks of conflict and so reducing the risk of mass migration and far-reaching security repercussions.

As foreign secretary, David Lammy was keen to assure us that the aid cuts would not thwart ambitions for the

global south, and that the fortunes of poorer countries ultimately rely on economic growth and prosperity, turbocharged chiefly by the private sector through finance institutions such as British International Investment. He is not wrong. But he should reflect that with the aid budget so depleted, there is not enough investment in social capital to provide the human resources that investment always requires. Before you can stimulate economic activity, you first need to cultivate a healthy, educated and well governed population: where girls are not married off as soon as they hit puberty, young children are not dying of treatable diseases and elites are not lining their pockets with corporate kickbacks.

#### **HOW WE REBUILD THE CROSS-PARTY CONSENSUS**

Rather than a radical departure in the face of changing world events, this Labour government has provided a continuity by degrading British soft power in a process that began when Boris Johnson vaporised the Department for International Development. Today, not only have budgets been repeatedly slashed, but the whole concept of assistance to other countries has been denigrated and delegitimised through the lens of narrow nationalism within a beleaguered international climate.

To restore the consensus over international development that I helped to forge as secretary of state for international development during the coalition government, we need to make the case for more than aid. We need to remake the case for international

development itself, including both the moral imperative and the benefits to Britain. It is incumbent on us all, Labour or Conservative, to do so.

This is, of course, about building support in parliament across the house. But it is also about winning the hearts and minds of the people we as parliamentarians serve. The British people have a strain of latent generosity. We are amongst the least prejudiced and the most tolerant people in the world. There is a reason why Britain was able to sustain a cross-party consensus on the 0.7 per cent target, something only a handful of nations have ever persistently achieved, for such a long time: because our voters were happy for us to do so.

Preaching to the converted on university campuses and in cities will only get us so far. The case for international development must be taken to places and people that are often written off by campaigners.

## **CONCLUSION**

While it is difficult to be optimistic in the near term, I hope that those passionate about international development use this time of crisis as an opportunity to forge a new cross-party consensus. Neither the people of the global south, nor Britain's national interest, can sustain timewasting. A consensus must be rebuilt in time for the next general election.

# CHAPTER 10

## TAKING RESPONSIBILITY

*Clare Short, secretary of state for international development from 1997 to 2003, examines the connections between international development and the crumbling postwar order*

It is impossible to look intelligently at the future of international development without accounting for the drastic changes that are taking place in the international system more broadly. To put it simply, the post-second world war order is collapsing. This process did not begin with the Trump presidency. In particular, double standards when it comes to enforcing international law, theoretically the bedrock of postwar interstate relations, have always existed. Now, however, they are clear for all to see, particularly in relation to the Palestinian occupied territories. The contrast between inaction in the face of genocide in Gaza, and the pressure for all countries to support sanctions against Russia, has created great cynicism, particularly in the global south, which represents the majority of humanity. Almost all countries agree that Russia's invasion was a breach of international law, but many see

the constant expansion of NATO as a significant provocation; one which doesn't excuse, but does explain the war – and therefore offers the route to peace.

These developments, alongside the rise of China, a big rise in defence spending, cuts in overseas development assistance (ODA), US threats of massive trade tariffs, and an increasingly ineffective UN system dominated by western interests – has resulted in the world redividing into two blocs. The western bloc is increasingly unhappy, but feels the need to kowtow to Trump. The rest of the world is keen on multilateralism, but moving into the orbit of China rather than the US.

Like the UN, the International Court of Justice and the International Criminal Court have been ignored, resisted and undermined. NATO has ceased to be a purely defensive organization – insofar as it ever was – and Europe, instead of

welcoming US disengagement as an opportunity to adopt an independent foreign policy, is doing all it can to flatter and appease Trump's demands for ever-increasing defence spending. Only Trump, with his usual inconsistency and lack of follow through, called for an end to the Ukraine /Russia War. Europe, with the UK as a leading player, seems to be focused on prolonging the war rather than searching for the best possible peace deal. This bitter war in Europe offers the prospect of two hostile armed camps for the long term. This has led to the promised rise in defence spending and cuts in ODA.

The truly existential threat facing humanity, however, is climate change and ecological collapse. It is the poorer countries that are currently suffering the worst effects, with droughts, floods and fires displacing people, undermining food production and increasing conflict. The most brutal consequences of climate change are disproportionately felt in Africa, the poorest continent. In the future, Africa will have a very young and growing population while the rest of the world ages and populations decline. Unicef projects that, by the end of the century, almost half the world's children will live in Africa. With investment in health and education, this young population could be an enormous asset for the development of the continent.

The response of the US, UK and many European countries has been to drastically cut spending on development, remove the focus on the poorest people in the poorest countries, and to increase defence spending. Let

us be clear: spending on development was always a very small fraction of spending on defence. It is not the case that development spending needed to be cut to increase defence spending. These decisions demonstrate a moral failure after the depredations of colonialism, but also a blindness to the risks of the future.

Before we discuss what is to be done, it is worth reminding ourselves of the proud record of previous Labour governments, particularly the last Labour government, in relation to international development. Tony Blair's government established an independent department dedicated to development, which meant that the goal of a just and sustainable world order was taken forward across all Whitehall discussions up to cabinet level. DfID was gradually influencing attitudes across Whitehall, and was respected and influential throughout the international system as a source of strong ideas and good practice. This of course enhanced the UK's reputation in general.

That reputation and experience has now dissipated in a process initiated by Boris Johnson closing DfID, cutting the aid budget and removing the focus on the needs of the poorest. Worse, he failed to reinstate the separate development section that had existed in the pre-1997 Foreign Office, with its own senior officials and permanent secretary, to preserve development expertise and maintain the capacity to challenge the misuse of ODA for national self-interest. The Starmer government has done nothing to improve matters. It has continued the Tory practice of paying

for the hosting of asylum seekers with development funds and cut funding even further.

The international development system has major defects, though it did contribute to a measurable reduction of poverty from 1998 to 2023 – from one third of humanity to less than 10 per cent – and the UK made a serious contribution to this effort. But the massive cuts inflicted by the US and most western countries has brought it to a state of near collapse. This is an important moment which offers us two choices: fight to keep the system we have, or take this opportunity to drastically rethink how development should be organised. The Overseas Development Institute (ODI) has grasped this opportunity by organising a series of consultations, bringing together thinkers and practitioners to help us consider how to address challenges across the world. The consultations are designed to explore how, in this time of disruption, we can move forward to progress the long overdue changes that are needed.

One important point made during the consultations was the fact that the system has been expected to deliver multiple agendas, including countering China, stemming migration, averting climate catastrophe, and remedying past injustice. The result is a lack of focus on concrete achievements in the account given to the public and an impossible array of demands that cannot be satisfied. At the same time, recipient countries have lost faith and respect for the aid relationship. Young people, in particular, feel patronised by

the framing of aid as charity, and argue that the focus on aid lets their own governments off the hook by shifting responsibility for providing proper public services to their people. There is also a growing enthusiasm in Africa for the Chinese model, which produced massive development across a continent in a very short time.

The growing spend on climate action – important as it is – has squeezed out funding for poverty reduction, which DfID and its allies did so much to put in place in the early years of the century. The case for separate funding for climate action is very strong, and even before we reach the point where there can be separate budgets, we should divide the small budgets that remain between action on climate change and the needs of the poorest people in the poorest countries, so that it is clear how much is being spent on each activity. As it is, the funds that are supposedly set aside for the poorest people are being raided to pay the cost of housing asylum seekers, action on climate change and providing help to Ukraine. One measure of how far the focus on poverty has moved is that in 2023 Ukraine became the largest ever recipient of aid for a single country. Despite being upgraded to middle-income status in 2024, in that year it received an amount equivalent to 86 per cent of the total received by Africa. This is not to argue that support should not have been provided to Ukraine; the question is: should the budget allocated for the poorest people have been raided for that purpose?

The immediate challenge for the aid and development sector will be

managing the massive decline in ODA and protecting the most vulnerable by, wherever possible, narrowing the provision of ODA to the poorest countries with no alternative means of support.

Wherever possible, ODA should assist poor countries with weak institutions to build their health, education and water and sanitation systems so that, in the future, they will no longer be dependent on aid for these basic services. Funds that are sprinkled across the UN system, and to national development NGOs, should be reined in. There are simply too many actors in development, creating multiple demands on recipient countries and resulting in an unfocused array of well-intentioned but often ineffective programs. When creating a new system, there would be a strong case for halting all bilateral aid, which often carries narrow and distorting objectives championed by different countries. A new multilateral agency, with clear rules and objectives, could be more effective.

In the immediate term, and trying to work with much-reduced budgets, each

country should focus much more tightly on the poorest people in the poorest countries and on urgent humanitarian aid to help people survive desperate emergencies. This latter budget is steadily growing as crises proliferate. ODI suggests that, in the longer term, the concept of overseas development assistance (ODA) should be scrapped altogether and replaced by global public investment funds with new structures and clarity of purpose.

Development work will be very difficult for the foreseeable future because of the massive shortage of funds, but development practitioners should do all they can to bring their limited funds back to focus on the poorest people. There is little probability in the near future that more funding will be provided, but as catastrophes proliferate, it is likely that countries will look again to development efforts to try to prevent the chaos and massive displacement of people that will otherwise inevitably take place. Deep analysis must begin now, so that we can build the more effective system that is needed when suitable funding and political will becomes available once more.



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## **ABOUT THE SOCIETY**

The Fabian Society is an independent left-leaning think tank and a democratic membership society with over 6,000 members. We influence political and public thinking and provide a space for broad and open-minded debate. We publish insight, analysis and opinion; conduct research and undertake major policy inquiries; convene conferences, speaker meetings and roundtables; and facilitate member debate and activism across the UK.

## **ABOUT LCID**

The Labour Campaign for International Development is the only affiliated socialist society in the Labour party dedicated to international development. It was founded in 2009 to help continue Labour's work to bring about a world free of poverty.



# PROMISING DEVELOPMENT

EDITED BY IGGY WOOD AND GIDEON COOLIN

The postwar international order is breaking down – and with it, the international aid system. In particular, important donor countries, including the US and UK, have reduced the amount of development support they provide.

The authors in this collection – including Baroness Chapman, the international development minister – assess the outlook for the future of aid and development, re-emphasise their importance, and propose a variety of policies for the British government and its partners.

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