Binary choices, Obaman bubbles, Trumpian times ... oh, and the future of UK aid

‘Divided’ times? ‘Fractured’ might be a better term. Trumpian – or one of its many variants – even better.

Whatever terms we use for the opposing sides in this contested era - in vs out, mono vs multi, love vs hate, Obaman smooth vs Trumpic rough .... the main features of the emerging political landscape have been set. International aid in the UK is part of this Brexit-Trumpist world and is not immune to the forces that have shaped it. What does UK aid look like in this context and how should we respond to 2016’s political eruptions?

Let’s look at the context. The underlying drivers behind recent changes have been poured over endlessly. Amidst the benefits of globalisation, a substantial Left-Behind class has developed who have borne disproportionately the costs. Stagnant real wages and the decline of ‘old’ industries and regions have been accompanied by rising inequality. Much of this group’s resentment is directed against those seen to be prospering, the New-Included: more urban, educated and wealthier. The former is characterised as white, incoherent and annoyed – grimly battling it out against migrants in low-end labour markets; the latter as cosmopolitan, articulate and optimistic - contented consumers of the low-cost services fuelled by diligent migrant labour. Generalised descriptions, not without caricature, but largely accurate.

These differences have found manifestation in political choice, buttressed by sources of information. For the Left-Behind, the political class represent liberal values and pursuit of a distant politically correct agenda in a politically correct vocabulary, none of which is theirs. Their media of choice – commercial and social – feeds their preconceptions and instincts. For the New-Included, embarrassed by ‘the other’s’ ugly reactionary ways, different political choices are made fed by different information sources. Political polarisation results, with little shared ground of fact to allow ‘objective’ exchange between groups. In his farewell address, Barack Obama characterised this polarisation as society retreating into different ‘bubbles’, where individuals are “surrounded by people who look like us and share the same political outlook and never challenge our assumptions”, where we “accept only information, whether true or not, that fits our opinions”. This is the new ‘post-truth’ world; what matters is what feels right - this is the ‘truth’ that counts.

In this context, referenda and elections force a binary choice between two polar opposites. Not a place for nuanced debate but rather one which requires that misgivings are set aside and sides are chosen. And so, in the UK, we (liberal-minded development people) suppressed those awkward EU questions (‘Just remind me again where accountability is here?’) and doubtless in the US the same happened with inconvenient Clinton issues (‘Tell me again how chummy $225,000 speeches to Wall St quite mark her out as a woman of the people?’), and feeling aghast at the Trumpish alternative, we make our ‘progressive’ choice.

And so where does UK aid fit into this? Look closely and we see that, in its own way, it is marked by familiar features of polarisation and self-serving, self-referential bubbles of debate. Although in a different way from the current Trumpeusian shenanigans, the goings-on in UK aid are equally
extraordinary. Fed by the (then) Government’s desire to rebrand itself (as ‘kinder’ and ‘caring’) UK expenditure on overseas development assistance (ODA) has grown from 0.5% of GNI in 2009 to 0.7% (£12.4bn), a 50% growth in real terms. This spending growth is exceptional first because it has happened at a time of austerity with most domestic budgets static in real terms at best. And second, and without precedent, because since 2015 ODA spending at 0.7% of GNI has been enshrined in law, further real ODA growth is guaranteed. Cementing spending at this level, as advocated by the UN, has been a step change in scale and in status for UK ODA. Moreover by establishing a tangible issue – the 0.7% spend – around which binary views (for or against) can be formed, it has also placed UK international aid in the same Trumpovian world where allegiance prevails over reason.

It is worth reminding ourselves of the origins 0.7% spending target. This does not lie not in any rigorous analysis or model which demonstrates that this, somehow, is the ‘right’ amount to trigger development. On the contrary, the original financing gap model that lay behind the target and articulated in the 1950s has long since been discredited (notably by Clemens and Moss). Nor is there a compelling argument based on efficacy; on the contrary, the Independent Commission for Aid Impact’s (ICAI) regular assessments of DFID’s work show, at best, a mixed picture of success. Rather, it emerged in the UN (almost 50 years ago) as a result of opaque processes between different countries’ officials, lobbyists and politicians. And somehow, through the passing of time and the absence of challenge, it has acquired a stature of permanence and authority. Indeed, ironically, there are parallels with the murky process that European colonialists went through 130 years ago when they carved out African ‘countries’ on a map, a process without transparency or developmental merit but whose outcome commanded widespread acceptance.

And so the principal argument for the 0.7% spend is it that it is, somehow, the right thing to do because, well, intrinsically, it feels right. Never mind that it is essentially a made-up target imbued with spurious intellectual weight, if we all say it often enough it will be right. “We should feel proud”, Britain is “leading the way” as an “aid superpower”. In other words, 0.7% aid spending is the right thing to do because we so want it to be so. In classic post-truth, Trumpregian style, this is justification by feel, and not much more. (Oh, and the UN says so, so it must be right).

The net effect of this conspicuous spending growth and the palpable thinness of the rationale for it has been to give the impression of UK aid as the pet vanity project par excellence of the political class. A cause celebre of leftie and luvvies where agreement with the 0.7% spend is de rigueur. And to invite scrutiny. With so much money swilling around the aid system – which, above all, has to be spent – it has not been difficult to find many examples of projects of questionable worth. More tangibly, the high financial rewards claimed by some have attracted outraged headlines and editorials - “Scandal of our wasted foreign aid”, “Meet the begging bowl barons”. Among Trumparistas, the foundations of the 0.7% spend are seen as brittle self-righteousness and greed rather than selfless generosity.

Quite quickly public views on UK aid, beyond the technical exchanges between researchers and practitioners, have descended into Obama-like bubbles. On the one hand, are the critics of aid who focus on spending profligacy, high fees and profits, the hypocrisy that lies beneath these, and apparently undeserving causes that receive aid. This is juxtaposed with the frugality of public spending on social and health services. The attacks are led by the instinctively hostile Daily Mail but others at the broadsheet end of the media – The Times and The Daily Telegraph – have entered the fray. Undoubtedly, a momentum is being built in Trumpland.
The other bubble, pumped up hugely by aid’s new scale and prominence, are the defenders of aid and the 0.7% spending boom (the two being seen as indivisible). This focuses on aid’s apparent impact (lives saved, roads built, children educated etc), with large numbers cited as evidence, and how (as above) the UK should be proud of the role it is playing. This is led by The Guardian, mouthpiece for internationalist sentiment, with supportive quotations from NGOs. There is generally little attempt to respond to the charges made by the aid critics, revulsion for all things Trumpistian is not hidden. and the validity of the 0.7% spend is seen to be self-evident, a moral certainty not requiring explanation.

In true binary style, disconnected, parallel bubbles have developed. Each to his or her bubble. Of course, those of us engaged in international aid are assumed to be loyal adherents of the 0.7% spend and all that goes with it. Yet our refusal to acknowledge publicly what is known privately on the effects of the 0.7% target means we vacate the space for nuanced, reasoned analysis. For example:

- That for DFID, too much money is their biggest problem. Privately, informally, senior DFID staff recognise the (unnecessary) burden of the spending pressure.

- That while aid requires good people and organisations paid appropriately, high budgets have created a fairly lucrative ‘poverty industry’, distorting incentives far beyond the usual suspects of private consultants.

- That in a context where remittances and investment dwarf ODA, the efficacy of aid is as much about quality, insight and process as quantity.

- That, unlike domestic public expenditure (education, health etc), where government is a ‘deliverer’, aid for other (sovereign) countries is about ‘enabling’ others, and this is not simply a function of financial resources …

- … but delivery in domestic ‘public goods’ is resource dependent. For example, notwithstanding debates on the modes operandi of UK health care, outcomes are unlikely to improve as long as health spending (8.5% of GDP) lags the European average (10.2%) so substantially.

- That while the world seems beset by crises, in relation to standard indicators of progress, global conditions have never been better. Many countries – most of Latin America and SE Asia – have grown beyond the gamut of traditional aid. Others will follow.

What then for UK aid? With the political environment which gave birth to the 0.7% of GNI spending law now gone, it seems inconceivable that it will survive into a new Parliament, or even get to the end of this one. Nor should it. You don’t have to be a rabid Trumper to see that the arguments for the 0.7% spending level lack validity. The failure of UK aid organisations to recognise this but instead keep within their ‘more is better’ bubble is a mistake in three respects.

First, the cause of international development is diminished, being seen as laced with the self-interest and hypocrisy of (elements of) the aid industry. For aid organisations to emerge cleanly from this entanglement will not be straight forward.
Second, an outmoded view of aid is prolonged that hinders us getting to more valid issues. International development *can* work and does have an important, if different, role to play in shaping a better future, and a better world. Removed of the 0.7% burden might allow a more honest and effective discourse on what this role is and how it should be played.

Third, and last, an unwinnable argument is supported. To be a loser, to be *Trumped*, is not a position from which to influence the way ahead for UK aid.