United Kingdom – a new vision for development?

Challenges for democratic ownership and development effectiveness

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Overview

- In 2013, in line with the Government's promise, the UK met the historic target to spend 0.7% of gross national income (GNI) on aid, the only G7 economy to do so, which saw aid increase by £2,671 million (US$4,400 million), up from £8,766 million (US$14,450 million) in 2012 to £11,437 million (US$18,850 million) in 2013.[1]
- However, the political context for aid in the UK remains challenging, with continued attacks on aid in the media by some politicians, and low levels of public support.
- Bilateral aid fell as a proportion of total UK aid, down from 62.7% in 2012 to 59.9% in 2013. Multilateral aid saw a concurrent increase from 37.3% to 40.1%. Africa remained the largest recipient of DFID (Department for International Development) aid on a geographical basis at 38.4%. The DFID saw a small increase of just over 1% in the proportion of UK aid spent through the department, rising to 87.8% in 2013,[3] although this proportion is likely to fall in the coming years.
- The UK played a key role in the aid and development effectiveness agenda as co-chair of the post-Busan Global Partnership for Effective Development Cooperation until the first High-Level Meeting in Mexico in April 2014. This leadership role was reflected in the areas the UK chose to champion, not least of which was aid transparency, which has progressed substantially since 2011. However, a lack of monitoring and accountability mechanisms made progress in other areas harder to track and assess. Moreover, worrying trends in other commitment areas, as well as a lack of political or working level energy and a rejuvenated but unfocused agenda, suggest that the effectiveness of UK aid remains at risk as progress stalls and momentum is lost.
- The last few years, particularly since the 2010 General Election, have also seen continuing shifts, new trends, and emerging priorities in UK aid, most notably with a shift towards what the Prime Minister refers to as the 'Golden Thread' of prosperity, security and stability, human rights and transparent information.[4] UK Government aid and development policy has shifted increasingly to fragile and conflict-affected states, moving away from a traditional donor role in Middle-Income Countries (MICs) such as India and South Africa and towards a more 'aid for trade' approach. The Department's work has been reoriented, focusing more on women and girls, economic growth, and the private sector as the basis of development and the means to create further opportunities for British business.

Introduction

The past two years have been an interesting time for international development and aid in the UK. A Conservative-Liberal Democrat coalition government — itself just about a first in the UK — took power in May 2010 after 13 years of Labour government that had already been widely touted as relatively 'good years' for development. The context for aid in 2010 was substantially different from other countries and other elections, as there was already cross-party political consensus on reaching the 0.7% aid target and enshrining that promise through legislation. This promise was reflected in the new Coalition Agreement and delivered in 2013.[5]

At the same time, focus was shifting to new development debates, including agreement on a new post-2015 development framework and how to tackle the unfinished — or unmentioned — business from the Millennium Development Goals (MDGs). In July 2012, the Prime Minister was invited to co-chair the UN High Level Panel (HLP) by the UN Secretary General, to set out a 'bold and practical' vision for the post-2015 framework.[6]

40 years on — Finally reaching the 0.7% target

Over 40 years after the world agreed to mobilise sufficient public funding to meet global development needs, the UK finally met the UN target of devoting 0.7% of gross national income (GNI) to aid. UK becomes one of a small group of countries to do so, and the first of the G7 economies to achieve the target. UK aid increased by over 20% from 0.56% of GNI in 2012 to 0.72% in 2013 – a real terms increase of £2,671 million (US$4,400 million), up from £8,766 million (US$14,450 million) in 2012 to £11,437 million (US$18,850 million) in 2013.[7]
Perhaps most interestingly, the UK was one of the only DAC donor countries to increase their aid at this time — a period of ongoing global economic downturn or slowdown, as well as serious issues within the European Union (EU), including the near economic collapse of several EU member states, a close call for the future of the Euro, and a domestic crisis in the UK, which has just seen the UK return to pre-crisis levels. Despite this difficult context, aid and the 0.7% target continued to enjoy the highest levels of political support in the UK, support that was not necessarily reflected in some UK media and on the 'backbenches' of the UK parliament.

Nevertheless, the public and political context for aid in the UK remains challenging in many ways, with decreasing public engagement and support for aid. This support has been further eroded by damaging debates and attacks from some sections of the political parties and the media in the build-up to and after meeting the 0.7% target. In stark contrast, in many other European countries, support for aid and meeting the 0.7% target remains strong despite substantial economic challenges — a 2012 survey found that 61% of Europeans supported increasing aid to help people out of poverty.[8]

The vast majority of UK aid remains 'genuine' or real aid[9] with little in the way of debt relief, student or refugee costs[10] and other donor costs being counted as UK aid.

The commitment to 0.7% was also due to be enshrined in legislation in this Parliament (2010-2015) — a commitment in the General Election Manifestos of all political parties and in the Coalition Agreement. However, the Government has yet to introduce legislation. There have been several attempts, most recently in September 2014, by backbench MPs to introduce such legislation through a Private Member Bill, but none of those attempts have made it past the initial stages yet.

In 2010, the then-incoming Government also conducted a 'root and branch' review of the DFID's work and engagement with multilateral institutions and undertook comprehensive Bilateral and Multilateral Aid Reviews in 2011.[11] The reviews focused on the need to provide and demonstrate 'value for money,' results and effectiveness. The Bilateral Aid Review saw the DFID substantially reduce the number of focus countries for the DFID from 43 to 27 (now 28 with the birth of South Sudan). The review also resulted in significant increases in aid commitments to several countries including Nigeria, Kenya, the DRC, Yemen and Ethiopia, while Pakistan became the biggest single recipient of UK aid. The Multilateral Aid Review assessed 43 organisations, of which 9 were rated as very good value for money, 16 as good, 9 adequate and 9 poor value for money. As a result, a number of multilateral organisations lost UK funding, including notably the ILO.

These reviews were also a window into other shifts happening in the UK and in DFID as the

UK increasingly shifted its priorities towards conflict and fragility, women and girls, economic development and an increasing role for the private sector.

Beyond 2015 — A new vision of development?

The UK Government has been shifting the focus of UK development efforts. While the trend towards addressing the economy and growth as a solution to development was already happening, there is little question that this trend has strengthened considerably in the last couple of years. Then Secretary of State, Rt Hon Andrew Mitchell MP, gave a clear indication of where he saw UK aid and development going in October 2010 when he talked about the role of business in development — "I want to explore how we might enrich DFID's own talent pool with a series of short-term secondments from the private sector in order to inject new, business-savvy DNA into the department"[12] — and established a new private sector department in the DFID. This approach has been strengthened by the current Secretary of State, including building up new skills sets within the DFID through new civil servants with very different backgrounds — and frankly, ideologies — from the traditional DFID civil servant.

In a more general sense, there has been a clear political push towards a different vision of development. This vision involves a move away from the so-called old-fashioned idea of aid and development (supporting basic services and helping to build systems and infrastructure), towards what UK Prime Minister David Cameron called "the golden thread." He argued that "you only get real long-term development through aid if there is also a golden thread of stable government, lack of corruption, human rights, the rule of law, [and] transparent information," and that these are the real enablers of development.

There has been substantial critique and debate around this golden thread ethos, including the interpretation and view it has of those enablers,[13] not least when it is linked to an increased focus on economic development and the private sector in a somewhat revamped form of discredited neo-liberal laissez-faire development economics. But it has continued to influence and shape UK aid policy as well as its international and global advocacy and positioning.

Recently, this influence has most clearly been seen in the increasing focus on economic development and the private sector. While civil society has always recognised the vital and unique role the private sector and economic growth have to play in long-term and sustainable development, this continued increase in focus and resources raises some questions and concerns.

Sustainable and inclusive growth is an important pillar of development. However, current DFID thinking on this issue — as outlined in the recent strategic framework "Economic development for shared prosperity and poverty reduction" — seems to rely rather heavily on the assumption that ensuring growth will necessarily lead to poverty reduction. Economic growth and an expanding private sector will provide a route out of poverty for many– in the form of decent jobs and fair, equal taxes. While such economic growth can create the resources to fund vital social services, this causal link is not necessary, nor will it happen without appropriate and clearly thought through interventions, as supported by evidence from China and India.[14] There is also a concerning focus in the new strategic framework focus on the role for British businesses, where a greater emphasis on local medium and small enterprises (MSMEs) could have a greater pay-off, both in terms of jobs and taxes, but also in supporting country and democratic ownership of development.

From aid to development effectiveness

In late 2011, the development community agreed on a reformed and, it was hoped, rejuvenated agenda for aid and development effectiveness at the Fourth High Level Forum in Busan. The post-Busan agenda was broad, looking to all development issues and not just aid. Formally the process also included a broader range of stakeholders in what would become one of the only genuinely multi-stakeholder development forums. For the first time, civil society, emerging economies and business had an equal seat at the table, in theory at least, and the new, more politicised agenda brought high-level political actors into the conversation.

The UK continued to demonstrate its commitment and leadership to effectiveness by taking on a co-chair role alongside Indonesia and Nigeria. It also continued to lead the charge on some commitment areas, most notable on aid transparency. UK leadership has helped to keep transparency on the agenda and moving in a positive direction, through the International Aid Transparency Initiative (IATI). The DFID has remained in the top cohort in the annual Aid Transparency Index[15] and has piloted data access and usage initiatives such as a new online portal to use IATI data in the Development Tracker (devtracker.dfid.gov.uk). This energy and leadership were reflected in the 2014 post-Busan progress report where the UK topped the transparency indicator.[16]

The post-Busan ambition and hopefulness were, however, perhaps ill founded. The two years since Busan saw relatively little activity on the effectiveness agenda save for a series of fairly closed steering committee meetings. The UK has not produced an implementation schedule, although it asserts that effectiveness principles are part of DFID's 'DNA' and will continue to be mainstreamed into their work. While there are evidently 'pockets' of good work and progress — as aptly demonstrated with the aid transparency work — there is little evidence that this work sits within the strategic institutional framework, and instead seems more ad hoc.

Evaluation of progress or the current state of play on development effectiveness remains difficult. An incomplete monitoring framework, combined with little other publicly available information, provides no effective tools for assessing how aid and development effectiveness is being taken forward within the DFID and other UK government departments. While this change in many ways reflects the shifting and evolving nature of aid, the DFID's move away from a more structured aid effectiveness-target-indicator model, and the lack of a suitable new accountability structure, has made it hard to get an accurate picture of progress since Busan or on the unfinished business from Paris and Accra aid reform commitments.

As a co-chair of the new post-Busan Global Partnership for Effective Development Cooperation (GPEDC) steering committee, the UK contributed to, and in fact drove in some areas, a continued expansion of the effectiveness agenda and a push away from the more traditional aid effectiveness work. The UK also was an important actor in bringing the private sector into the new Global Partnership.

At the same time, this leadership was not being felt at home where little to no progress was made against most indicators as shown in the 2014 progress report,[17] a fact which was more clearly reflected in the post-Mexico coverage and analysis than in the report itself. There has also been a continued decline in inherently more effective aid modalities, such as budget support. A limited political commitment to deliver on the whole effectiveness agenda can be clearly seen in declines in getting aid on budget and support for developing country systems — more challenging and, at the domestic level, less politically palatable areas of the agenda. Important areas of the Busan and Paris agendas such as democratic ownership, accountability and results have therefore suffered. Moreover, despite the substantial focus and resources put into it, there has been little sign, or at least little way of measuring, any improvements in private sector engagement with development. The private sector, particularly the domestic private sector, has a vital role to play in development, but how this role should be reflected, monitored and evaluated in the Busan development effectiveness agenda has not been sufficiently clearly articulated.

Conclusion

Delivering on the long awaited commitment of reaching the 0.7% target is a substantial achievement and one the UK can be rightly proud of. It is a promise 40 years in the making and one the UK remains committed to meeting into the future. To protect and maintain that political commitment, an important job for the future will be ensuring that every pound of UK aid is used well to promote genuine and sustainable development, and that other international policy and interventions support instead of undermine UK aid efforts.

At the same time, meeting the 0.7% target has and should also enable a shift away from the focus on quantity of aid and an increased focus on the quality of UK aid — a shift that is sorely needed. Despite the UK's stated commitment to aid and development effectiveness, there are worrying signs that that commitment is more words than practice. Some areas of the effectiveness agenda such as aid transparency have seen real progress in the UK and globally. Nevertheless, reforms in most other areas have remained stagnant or in fact slipped backwards since the Accra High Level Forum in 2008. This government, and the next, must find renewed ambition and drive to redress these trends to ensure that UK aid is effective and lives up to the UK's reputation as a leader on aid and development effectiveness.

Endnotes

1 Department for International Development, Statistical Release – Provisional UK Official Development Assistance as a proportion of GNI, April 2014, available at https://www.gov.uk/government/publications/provisional-uk-official-development-assistance-as-a-proportion-of-gross-national-income-2013.

2 See for example, YouGov Poll for Sunday Times, February 2012, available at http://d25d2506sfb94s.cloudfront.net/cumulus_uploads/document/1or1j1cocr/YG-Archives-Pol-ST-results-03-050212.pdf.

3 Department for International Development, Statistical Release – Provisional UK Official Development Assistance as a proportion of GNI, April 2014, available at https://www.gov.uk/government/publications/provisional-uk-official-development-assistance-as-a-proportion-of-gross-national-income-2013.

4 David Cameron, Transcript of speech and Q&A at New York University, 15 March 2012, available at https://www.gov.uk/government/speeches/transcript-of-david-cameron-qa-at-new-york-university.

5 The Coalition: Our Programme for Government, May 2010, available at https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/78977/coalition_programme_for_government.pdf.

6 For more information see 'Beyond 2015 – UN High Level Panel' available at http://www.beyond2015.org/un-high-level-panel.

7 Department for International Development, Statistical Release – Provisional UK Official Development Assistance as a proportion of GNI, April 2014, available at https://www.gov.uk/government/publications/provisional-uk-official-development-assistance-as-a-proportion-of-gross-national-income-2013.

8 Solidarity spans the globe: Europeans and development aid, Special Eurobarometer, October 2012, available at http://ec.europa.eu/europeaid/how/public-consultations/eurobarometer_en.htm.

9 There are many different variations of genuine or real aid but, in general, it would include only aid that genuinely helps tackle poverty and reaches the intended recipient (so no tied aid, in donor country costs like refugees and students, etc).

10 Though it should be noted that refugee costs have crept up in recent years as a proportion of UK aid in both real and relative terms they remain relatively small in comparison to total UK aid.

11 More information, analysis, links to the reports and NGO reactions and submissions available at http://www.bond.org.uk/bilateral-and-multilateral-aid-reviews. The MAR was subsequently reviewed in 2012/13 and there are plans for another full MAR in 2015.

12 Andrew Mitchell, Speech on Wealth Creation, 13 October 2010, full transcript available at https://www.gov.uk/government/speeches/andrew-mitchells-speech-on-wealth-creation.

13 See for example Owen Barder, 'David Cameron's 'golden thread' theory of development is a little too convenient' The Guardian, 27 August 2012, available at http://www.theguardian.com/global-development/poverty-matters/2012/aug/27/david-cameron-development-theory-convenient.

14 See for example, Shubham Chaudhuri and Martin Ravallion, 'Partially Awakened Giants: Uneven Growth in China and India', World Bank Policy Research Working Paper 4069, 2006, available at http://elibrary.worldbank.org/doi/pdf/10.1596/1813-9450-4069.

15 Publish What You Fund, Aid Transparency Index available at http://www.publishwhatyoufund.org/index/.

16 Global Partnership for Effective Development Cooperation, Making Development Co-operation More Effective – 2014 progress report, April 2014, available http://effectivecooperation.org/?attachment_id=2328.

17 Global Partnership for Effective Development Cooperation, Making Development Co-operation More Effective – 2014 progress report, April 2014, available http://effectivecooperation.org/?attachment_id=2328.