

Foreign aid and whether breaking the 0.7% promise really matters

At the last UK general election all three main parties pledged to spend 0.7% of Gross National Income (GNI) on foreign aid. The 2010 Coalition government's agreement not only ratified this figure but vowed to "enshrine this commitment in law".

Three years on, this bill has still not been enacted by parliament. It was notably missing from the 2013 Queen's Speech. Ivan Lewis, the Shadow Minister for International Development criticised this broken pledge, citing it as a means to appease ring-wing parliamentarians. NGOs have stated that it is a broken promise to the world. But in the larger picture of international development, does the failure to legislate this proportional target really matter?

Beyond meeting political pledges, one must examine the history of this foreign aid target. It results from the 1970 United Nations General Assembly Resolution 2626. The 0.7% figure was calculated as a means to boost growth for developing countries. Since 1970, however, only several Nordic countries have met or surpassed this target. For the UK, its aid levels fell well short until the Department for International Development (DFID) was established by the last Labour government. By giving international development its own cabinet-level department, foreign aid became a priority and aid levels rose dramatically, hitting a high of 0.57% of GDP in 2010. Aid was constantly evaluated to produce stronger results. British aid helped millions out of poverty and assisted many countries to reach several of the [Millennium Development Goals \(MDGs\)](http://www.un.org/millenniumgoals/) (<http://www.un.org/millenniumgoals/>). With the switch to a Conservative-Liberal Democrat government, there has been much continuity in British aid policy. The 2011 aid reviews further strengthened the quality of UK development assistance.

With such a positive impact, a parliamentary bill fixing the level of aid would not spoil DFID's image at all. Nevertheless, the international environment has definitely changed since 1970. This aid target is increasingly irrelevant, given that global aid has been surpassed by other financial flows. Remittances, for example, are much higher than official aid from donors. Second, 0.7% is a proportional target which translates into different quantities as the country's GDI changes. The final level of aid would fluctuate each year. Focusing on a fixed proportion would only increase overall financial flows by a marginal amount. Third, fixing such a target into law would further complicate DFID's work. As noted above, British aid has been stringently monitored to produce value for money. Yet, such evaluation is never perfect. Aid may not always create the desired impact and is prone to being lost through corruption. Increasing aid to a minimum proportion would place more immense pressure on the evaluation apparatus.

A further criticism is that 0.7% provides little guidance as to where the aid should be spent. In the current global structure, there are a diverse range of mechanisms by which aid may be channelled. Fixing the level of aid alone ignores the need to improve the effectiveness of various organisations. Finally, the fixation on a proportional target misses the larger picture of global development. Aid is not the silver bullet in improving the positions of individuals and countries. Development is a combination of efforts and ideas, and not simply addressed by the transfer of monetary resources.

A political pledge has been broken by failing to introduce legislation to commit 0.7% of GNI to foreign aid. This may haunt the Coalition government as it continues to govern. External critics would also claim that the government is ignoring global poverty. Nevertheless, the target is increasingly outdated and at best, may be viewed as a symbolic gesture. It is time to adjust our focus from a fixed aid target to a more honest conversation about development.

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