# Labour government slashes UK aid budget amid shift from charity to expertise export



Britain's approach to international aid is plummeting into alarming territory as the newly installed Labour government contemplates drastic spending cuts and a worrying shift in strategy. When Baroness Jenny Chapman, the new development minister, faces Parliament’s international development committee, she is set to deliver the disheartening news that the era of viewing the UK as a beacon of global philanthropy is over. Instead of prioritizing humanitarian assistance, the government's focus is grotesquely turning towards exporting British expertise, overlooking the immediate needs of vulnerable populations.

The proposed cuts come amid a broader budgetary review that threatens to slash the UK's aid spending from 0.5% to a meager 0.3% of gross national income by 2027—translating to an approximate £6bn reduction. This shift is framed as a necessity to bolster national defence funding—a dubious priority for Prime Minister Sir Keir Starmer, while essential aid programs are left in jeopardy. The Foreign Office’s review of existing initiatives jeopardizes projects that support education and women's rights, as insiders openly acknowledge, “In a world of 0.7% we could run these projects, but not in a world of 0.3%.” This is a stark revelation of the Labour government's misplaced priorities.

Despite the impending cuts, it seems certain categories of aid may be preserved, particularly humanitarian efforts linked to crises in Sudan, Ukraine, and Gaza. However, this alleged protection is anything but reassuring, as significant funding shortages threaten even these critical areas. Chapman’s insistence on ensuring taxpayer value for money in aid spending, emphasizing efficiency and measurable impact, reveals a concerning commodification of aid at the expense of those in dire need. "With less to spend, we have no choice,” she said, but whose choices exactly are they making, and at what cost?

The reality is grim: amid escalating budgetary pressures, funds earmarked for international aid are increasingly diverted to cover domestic costs tied to asylum seekers and refugees. Recent data shows that over 28% of the UK’s overseas aid budget—an outrageous £4.3 billion—was redirected to house asylum seekers, a shocking leap from £600m in the previous year. This foul prioritisation means dwindling resources for urgent international support in impoverished regions like Yemen and Somalia. The staggering backlog of asylum claims, now approximately 175,000, underscores the systemic failures of a government grappling with its responsibilities.

In response to these potential cuts, advocacy groups are mobilizing to resist the government's reckless reductions. The One Campaign, which fights for economic and health improvements in Africa, has initiated legal actions against these cutbacks, arguing that they violate the UK's legal commitment to maintain a minimum aid level of 0.7% of gross national income—an obligation established in legislation enacted in 2015. Critics rightly warn that the government's pivot from providing direct financial support to mere expertise sharing will be a disastrous shift for nations already grappling with instability and poverty.

Labour's opposition is also preparing to legislate against the scandalous reallocation of aid budgets to domestic uses. Shadow International Development Secretary Lisa Nandy is advocating for the establishment of a dedicated committee to meticulously scrutinise aid spending, an attempt to protect international development funding in anticipation of the next general election.

As discussions around the future of Britain’s international aid continue, the ramifications of these policy shifts are deeply concerning. While the government claims to uphold its commitment to international development, the reality of reduced funding poses an unequivocal threat to historically vital initiatives aimed at supporting the world’s most vulnerable populations. The decisions made in the coming months will irrevocably shape the UK’s role on the global stage, leaving relationships with recipient countries hanging by a thread at an extraordinarily critical junction in international development.

Source: [Noah Wire Services](https://www.noahwire.com)

## Bibliography

1. <https://www.ft.com/content/efbc8739-5bba-419c-a5f5-cc37df567f82> - Please view link - unable to able to access data
2. <https://www.ft.com/content/07a206b5-ed4b-4c8c-b3eb-63ddb5cf0b64> - Labour is considering legislation to prevent other government departments from using the UK's overseas aid budget, aiming to protect development spending ahead of the general election. Shadow International Development Secretary Lisa Nandy proposed codifying the work of the Official Development Assistance (ODA) 'star chamber' committee to scrutinize spending and prevent misuse. Official data showed that £4.3bn of the aid budget was spent in the UK itself in 2023, largely on costs associated with refugees and asylum seekers, up from £600m in 2022. This trend has been criticized for affecting emergency support programs abroad. Labour aims to restore the overseas aid target to 0.7% of gross national income and focus on supporting the poorest countries. Additionally, they plan to hire more Home Office caseworkers to speed up asylum claims processing and ensure aid funds are used as intended.
3. <https://www.ft.com/content/99a1c8e9-ab3b-4773-94fd-98f81c5adf2b> - UK Foreign Secretary David Lammy has expressed support for a new multilateral fund dedicated to Europe’s defence, welcoming recent EU moves to raise money for continental security. Taking this stance during a trip to Japan, Lammy indicated the UK’s openness to joint financing with the EU for military spending in response to rising security threats. Proposals include the creation of a Europe-wide rearmament bank and collaborative institutions involving democracies from regions like Asia and Australasia. This comes amid escalating tensions between the US and Ukraine following Donald Trump’s re-election and subsequent foreign policy shifts. In discussions about bolstering European defence, the UK and France are pushing for a peacekeeping force in Ukraine, reflecting concerns over potential US military withdrawal from Europe. The UK has also reallocated funds from its aid budget to increase defence spending. Meanwhile, Lammy emphasized the importance of balanced relations with China, advocating for strategic diplomatic and economic engagement despite differences over human rights and security issues.
4. <https://www.ft.com/content/61e4f673-0447-4d9d-b99e-3ba890771538> - In 2023, the UK government allocated over 28% of its overseas aid budget, amounting to £4.3 billion, to cover domestic costs associated with housing asylum seekers and refugees. This expenditure, which included £2.5 billion on hotel accommodations for asylum seekers, has negatively impacted the country's ability to fund emergency support programs in countries like Somalia and Yemen. The number of asylum seekers awaiting decisions reached 175,000 in 2023, partly due to increased arrivals across the Channel and a slowdown in processing applications. The Illegal Migration Act has prevented new arrivals without prior permission from seeking asylum, contributing to a new backlog. The government has sought alternatives to hotels, such as military bases and a barge, though these options may be even more costly. It is expected that the Illegal Migration Act, once in effect, could change eligibility for development aid, eliminating the possibility for asylum seekers to qualify for such assistance.
5. <https://www.ft.com/content/12b42e83-c169-4b85-aa58-58d1dbd9e6ef> - British International Investment (BII), the UK government's development investment arm, spent over £7 million on business class flights over the past two years, sparking criticism amid budget cuts and poverty alleviation efforts. The data reveals 1,100 business class flights in 2024, including over 65 flights costing over £6,000 each. Additionally, BII's high salaries have come under scrutiny, with a significant increase in employees earning over £200,000 and more than £400,000. Critics, including MPs and NGOs, question the value for money and impact of BII's investments, emphasizing aid budget constraints and the necessity of directing funds towards the poorest regions. BII defends their expenses and remuneration policies, citing the technical expertise required for their operations and their performance-based incentives.
6. <https://nationalcourrier.com/2025/02/28/uk-development-minister-resigns-over-aid-cuts-affecting-gaza-and-sudan/> - Anneliese Dodds, the UK’s development minister, resigned after significant cuts to international aid were announced, affecting crucial programs in Gaza and Sudan. Prime Minister Keir Starmer’s plan to increase defense spending is linked to reducing aid funding from 0.5% to 0.3% of gross national income. Dodds criticized these changes, warning of detrimental effects on international support and the UK’s global role.
7. <https://news.sky.com/story/cabinet-minister-resigns-over-cut-to-international-aid-budget-13318635> - Anneliese Dodds has quit as international development minister over Sir Keir Starmer's decision to slash the overseas aid budget to pay for an increase in defence spending. Ms Dodds, who is also women and equalities minister and attends cabinet, said she was resigning from both posts 'with great sadness' but would continue to support the government from the backbenches. In her resignation letter to the prime minister, she acknowledged there was 'no easy path' to fund the boost to defence but claimed there had been a 'tactical decision' for the Overseas Development Aid (ODA) budget to 'absorb the entire burden'. She said: 'You have maintained that you want to continue support for Gaza, Sudan and Ukraine; for vaccination; for climate; and for rules-based systems.