

LSE Government Department The HotSeat Videocast

Dr Nilima Gulrajani discussing the ring fencing of development aid in the British Governments spending review.

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Ariane Sparks: Hi. I'm Ariane Sparks. Welcome to the HotSeat. With us today to discuss international development aid in the wake of the comprehensive spending review is Dr Nilima Gulrajani. Thanks for being with us, Nilima.

Dr Nilima Gulrajani: Thanks for inviting me.

Ariane Sparks: The coalition government has recently announced plans to expand the budget of the Department for International Development. Can you tell us a little about DFID and the work they do?

Dr Nilima Gulrajani: DFID, or the Department for International Development, is the British Government's agency for achieving global poverty reduction. It was created in 1997 as an independent government ministry; formerly it was part of the Foreign and Commonwealth Office. Like many western countries, the UK is one of 23 donors, bi-lateral donors, part of the OECD DAC donors, so they're basically western governments who are committed, both in bi-lateral and multi-lateral arenas, to contribute to the effort to reduce poverty.

Ariane Sparks: Why do you feel that the government has chosen to expand the DFID's budget while other departments are experiencing deep cuts?

Dr Nilima Gulrajani: Well, I think the reason they have decided to ringfence, or protect, it's budget as well as expand it's budget, by 50% in fact, over the next four years has partly been a result of its previous successes. DFID is considered to be one of the world's best performing aid agencies. In any ranking of aid agencies, DFID is normally in the top five if not the top ten, sometimes even the first. So it definitely has a reputation for being very effective at reducing global poverty through its programmes. So that might be one reason why its been ringfenced. The other reason, perhaps, is a little more insidious in that the conservative government is perhaps courting the development lobby as supporters, voters, and there have been many allusions to this, that they're courting the Oxfam vote, that they're presenting themselves as more centre, centre-right than right. Now, I'm not going to read much more into that, just to say that that is a potential reason why, perhaps, development aid spending in particular has been protected.

Ariane Sparks: Do you see any problems or consequences arising as a result of the expanded budget?

Dr Nilima Gulrajani: I think there are a couple of things one needs to be mindful of in the context of this ringfence. The first is in the context where we are protecting development aid but really cutting quite significantly budgets in other areas of public spending, including front-line public services; health, education, universities, and so on there is potential backlash that can ensue from a public who see, domestically, a significant amount of cuts that affect their life and livelihood and see the budget for international spending rising at the same time. And this

phenomenon I think one can start to see, recent polls have suggested that 63% of respondents in a recent poll were against protecting development aid at the expense of domestic spending and I think that's not uncommon. In most western countries, in times of fiscal hardship, the public prefers to cut international spending rather than domestic spending. So that's one potential negative consequence. Another negative consequence, perhaps, is the danger that DFID is now going to be under significant pressures to be demonstrating concrete results very quickly. And development, unfortunately, isn't a process that can beat to the drum of political cycles. Development requires investing in institutions that take relatively long to foster, it requires engaging in activities that perhaps aren't as measurable as some political masters might like and that potentially has drawbacks in terms of the kinds of activities DFID can engage in. DFID has been known for being quite innovative, for taking risks. And there is the potential danger that the pressure on measuring results quickly shifts their activities away from that innovative, risk-taking behaviour towards more conservative forms of development engagement.

Ariane Sparks: Alright, we'll leave it there. Dr Gulrajani, you are off the HotSeat. Thank you for being with us.

Dr Nilima Gulrajani: Thanks again.

Ariane Sparks: And thank you for being with us. Please tune in next month for our next edition of the HotSeat.