

# “Manufactured chaos”: Trump 2.0 puts his stamp on US foreign aid

by Cameron Hill

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On day one, US President Donald Trump signed a series of executive orders

*Photo Credit: Instagram/White House*

Among the **more than two dozen** executive orders issued by President Donald Trump during his first day in office was **an order to pause** US development assistance for 90 days to undertake an “assessment of programmatic efficiencies and consistency with United States foreign policy”. The pause applies to the creation of any new obligations and “to disbursements of development assistance funds to foreign countries and implementing non-governmental organizations, international organizations, and contractors”. Any exemptions to the pause must be approved by Trump’s new Secretary of State, Marco Rubio. An **internal USAID memo** issued late last week reportedly orders a universal and immediate stop-work directive applying to the implementation of all US foreign aid programs, with the exception of “emergency food assistance.”

Coupled with Trump’s **sweeping ban** on US government support for all “diversity, equity and inclusion” programs, the order is causing major disruptions to the global aid sector. The US is the world’s **largest donor**, disbursing almost US\$65 billion in Official Development Assistance (ODA) in 2023. USAID manages **thousands of contracts** and agreements with a diverse array of implementing partners working in complex environments all around the world. The future status of these agreements and of the programs that they support are now uncertain, a situation that one former USAID senior official **has described** as “manufactured chaos”. And notwithstanding the exemption for food aid, the freeze on other forms of humanitarian aid and on assistance for medical supplies, vaccines and treatments for diseases like HIV/AIDS in Africa and other regions **will cost lives**.

But does this the announcement signal any real difference between Trump 2.0 and Trump 1.0 or, for that matter, any other incoming US administration? Trump’s disdain for the whole concept of foreign aid is well known. During his first term (2017-2021), Trump repeatedly attempted to cut US development assistance. And all new US administrations come to power with a desire to put their own stamp on foreign aid, both in terms of policy and personnel. In this sense, a review of

“efficiencies” and “consistency” isn’t unusual. Importantly, Trump’s executive order won’t apply to spending that has already been legally mandated by Congress, including the recently renewed compact agreements with Palau, the Federated States of Micronesia and the Republic of Marshall Islands.

I would argue, however, that the executive order and the unprecedented stop-work directive do represent a distinct shift from Trump 1.0 in two important respects. First, they reflect a change in *policy intent*. In his first term, Trump pursued cuts to US aid funding and an end to specific programs in areas like sexual and reproductive health and climate change. This time he and his advisors are signalling much more far-reaching change in the US aid system. According to the purpose statement that begins the executive order: *“The United States foreign aid industry and bureaucracy are not aligned with American interests and in many cases antithetical to American values. They serve to destabilize world peace by promoting ideas in foreign countries that are directly inverse to harmonious and stable relations internal to and among countries.”*

While this last sentence sounds like something that might have come out of the mouth of a foreign ministry spokesperson in Beijing or Moscow, it also reflects the ideas contained in the [Project 2025 manifesto](#) published by the Heritage Foundation in 2023. Despite Trump’s attempt to disavow it during the election campaign, this document [is still seen](#) by many as a key part of the ideological and policy playbook of the second Trump administration, in particular its focus on “deconstructing the administrative state”. The manifesto places aid and other government policy and spending programs in the wider context of attempts to reshape US political institutions, including the federal bureaucracy, in order to align them with a Trumpian worldview.

In this worldview, foreign aid [is part](#) of a wider global project pursued by a group of “woke elites” whose focus on gender equality and other diversity, equity and inclusion programs, combating climate change, race and decolonisation and “globalist” multilateral institutions is responsible for the disenfranchisement of Trump’s core electoral constituencies. Addressing this disenfranchisement requires the [entire deconstruction](#) of this project, its associated institutions (public and private) and programs, and their rebuilding in the image of Trump’s “Make America Great Again” (MAGA) movement. Like Biden, Trump is explicitly trying link his foreign policy agenda, including foreign aid, to the symbols and slogans of his domestic political coalition. But the content of that agenda is [very different](#).

The second way in which the executive order can be seen as a shift from Trump 1.0 in relation to foreign aid is the *level of organisation* that the president and his advisors are bringing to the task. Trump’s attempts to cut aid during his first term

were haphazard and **were thwarted** by members of his own cabinet and by both Democrats and Republicans in Congress. By contrast, the president now has much more power over the Republican party — which enjoys a majority, albeit very slim, in both houses of Congress until at least the 2026 mid-terms — and much more control over the policy agenda and the people he has appointed to implement it. In **the words** of a former Australian ambassador to the US, “[Trump] in many ways [now] has the equivalent, in democratic terms, of unfettered power, at least for the next two years, and he seems to be determined to use it”. Trump has **moved quickly** to begin the process of withdrawing the US from the World Health Organization and **to reinstate** the so-called “Mexico City policy”, which bans federal funding to organisations that perform or promote abortions overseas. Within its first week, the new administration has also placed “dozens” of senior career staff within USAID on **immediate administrative leave**, presumably with a view to replacing them with political appointees loyal to Trump.

According to **recent reporting**, the administration’s plans to overhaul US foreign aid are focused not only on large spending agencies like the State Department and USAID. They now also extend to more obscure bodies like the US Development Finance Corporation. This agency may be directed to work with the Pentagon and to “shift away from investments in climate-related and other traditional development projects in favour of a harder-nosed focus on strategic mining and other resource deals”.

It’s important to note also that this time Trump’s aid-cutting ambitions are firmly situated within a much larger agenda of slashing US government spending by perhaps a trillion dollars, **if not the US\$2 trillion originally mooted**. In his capacity as leader-designate of the new Department of Government Efficiency (DOGE), Elon Musk has **endorsed** former Republican Congressman Ron Paul’s call to end US foreign aid, **saying** “@DOGE will address this with full transparency for the American people”. Vivek Ramaswamy, Musk’s erstwhile DOGE co-leader, **said**, “Americans deserve transparency on opaque foreign aid and nonprofit groups abetting our own border crisis” to which Musk responded, “Absolutely”.

As the rollout of Trump’s executive order has shown, it would be wrong to expect any of this to unfold in an orderly fashion. There are still lots of contradictions in the Project 2025 manifesto, not least in **its call** for the US to withdraw from the World Bank and the International Financial Monetary Fund while simultaneously arguing it should pursue “reforms and new policies” within these organisations. It also **calls for** US aid to be directed more toward serving narrow US national security and other interests, while also supporting greater “localisation” of development assistance. Moreover, Trump himself is still unlikely to pay much attention to aid. He will probably be happy to watch the various members of his presidential court fight it out

as they compete for his favour, or when there are genuine policy disagreements.

These disagreements will undoubtedly arise between Trump's more radical, MAGA advisors and the "traditional" Republicans that remain in his orbit and in Congress. The latter are likely to be less ideologically purist and more pragmatic on questions of foreign aid, especially when it comes to trying "outcompete" China on development. Secretary of State Rubio falls into this camp, as do some of Trump's other advisors. But it is clear that, as in many other areas of government, Trump 2.0 will make a bigger mark on US foreign aid than he did the first time around.

*Note: Reflecting the **legal uncertainty** surrounding several of Trump's executive orders, a **1 February interview** on ABC Radio's RN Saturday Extra program with the President of Palau, Surangel Whipps Jr, indicated that the 90-day US aid freeze was being applied to some aid programs operating in the Pacific compact states. Funding for the current compact agreements through to 2043 was appropriated by the previous Congress and **signed into law** by President Joe Biden in March 2024.*

*Correction (1/2): Endnote added.*

### **Disclosures:**

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Link:

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