

The global conversation on Western aid cuts

by Melissa Conley Tyler

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Sanjeev Sanyal, a member of the Indian Prime Minister's Economic Advisory Council, at the Raisina Dialogue 2025 held in New Dehli.

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This year has seen massive changes for global development, with the [United States](#), [United Kingdom](#) and [other donors](#) announcing cuts to foreign assistance. The Development Policy Centre has estimated that official development assistance, which peaked in 2023, will reduce by [between 25% to 50%](#) by 2027.

In Australia, initial commentary concentrated around three big questions. First, the impact on [affected communities](#), including in [Southeast Asia](#) and the [Pacific](#) and in sectors like [humanitarian aid](#), [health](#), [democracy](#) and [human rights](#). Second, the impact on the development sector and its [viability](#) and future [capability](#). And, third, convincing Australian policymakers [not to follow](#) other countries' lead in the federal budget — which, thankfully, has been [successful so far](#).

A few have taken the view that the [size of the shock](#) will mean the need to [re-think and re-make](#) using a different [development paradigm](#). But mostly the discussion has been about how to react to changes in the sector and to preserve funding. Development organisations and contractors are [laying off staff](#) and trying to work out how to survive. And everyone is just trying to keep track of [what's happening](#) with the speed of change.

There are very different conversations going on elsewhere. In March, I attended the [Raisina Dialogue](#), India's premier geopolitical conference. This gave me a chance to hear voices rarely heard — including from Democratic Republic of the Congo, Nigeria and Bhutan. I was struck by the different narratives I heard.

One reaction was good riddance. “As a policy-maker from a recipient country I will not be grieving the death of USAID”, said Sanjeev Sanyal, a member of the Indian Prime Minister's Economic Advisory Council. “We are entirely capable of funding our own TB program”. He [linked foreign assistance with interference](#) — including “fishy protests” and a coup in Bangladesh — with most aid aligned with the interests of source countries. He described USAID as “the biggest scam in human history”.

This was echoed in another panel which mentioned **African leaders** who are celebrating USAID's demise, seeing it as a "wolf in sheep's clothing" that **destabilised governments**.

That's not to say there wasn't any mourning, particularly from vulnerable groups. **Speakers at the event** acknowledged that there will be fatalities due to the cuts, including in India. The UN Women Country Representative for India, Susan Ferguson, was concerned that reduced funding "is likely to impact the spend on women's equality and economic empowerment, which was already low".

But, for most, the focus was on the future, looking at resilience and the ability to bounce back. Those who were concerned about keeping programs running spoke about alternative sources of funding. International philanthropy was mentioned, but most of the focus was on domestic solutions, including homegrown philanthropy and social investment and the private sector. Bhutan health expert Sonam Yangchen underlined the importance of increasing domestic revenues to support publicly-funded healthcare systems.

A key part of this discourse was about self-reliance and creating an ecosystem that doesn't rely on foreign assistance. Congolese NGO founder **Noella Coursaris Musunka** reported that "we have not really been affected by the USAID cuts" due to support mainly from individual donors and volunteering her time:

I see a lot of organisations, when they come to work in Africa, they don't employ enough local teams. And then it collapses completely when there is no aid, because the international people receive a good salary and all the benefits they have. All our team is local ... That is the future of aid, to build programs with the community, led by the community.

One of **most striking comments at the event** reframed the disruption to global aid as an opportunity. "If America chooses to abdicate its position, to walk away ... then, quite frankly ... what we should be saying is, 'Thank you. Go and make America great again and let us make the rest of the world great'," said Ayoade Alakija, Chair of the African Vaccine Delivery Alliance. This means not obsessing over USAID. "Let the aid stop. Let everyone keep their aid. Let our countries be independent. Let us stand up and look after our own people ... Let the world shift. This is a conversation about the global system."

This narrative is about wholesale transformation. For example, seeing Africa not as poor, but as a rich continent that has been paid a pittance for its treasures and offered the slops of aid. Pamla Gopaul from the African Union Development Agency suggested a focus on **international financial systems** including the role of

BRICS and the bloc's New Development Bank. She discussed the importance of strengthening regional alliances — for example on trade agreements, peace-building initiatives and infrastructure — as ways for developing nations to lift themselves up.

The final narrative was about the continuing need for cooperation. “The world risks losing the race against organised crime, cybercrime and international terrorism,” warned former Secretary General of INTERPOL Jürgen Stock. He **advocated for international cooperation** where countries set common priorities and work together to build capacity. “If you’re not using these multilateral frameworks efficiently, you are not going to make the world a safer place ... in the sense of health, water, food, climate and criminal activity.” Interestingly, aid sceptic Sanjeev Sanjal conceded that he had no problem with developed countries funding such activities, so long as it is not “made out to be charity because certain countries have a large heart”.

As Australia starts to imagine what the future of development may look like, it will inevitably be part of a global debate. At a time of massive change for development worldwide, we should keep the full range of perspectives in mind.

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Link: <https://devpolicy.org/the-global-conversation-on-western-aid-cuts-20250507/>