

The Big Beautiful Policy

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Abstract

The following article diagnoses the collapse of the Official Development Aid system (ODA), this ODA system which had been rebuilt since the beginning of the century, after the earthquake of the fall of the Berlin Wall, with which it shares common points. The article points out that this second collapse began with the deep cuts in European bilateral aid that were extended by the massive overhaul of American interventions. The USA's interventions are characterized by the switch to a transactional system supported by an extended Development finance corporation (DFC).

The article places these transformations in the context of a triple revolution in trade, migration, and finance. It notes that this situation has its roots in a global geopolitical evolution, characterized by a transition from a regime supported by a hegemon and its allies, which they no longer want to, nor can, support, to a new one. In this system, the new hegemon has not yet emerged and may not emerge, which is fraught with implications for the entire system.

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This text is Jean-Michel Severino's speech delivered at the Chatham House seminar "L'aide attaquée. Raisons, réponses, avenir", on 9 October 2025.

.../... The article focuses on the financing aspect of the international development architecture. It notes that recent trends will have a significant impact on the economic growth of poor countries, particularly in Africa, for which it gives initial estimates, while noting that the countries concerned could develop dynamic strategic responses. The poorest countries will however find it difficult to make such responses. The article notes that Europe could suffer negative consequences in terms of migration and security, and that weaker economic growth in Africa will also have consequences for European economic growth, thus reducing the net savings Europe hopes to make from the reduction in its aid.

However the article notes that the crisis in aid, is perhaps because aid policy has become too complex to survive, and has dug its own grave by a dangerous extension to an unsustainable "agenda of morals", but it should not be reduced to budgetary considerations alone. The schizophrenic posture of its beneficiaries in the South, divided between growing criticism and growing demands must be considered. It identifies five systemic dimensions to this crisis, and qualifies it as a crisis of definition, distribution, governance, structure, and operation. In France, where the massive cuts in aid budgets have not been the subject of any public discourse, it proposes the start of an in-depth overhaul. We had a Big Beautiful Policy. Its very survival is now in question.

Official development assistance (ODA), although it can no longer logically be called that, as is now increasingly widely recognized, is experiencing an existential crisis.

This crisis is even more profound because, for decades, this policy was not only the first real global collective enterprise, it almost seemed to be a kind of model: an apparently clear definition; quantitative and qualitative objectives (the 0.7, the 1% of GNI, the MDGs, then the SDGs, etc); a governance (the Development Assistance Committee (DAC) of the OECD, the United Nations Economic and Social Council); formal forums for exchange (the assemblies of the Bretton Woods institutions and development banks, the 10 yearly conferences on financing for development, the last of which has just been held in 2025 in Seville); a peer review process within the OECD. What more could you ask for? And moreover, even if donors had a clear pre-eminence in this whole system, it would be a caricature to claim that the beneficiaries were totally excluded and without a voice: perhaps not heard or not sufficiently heard, no doubt, but listened to, certainly.

"How beautiful my policy was!"

However, we are now living through a kind of accelerated deconstruction procedure that is plunging its actors into disarray.

The crisis caused by the abolition of USAID 2025 was nevertheless announced, on the European side, as early as 2023. However, it caught most of the players in the system off-guard. Previously, the questions debated were largely about subjects other than those highlighted by the big budget cuts being experienced¹. New and profound questions are now on the table, regarding the very legitimacy and concrete possibility of international cooperation, *a fortiori* inscribed in a vision of a global architecture based on rules, and rights.

A new conversation, and new thinking is therefore necessary. The following paragraphs aim to propose an anatomy of this crisis and to outline a working approach to respond to it, particularly in France.²

To do this, we must start by recalling what the hydra we are facing is. This public policy has already suffered many crises. It has always, until now, been resurrected, like the phoenix.³

This does not mean that the current crisis should be underestimated, and that it does not have very serious consequences, including on the contributing countries: we will discuss them.

We will then try to uncover the five reasons, or dimensions, of the current crisis that we think we can detect.

We will conclude with a vision of the path to be taken by France to rebuild its international posture, by confronting a logic based on needs and law and a logic based on what its essential interests, which are still so poorly defined, are.

¹ For a good review of the critical discussions on the subject and the proposals on the table, see in particular: Ahmed M., Calleja R., Jacquet P., "The Future of Official Development Assistance: Incremental Improvements or Radical Reform?", CGDEV, 2024, compendium of the Chantilly seminar; Boussichas M. and Guillaumont P., *What Global Financial Compact for Poor and Vulnerable Countries?*, FERDI, 2024, 172 p., summarizing FERDI's analyses and proposals for the Summit for a New Global Financial Compact.

² This work has already begun on various stages. For a pioneering contribution, see Ahmed M., "The End of Development Cooperation? CGDEV, July 22, 2025, speech at the World Bank's ABCDE conference, Washington DC.

³ See thus Severino J-M. and Ray O., "The End of ODA: Death and Rebirth of a Global Public Policy," CGDEV Working Paper 167, 2009.

A policy too complex to survive?

Put simply, between 1960 and 2000, the international community was essentially concerned with two things. Firstly, responding to the requirements of humanitarian solidarity and, secondly, trying to accelerate economic convergence between the developed countries, that is the OECD, and the poor, or less poor, countries.

Already, aid, in the sense of public financial transfers, was only one component of the much broader agenda for financing and accelerating international development, which includes the issue of the domestic resources of developing countries and that of private financing of their economies, both domestically and internationally. It also includes all the conceivable mechanisms to try to increase convergence, such as the facilitation of international trade, for example, but also the transfer of skills and the construction of capacity, or the regulation of the international economy and capital markets. ODA, not content with being only one component of what could be described as the problem of income convergence and the reduction of international inequalities, was also only one dimension of concessional transfers: there are also philanthropic transfers, with the role, which has grown over time, of foundations and NGOs.

It is worth saying that, even though income convergence between the poorest and less poor countries has slowed in recent years, we have seen a significant and positive transformation in international inequality since 1960. South-East Asia has played a leading role in this transformation, but Africa has been no stranger to positive development outcomes.

As Masood Ahmed recalled in the conference referred to above, *"The results [of twentieth-century development] have been exceptional. Between 1990 and 2015, extreme poverty fell from about 40% to 10% of the world's population. In low-income countries, life expectancy has increased by 12 years. Under-5 mortality has fallen by more than half. Enrolment in primary school has almost doubled. HIV has been brought under control and poliomyelitis has been almost eradicated. While China's extraordinary progress from a low-income country to the world's second-largest economy [contributes] to this, many of these improvements have also been the cause of several African countries. Ethiopia's GDP per capita has quadrupled, while Ghana, Tanzania and Rwanda have seen substantial gains."* It should be recalled that the GDP in purchasing power parity of Africa south of the Sahara has increased from USD 1,400 billion in 2000 (2023 value) to USD 6,000 billion in 2023, a multiplication by more than 4.⁴ According to the IMF, in 2024 the sub-Saharan Africa region will have been the second best-performing economy in the world (although this performance must be put into perspective by an average population growth of around 2.5%). It will have made real social progress, summed up by the gain of 10 years, in 25 years, in life expectancy at birth (now 63 years).

It should be remembered that aid has played an important role in this dynamic. This has been the case in Asia, including for the greatest successes: China has been the best and most important client of the IDA and the World Bank for decades. It is of course the case for Africa.

Since the turn of the century, the international community has added to this layer of objectives that of financing global common causes, what is now called global public goods (GPGs). But the

⁴ IMF and World Bank data.

international community has also increasingly mobilized around the promotion of human rights, freedom, diversity, and what can be called the "agenda of morals".

These subjects, and especially those of the GPGs, are not totally independent of the issue of financing for development. Nevertheless, as the late Inge Kaul reminded us in the 1990s,⁵ they are at least partially autonomous. The financing of GPGs is not subject to the same allocation principles or the same financing principles as transfers intended for the fight against poverty or the catch-up of poor countries.

Whether or not one wants to accelerate the growth of poor countries, or whether or not such financing succeeds, offsetting the damage caused, for example, by carbon emissions, is fundamental and is independent of the growth prospects for international transfers. The search for the reduction of carbon emissions in the world where the cost of their reduction is the lowest, is another. This is also the case for the preservation of biodiversity, which must be mobilized where it is both richest and most threatened. In the field of health, overall public policy priorities related to communicable disease reduction may clash with national health priorities. Public policy priorities can lead to the mobilization of additional global funding for the non-local priorities, or, for example, to support the "weak link" in the global health chain, regardless of the impact on the growth of the country concerned. Whether or not this layer of objectives is aid, or is partially aid, has occupied a lot of academic and professional debate in recent years.

This new layer of concerns has led to the construction of a new architecture of international treaties and transfer logic. This has resulted in a considerable increase in the complexity of the international ODA (?) scene. New debates have emerged both on the purposes of funding and on burden-sharing. Indeed, financing the economic catch-up of the poorest countries may be a moral concern, or a geopolitical concern, but identifying the right level of financing and sharing the burden of financing is probably impossible to base on a single formal scientific or ethical basis, even if some solid reasoning can be developed. However, even if it is obviously a complex issue which is the subject of very difficult debates, GPG transfers could be based more on ethical or economic reasoning. For example, the burden of adaptation in poor countries, if it can be truly estimated, can be shared among the countries with the largest historical carbon emissions according to rationally debatable criteria.

The "agenda of morals" is a different issue. It was driven by the growth of democratic social movements in developing countries. But it has also been strongly promoted by certain movements or certain countries (the Nordic countries have been particularly mobilized in this regard) for the benefit of minorities and to promote new rights, such as sexual rights and gender minorities. The gender agenda occupies a special place in this category, given the major importance it has taken on in development policy, which it has dominated for the past two decades. A connection was quickly made by development agencies and donor governments

⁵ Inge Kaul published numerous articles on issues of development, global governance and international cooperation, and as director of the United Nations Development Report, brought the concept of Global Public Goods to the forefront. On our subject, see in particular *Global Public Goods: International Cooperation in the 21st Century* ; *Delivering global public goods, managing globalization* ; and *The New Public Finance: Responding to Global Challenges* (Oxford University Press, New York, 1999, 2003 and 2006, respectively). She was co-author of the 2013 Hertie School Governance Report (OUP: Oxford, 2013) and editor/co-author of *Global Public Goods* (Edward Elgar: Cheltenham, 2016).

between the advancement of women, specifically, and economic development. But in doing so, while generating renewed support for ODA in certain countries and certain segments of civil society, this new dimension of the development agenda has plunged aid into the intimate social and cultural themes of societies, which had never been the case before. Also, this new dimension has made the development agenda vulnerable to a conservative backlash in the north and has increased the hostility to it in the south by nationalism and identity sensitivities.

Since the beginning of the century, this situation has led to what is still called aid (and which now covers a wide variety of objectives and motivations) to increase significantly. The volume of ODA reached a record \$212 billion in 2024, compared to \$94 billion (2024 value) in 2000, according to the OECD.

We know the relative value of these figures. We know that they do not reflect the level of actual financial flows to developing countries. It nevertheless seems undeniable that a significant increase in flows has been recorded since the beginning of the century. This increase has been achieved, with all its diversity of causes and fundamentals, through the same old organizational structure of aid, composed of multilateral and bilateral institutions, banks, agencies, and NGOs, but "enriched" by a considerable set of new funds and dedicated institutions, especially in health and environment. As a result, it has contributed to increasing the chaos of the institutional landscape, its fragmentation, and its opacity, making the result of this financial commitment largely illegible.

As a consequence, the thinking of what is somewhat hastily called the development community, in recent years, has been organized around three logical subjects:⁶

- How can we better qualify and measure this public policy with its growing volumes, name its increasingly varied objectives, better read and allocate the amounts spent on the reasons for these allocations, all in order to better measure the impact of these flows and ultimately redirect them?^{7,8,9}
- How can the burden of this funding be better distributed among contributors, and to whom should it be allocated so that it has the most impact (FERDI has become particularly known in this regard with its approach to vulnerability as an allocation criterion)?
- How can we control institutional proliferation, reduce complexity and make the management of financing less costly?

⁶ For a global presentation of the issues and a vision of the possible restructuring of the whole of global public policy, see in particular: Melonio T., Naudet J-D., Rioux R., "Official development assistance in the age of consequences", Policy Paper, AFD, 2022.

⁷ See in particular Tomasi S., "Monitoring Development Finance: A First Assessment of the 2018 Reform. Another effort? , FERDI Brief Note B274, 2024; Tomasi S., "Public Finance for Development and Global Public Goods: How to Measure It? FERDI Report, 2024.

⁸ Melonio T., Naudet J-D., Rioux R., "Double standards for financing development", AFD, Policy Paper, 2024.

⁹ On the implications and political trade-offs resulting from these debates, see in particular the very enlightening article: Jeanneney-Guillaumont S., "Judging the effectiveness of financing according to its purposes: Four trade-offs in international cooperation for development?", FERDI Working Paper, P327, 2023.

At the same time, the magnitude of the growth in public flows has made the broader issue of financing for development and the non-financial components of accelerating convergence less pressing, although these issues have obviously never gone away. It has also diverted this same community from the subjects of aid effectiveness, even if here too, obviously, these concerns have never been totally absent.

Earthquake and shock

It is an understatement to say that the developments of the last two years have been an earthquake. They have totally transformed the nature of the debate. They have created considerable shock in the apparatuses responsible for designing and managing aid, including on the human and social level.

Firstly, since 2024, we have observed a massive drop in European funding. Belgium cut its aid by 60% in 2024 and announced a further 25% cut, spread over the next 5 years. The Netherlands has reduced its aid by €300 million in 2025, announced a further €500 million in cuts in 2026, and €2.4 billion after 2027. Sweden has announced that it will reduce its aid by 300 million euros between 2025 and 2027. The United Kingdom has announced that it wants to reduce its aid from 0.5% of its GDP to 0.3% between 2025 and 2027. Germany made a €3.5 billion reduction between 2023 and 2025, and says it is planning more. In France, the cuts announced in the 2025 and 2026 finance laws would total nearly €2.3 billion and would reduce the national contribution from around 0.55% of GDP to around 0.38%. The magnitude of this collapse was unimaginable two years ago.

Secondly we have seen the stunning disappearance of USAID on the American side, and of most of the bi- and multi-American aid. This also was unimaginable just a year ago.

The disappearance of American funding, as well as the customs and immigration policy associated with it, has been the subject of a clear political discourse in terms of motivation, if not in the very erratic methods of application, on the part of the Trump administration. It concerns the very meaning of aid, criticizing its effectiveness as well as its political performance for the United States. President Trump's January executive order states that *"the administration that manages U.S. foreign aid and its entire ecosystem is not aligned with U.S. interests and is in many cases opposed to U.S. values."* According to its figures, which are also subject to caution, *"the African continent has received \$165 billion since 1991, but it has only aligned itself with the United States' vote at the United Nations in 29% of the resolutions submitted to the General Assembly"*. This is *"the lowest rate in the world"*. The President further states that: *"Apart from the creation, at taxpayers' expense, of an industrial complex of NGOs on a global scale, USAID has achieved little since the end of the Cold War. Development goals have rarely been achieved, instability has often worsened, and anti-American sentiment has only grown"* (July, Rubio). Finally, Secretary of State Rubio says, *"Every dollar we spend, every program we fund, and every policy we pursue must be justified by the answer to three simple questions: Does it make the United States safer? Does this make the United States stronger? Does it make the United States more prosperous? "*. In addition, Elon Musk has also denounced USAID as a *"criminal organization that does the dirty work of the CIA,"* which is not lacking in meaning.

On the European side, the cuts have been accompanied by political silence, a sign of embarrassment and difficulty in changing the narrative. The need for budgetary redeployments to finance the rearmament effort and support for Ukraine is sometimes invoked to justify cuts in ODA, as is explicitly the case in Great Britain: *"This is not an announcement that I am happy to make, but the security of the British people is the number one priority of this government,"* said Prime Minister Keir Starmer on February 25 by announcing a reduction in the U.K.'s international development assistance budget from 0.5% to 0.3% of GDP in order to increase defence spending. In Germany, the coalition of Christian conservatives and Social Democrats believes that Germany currently has other priorities. According to Finance Minister Lars Klingbeil, *"the 2026 budget – financed for a third by new borrowing – will focus on the consolidation of public finances, Germany's ability to adapt and the operational readiness of the army, an increasingly pressing challenge in the face of the Russian threat".* *"Without Vladimir Putin,"* the Social Democrat said, *"Germany's accounts would be totally different."* But the subject of migration is also on the table and serves as a compass in some countries for the redefinition of aid. On December 14, 2024, the Swedish Minister of Foreign Trade and International Development Cooperation, Johan Forssell, announced that Sweden will make the granting of its official development assistance conditional on the agreement of the beneficiary countries regarding the return of their nationals who have been rejected for asylum or deported. Bilateral aid will also be limited to 30 countries and suspended for those who refuse to cooperate.

In France, radio silence. The only recent communication document available is the communiqué of the Presidential Council for Development. While it has the merit of reaffirming the vision of France's strategic objectives, placing an entirely new emphasis on the defense of French interests, it does not give any information on the level of aid and the reason for the cuts. It is barely four years since the unanimous vote in the French parliament of the 2021-2031 programming law of August 4, 2021 on inclusive development and the fight against global inequalities, which planned to increase French official development assistance to the level of 0.55% of GNI. This political about-face and the silence that accompanies it place France in a vacuum, and in indecision, not to say a total opacity, on government policy.

Finally, it should be noted that, on the side of developing countries, reactions have been rare, and even more rarely critical. Some African heads of state, such as Kenya's William Ruto and Zambia's Hakainde Hichilema, have even thanked President Trump for having provoked a healthy reflection on the need for the continent to meet its development needs. This change meets with a certain African nationalist discourse, including at government level. *"This shows that we need to develop on our own,"* Senegal's Prime Minister Ousmane Sonko said as he rushed to Qatar to demand funding for the country. The president of the African Development Bank, Mr. Adesina, who is in a frantic search for Western money to replenish the African development fund, played his own tune in a 2025 interview with *Le Point* magazine: *"For me, Africa should not depend on others. It must mobilize internal resources to accelerate its own development. You don't develop by holding other people's hands. Africa is not poor but has many of its people who are poor."*

The nationalists of civil society finally appear on the welcoming side. Thus, *"The return of Donald Trump is a powerful reminder to our African leaders that [...] Africans must be on the front line to reduce poverty and improve our collective and sustainable well-being,"* said

sociologist and pan-Africanist activist Moussa Sy in an opinion piece on the Burkinabe media outlet *Le Faso*. "We will never develop with external aid."

Does all this matter, and for whom?

The weakness of these reactions in developing countries could lead one to think that aid, in practice, does not count, that it is a small loss. In recent years, there has been a discourse about the reality of the impact of aid on developing countries. If the impacts were low, then these reductions would matter little in the end. Above all, we should remain on a symbolic and political level to debate the consequences of this accumulation of unilateral decisions in OECD countries.

The assessment of the impact of the aid cuts we have just mentioned is made difficult by their recent nature. But the cuts are also important because they are being impacted on the one hand by trade measures and on the other hand by measures taken on migration. Moreover, fiscal measures taken in industrialized countries have a feedback effect on their own economies and lead to double loops in developing countries. Finally, the international landscape is turbulent, and countries are adapting to these shocks through new strategies. But we can still start from the most likely hypothesis that the macroeconomic, and therefore social, impacts will be significant.

First and foremost, aid cuts are expected to have a significant impact, especially on the poorest countries, as they are the most dependent and benefit from grants rather than loans.

The most visible shock concerns humanitarian and health issues, due to the importance of American aid in these areas. A recent study by FERDI documented this first and immediate set of consequences.¹⁰

Africa is also likely to suffer in particular because of its dependence on external financing. A recent FERDI study¹¹ published on the occasion of RAMSES 2026 shows that external financing represented around 40% of African sub-Saharan net investment (taking into account loan repayments) from 2000 to 2024, and 10% of the continent's GDP, i.e. about USD 3.140 billion. Of this amount, ODA represented around USD 1,000 billion, or currently \$45 per year per African in 2024, with a strong concentration on the poorest and most vulnerable countries, where it can represent the bulk of public investment budgets. The rapid replacement of the reduction of a significant fraction of this flow is a challenge. Significant impacts on the balance of payments and on investment budgets are likely.

The scale of the impact is even more significant given that significant customs measures have been added to the cuts in aid.

The European Union, for its part, has not taken any trade repression measures. However, some environmental measures have consequences, at least potentially, even if their environmental legitimacy is indisputable. These are essentially the European Regulation on Avoided

¹⁰ Boussichas M., Cabrillac B., Pugnet C., "How will the closure of USAID affect the allocation of global official development assistance?", Ferdi Short note B284, 26 June 2025.

¹¹ See Severino J-M., Pugnet C., "The African economy south of the Sahara, an ambiguous adventure? FERDI, RAMSES 2026.

Deforestation (EUDR) and the Carbon Border Adjustment Mechanism (CBAM), which are in the process of being set up.

The main issue seems to be that of the CBAM. While the countries most affected by this mechanism are the emerging countries, which are the main exporters of steel and aluminium to Europe, some LDCs such as Mozambique (aluminium) and Niger (uranium ore) will experience direct impacts. A study by the LSE and ACF concludes that if CBAM were applied to all imports, Africa's GDP would decline by 1.12% or €25 billion. Aluminium exports would fall by 13.9%; iron and steel by 8.2%; fertilizers by 3.9% and cement by 3.1%. Middle-income countries would be the first affected, but through intra-Africa trade, even if it is modest, all countries would experience an impact.¹²

However, it is certainly the recent US tariff announcements that are the most problematic. Their fluctuating nature certainly limits the scope of the analyses.¹³ According to an analysis by ODI,¹⁴ middle-income countries could lose \$39 billion in aid in 2025 and \$89 billion in exports through the combined effect of US aid and trade measures, reaching 0.7% of their GDP. Low-income countries would disproportionately suffer losses of up to 2% of their GDP, mainly due to aid cuts. Fragile and small island states, such as the Marshall Islands and Micronesia, could suffer a significant economic blow of more than 30% of their GDP from aid cuts alone. Vietnam and Cambodia could see export cuts of 4-5% of their GDP due to higher US tariffs.

Domestically, the export-oriented apparel sector could suffer more from U.S. tariffs. Vulnerable groups such as women and children are likely to be disproportionately affected by the combined two shocks of aid and tariffs.

AGOA, for its part, came to an end in September 2025. The Trump administration has declared itself open to its renewal while referring the decision to Congress, which is known to be paralyzed at the moment and which has not (yet?) taken up the subject.¹⁵ The situation is confusing in this period that we must hope will be temporary.

It is also important to stress that aid cuts could have an impact on the industrialised countries themselves, with a third-order effect on developing countries.

In donor countries, the first shocks are being experienced through cuts in NGO programs and aid agency staffing, as well as in suppliers and companies that contribute to aid programs. This reminds us that a significant part of aid is spent in donor countries. The reduction in aid has an ultimately fiscal and macroeconomic impact of a domestic nature, which is often completely ignored. But for donor countries, the most important potential return impact of aid cuts is the impact on their own economies resulting from reduced growth in recipient countries.

¹² Aggad F., Luke D. (eds.), "Implications for African countries of a carbon border adjustment mechanism in the EU", African Climate Foundation (ACF), Firoz Lalji Institute for Africa of the London School of Economics and Political Science (LSE), 2023.

¹³ Raga S., Agarwal P., Fur V., "Vulnerability of low- and middle-income countries to the impacts of aid cuts and US tariff increases", ODI Working paper, August 2025.

¹⁴ *Vulnerability of low- and middle-income countries to the impacts of aid cuts and US tariff increases*, Sherillyn Raga", Prachi Agarwal and Viola Fur, ODI Working paper, August 2025

¹⁵ See the interview with Mr. Massad Boulos, Special Advisor for Africa to the US President: Bensimon C., "Massad Boulos, Donald Trump's Special Advisor for Africa: "Our policy is based on three pillars: peace, partnerships and prosperity"", *Le Monde*, 1 October 2025 [online]. Available on: www.lemonde.fr/afrique/article/2025/10/01/massad-boulos-conseiller-special-pour-l-afrique-de-donald-trump-notre-politique-repose-sur-trois-piliers-la-paix-les-partenariats-et-la-prosperite_6643974_3212.html

Indeed, if aid has an impact on the growth of poor countries, it also has an impact on the export demand they make to industrialized donor countries, and the generation of GDP and jobs in donor countries' own territory. A recent study by ODI¹⁶ funded by the Gates Foundation shows that between 2020 and 2022, the EU institutions provided an average of €24.2 billion in external aid per year. According to ODI, EU exports are expected to increase by €24.4 billion as a result, more than the amount of aid provided. The EU's GDP is expected to grow by 0.08%, equivalent to an additional annual economic output of €10.7 billion. It is also roughly equivalent to the entire annual budget of the EU's main international cooperation instrument, the Neighbourhood, Development and International Cooperation Instrument (NDICI). For every dollar spent on aid, almost half should therefore be reinjected into the EU economy in the form of increased revenues. Therefore it is clear that the net gain from aid reductions is substantially smaller than the gross or apparent gain.

But, in addition, the impacts of all these decisions are both greater and more complex than at first glance for developing countries than they may seem. Trade barriers generate losses for countries that protect themselves, and can reduce their own growth. As a result, they can also contribute to further reducing the demand for imports from developing countries, particularly poor countries exporting non-essential goods (coffee, cocoa, cotton, tropical fruits, etc.). A study by the Peterson Institute for International Economics¹⁷ estimates that the current U.S. tariffs will reduce the U.S. growth rate by 0.23% compared to the baseline scenario in 2025 and by 0.62% in 2026. A simple straight-line calculation indicates that this would correspond, beyond the impacts of tariffs, to a mechanical reduction in demand to the rest of the world of the order of 200 billion dollars.

This calls for a deepening of the current knowledge of the impact of budgetary and customs decisions on all parties concerned.

We must also put these developments into perspective with the migration issue.

By simultaneously attacking migrants, development aid, and imports, the Trump administration has had a frontal impact on the three main pillars of international development finance, with the exception of foreign direct investment, which it wishes to promote, but Europe is also concerned by this issue.

In recent decades, remittances have become an important part of the financing of consumption and the balance of payments of many developing countries. Thus, with regard to Africa south of the Sahara alone, according to the FERDI study for RAMSES, remittances have provided 758 billion USD since 2000 out of the 3,400 billion in external financing received. But, beyond these transfers, the literature on development has made a positive assessment of migration itself on the countries of origin over the long term, even if this point can be debated. The contribution to the balance of payments and to the income of the recipients are undeniable, but we can discuss the new dependencies, and the consequences on the competitiveness of

¹⁶ Ayele Y., Mendez-Parra M., Willem te Velde D., "The economic impact of EU aid on EU economies", ODI Global, Policy Paper 13 May 2025.

¹⁷ McKibbin W. J., Noland M., Shuetime G., "The global trade war: An update", Peterson Institute for International Economics, October 1, 2025 [online]. Available on: www.piie.com/blogs/realtime-economics/2025/global-trade-war-update

the countries of origin that are created, such as the drain of talent, that can affect long-term growth.

European migration policy has gradually tightened over the last decade without affecting the volumes of migrant transfers from its territory for the time being. But it is true that, despite this tightening, current European developments could go in the same direction: since the beginning of the century, the number of migrants entering the European Union has fluctuated greatly due to economic developments. But they have increased significantly overall. They have gone from about 1.5 million legal entries (excluding asylum) to about 3 million currently. Asylum entries have also fluctuated greatly and are currently around 1.1 million admissions. There are also a little less than 400,000 irregular entries annually (¹⁸). According to Eurostat, in 2022, 35% of entries are motivated by work, 30% by family reunification, 20% by studies. Almost all of them generate financial transfers to the countries of origin. We are aware of the growing protests in Europe over the reception of migrants. Further tightening and slowing inflows could end up having significant consequences for the financing of African balances of payments.

But, here again, it is also obviously the American policy on migration that is in the news and is likely to have the greatest impact on global flows, even if Africa south of the Sahara, in which we are more interested in Europe, is less concerned than Central and Latin America, and Asia. We have little data on the effect of the decisions made by the current Trump administration. However, we are aware of the negative impact that restrictive measures had on Central American countries during the first Trump administration,¹⁹ due to the dependence of Mexico, El Salvador, Honduras and Guatemala on migrants' financial transfers, which are between 10 and 20% of their GDP annually. The impact of the measures taken by the current administration could be greater on Nigeria than before. The World Bank estimates that a reduction in transfers of the order of 5 to 10% for dependent countries is possible,²⁰ but the effects will also be felt on the social and political situation of the countries concerned, in a way that is still difficult to assess.

Let us therefore modestly admit that we still know little about the final impact of these trade and budgetary decisions. Developing countries will put in place response strategies and the environment will change in unpredictable ways.

We can only reason at the moment on the basis of "all other things being equal". Countries affected by tariff barriers are transforming their strategies and adopting policies that can benefit them in their own right. The reduction in Chinese foreign trade volumes with the United States has been more than offset by the redeployment of its exports to other destinations. In 2024 China generated the highest trade surplus in its history, and possibly the highest ever recorded in the world history, at \$992 billion, according to figures released by the General Administration of Customs of China. The figures as of August 2025 indicate that this growth continues.

On the one hand it is clear that low-income countries do not have the same flexibility as China in their trade strategies. It is nevertheless possible that other buyers will quickly replace the Americans for their iron, steel and clothing production. On the other hand, industrialised

¹⁸ See OECD, "International Migration Outlook", OECD Publishing, 2024. DOI: doi.org/10.1787/50b0353e-en

¹⁹ See World Bank, "Migration and Development Brief", 2019.

²⁰ See World Bank, "Migration and Development Brief 2025, Migration Policy Institute (MPI): Early Impacts of 2025 US immigration policies," IOM, Migration Flow Updates, 2025.

countries could buy more from developing countries for reasons beyond the control of all our debates. Thus, the demand to countries poor in strategic minerals for the environmental transition is disrupting their economies. According to a note from the French Treasury,²¹ by 2050 global demand could more than triple to meet international and national environmental objectives, with a high concentration in some countries such as the Democratic Republic of Congo for cobalt or Indonesia for nickel. The green hydrogen economy can completely reshuffle the cards for poor countries with decarbonized energy resources.

The issue of interest rates will be central because it governs not only portfolio flows but also foreign direct investment, which has been among the victims of macroeconomic developments since COVID. Some developing countries, including poor ones, could adopt more attractive strategies towards FDI. Rwanda's success shows that even small, landlocked countries can achieve remarkable results in this regard.

Finally, we could see the arrival of new funders of development aid, even if this prospect should not be overestimated.

Losses in official development assistance could also be cushioned by other sources of external financing for development, although it seems that the scale of aid to Africa south of the Sahara will make it difficult to substitute it with other sources.

The famous alternative players, such as Turkey or Brazil, are indeed not up to the quantitative level of the issue, and Russia even less so.

The Arab countries are an interesting case. The sum of the GDPs of Saudi Arabia, Qatar, the Emirates and Kuwait in 2024 is around 2,000 billion US dollars. If these countries devoted 0.5% of their GDP to development aid, it would logically be 100 billion euros a year that could go to the Middle East and Africa. According to the OECD and the Gulf Aid Index, their total current contributions to ODA are \$7.3 billion.²²

However, even if these countries wanted to massively increase their contribution, their priorities are focused on their immediate surroundings and they do not mobilize much towards poor countries: according to a 2023 study by the International Institute for Strategic Studies (IISS), between 1963 and 2022, the Arab States contributed about \$363bn to 22 countries in the Middle East and North Africa, which is the bulk of their contributions. Their contributions to Africa south of the Sahara were marginal over the same period. Their loan financing in Africa is highly visible but represents a modest contribution at the macroeconomic level, despite the significant efforts made by African countries, primarily Muslim ones, to mobilize these resources. There is therefore an important stake, a potentiality, as evidenced by the more aggressive strategies of institutions such as the Islamic Development Bank, but we must remain cautious about the chances of an increase in their contributions to financing Africa's development that are commensurate with the macroeconomic issue. It is even more the case because Gaza, if the peace plan is really implemented, could mobilize the bulk of the Arab states potential additional international solidarity effort.

²¹ Aubert A., Zoghely S., Le Guennec X., "Minerals in the energy transition", Directorate General of the Treasury, Note Trésor Éco no 351, 24 October 2024.

²² On this topic, see Gulf Aid Index, 2025 and OECD, "Preliminary data on official development assistance in 2024", April 2025.

In fact, only China with a GDP of \$18,740 billion in 2024, compared to the GDP of the USA of \$29,180 billion, and \$17,942 billion for the EU, seems to be up to the quantitative challenge.

But we know that China has intervened mainly with *de facto* expensive loans in Africa. In the same FERDI analysis for RAMSES, it is shown that China, since 2000, has lent a total of USD 127 billion net in the form of state-guaranteed public external debt, i.e. 16% of net debt flows and 1.7% of African GFCF. Its debt stock represents almost 10% of Africa's total debt. However, at the September 2024 FOCAC meeting in Beijing, China announced only around USD 51 billion in new financing over three years, or about USD 15 billion gross per year. These orders of magnitude suggest that the African continent will continue to record the *negative net* flows vis-à-vis China that began to appear in 2021. They add to the trade deficit that the continent has now recorded with China since 2021 to make China Africa's leading foreign exchange extractor.

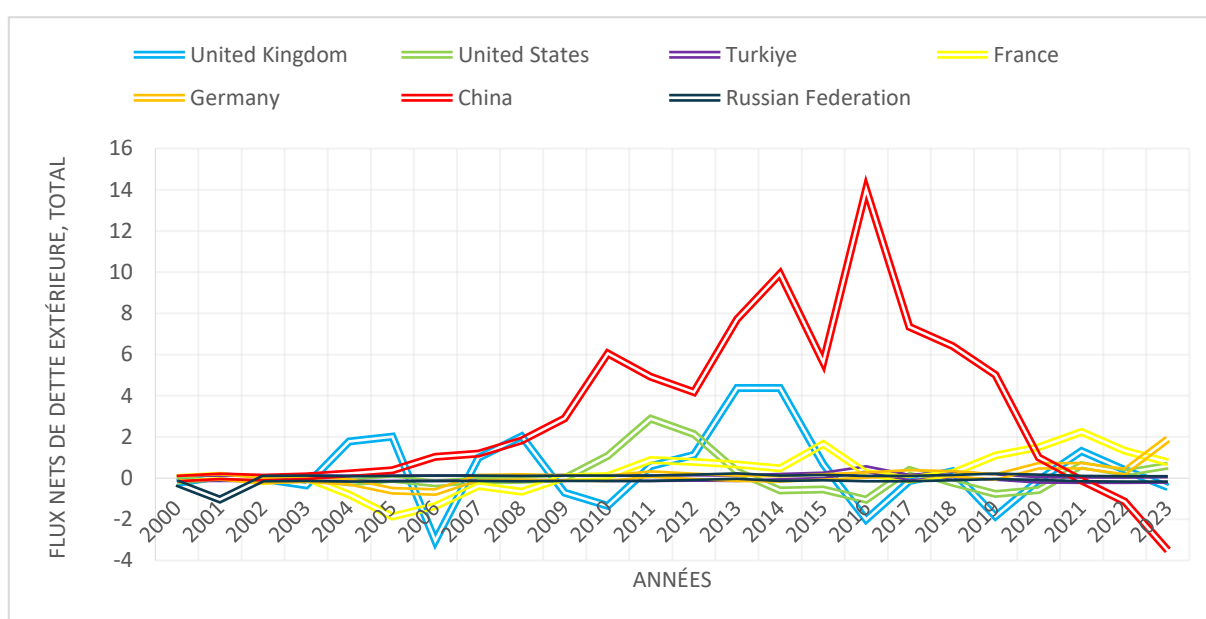


Figure 1. Net flows of total external debt between SSA and its main partners 2000-2023 (in USD billion)
– in RAMSES 2026

Source: World Bank International Debt Statistics (IDS) database.

Is China ready to accompany this development with a new program of grants or hyper-concessional loans to Africa, either bilaterally or through significant contributions to multilateral institutions such as the AfDB or the World Bank? China's massive external surpluses could argue for recycling the latter to poor and vulnerable economies, but the slowdown in its economic growth does not seem to constitute a favourable domestic context for such a development.

We cannot end this series of questions without stressing that the OECD countries do not seem to be really deserting the subject of financing developing countries. Their approach will change, and the process is underway. Thus, the Trump administration has provided the American DFI, DFC, with a new financing capacity (in debt, equity and guarantees) which would be 250 billion per year compared to 60 billion currently. Could there be corrective counter-trends that might emerge to the benefit of countries with room for manoeuvre in terms of public debt,

or mining and oil resources, or even an increased potential to attract FDI, which public institutions would value?

But what is this the name of?

It is important to remember that this crisis of the ODA system is not the first. Between 1990 and 2000, aid volumes fell from USD 120 billion (2024 value) to USD 94 billion, representing a decline in ODA from 0.33% of OECD GDP to 0.22%. It has gone back up, as we have recalled, to 212 billion in 2024, 0.33% of GDP.

If there has been a revival of international funding, it is because the development aid community has carried out a deep reflection on the motivations for aid as well as on its effectiveness, and the strategic landscape has also changed: the nature of globalization has revealed the need to build new global public policies to manage its externalities.

The same task now awaits us. It requires that we recognize a fivefold nature of the current crisis. It is perhaps the most complex that this ODA public policy has experienced, and undoubtedly the most difficult to deal with. This difficulty is not so much due to the questioning of the very meaning of aid: in the 1990s, its *raison d'être* was fundamentally contested and no less profoundly than it is now. The difficulty lies in the fact that the dimensions of this crisis are more numerous than in the 1990s, more intertwined, and that the solutions are, at least partially, in hands other than those of the OECD actors, unlike in the 1990s. Let us list five of them.

The first dimension seems to be a crisis of definition.

What does an international community want, or can want, in terms of cooperation? Does it want one more, first of all? And if so, if one is possible, what should be the objectives?

Do the SDGs still make sense? Which global public goods really deserve a concerned approach?

Can we agree on the fact that we want to accelerate convergence between poor and rich countries, compensate for damage, finance global public goods and help the victims of crises and disasters, both natural and political? These are actually four different sets of goals, which also have different levels of need. Our approach to international cooperation, for example through the SDGs, does not sufficiently distinguish between them, while they emerge from metrics of different objectives, address different beneficiaries, imply different distribution of the burden of financing, and perhaps involve different institutions.

Answering these questions implies going to the fundamentals of the reflection on the convergence between global or common interests and goals. This is particularly true in economic matters. It must be recognized in this debate that all countries pursue legitimate geopolitical, security and economic objectives, China first and foremost. Among these economic objectives, there are exports, of course, but also securing access to critical resources, once largely oil alone but now all the natural resources linked to the ecological transition.

How can we make the pursuit of objectives of general interest at the global level coherent with the achievement of contributing countries' interests, even if the objectives of general interest obviously generate benefits for our own security, and our own strategic objectives?

This is a fundamental node of renewed reflection that must take place in the totally transformed context of the contemporary world. The Trump administration has taken the position that the prosecution of the objectives of general interest must be done through a series of transactions independent of each other. Can we show, prove, that the alternative institutional path is indeed more effective than the Trump version in ensuring both our well-being and that of the poorest countries?

Precisely, it is also a distribution crisis.

The distribution crisis is of course on the side of the beneficiaries. The debates of recent years and the profound change in the nature of public policy have greatly blurred the identification of needs and the relative position of the poorest countries, the real losers, compared to middle-income countries, especially those of the upper class. Finding good allocation criteria is a fundamental task. This is a subject to which FERDI has devoted a great deal of energy by advocating for the concentration of aid towards the most vulnerable countries.

But the distributional crisis is also on the side of the contributing countries. The growing place of China and the BRICS in the world economy calls for a new distribution of the burden of public goods that the OECD countries alone can no longer bear, but this is not the only issue.

	GDP 1960 PPP 2024	GDP 2024 PPP 2024	POP 1960	POP 2024
USA	23%	16%	6%	4%
EU	19%	14%	13%	6%
JAPAN	5%	3%	3%	2%
CHINA	1%	19%	22%	18%
INDIA	7%	9%	15%	18%
S SA	4%	3%	8%	15%

Table 1. Relative evolution of GDP and populations of several major blocs, 1960-2024
Source: Madison Project and UN DESA.

Since 1960, the world's population has grown from about 3 billion to just over 8 billion. The contribution of the major blocs (USA, EU, Japan) has fallen from about 22% of the world's population to about 12%, and from about 47% of global GDP to about 33%. The most priority recipient continent, and also our neighbour, Africa south of the Sahara, has stagnated in terms of the share of its GDP in global wealth. However, it has grown from 220 million people in 1960 to 1.2 billion today, and this is not going to stop: in 2025, the African continent will probably represent 30% of the world's population.

With the end of American aid, there is no chance that Europe, even with a dynamic budgetary posture far from the current trend, will support the financing of global public goods and help African to catch up. Even with the USA, the task would be impossible.

It is not a question of financial resources on a global scale. If the OECD and the BRICS combined devoted 0.3% of their GDP to ODA, it would free up USD 441 billion for the benefit of the BPGs and poor countries, compared to USD 212 billion in 2024 in aid. With 0.5% of the GDP

of the same group, it would be USD 735 billion. But if the EU devoted 0.7% of its GDP to this cause, it would only be USD 178 billion!

The planet has ample room for manoeuvre to both finance public issues in the most advanced economies, which now include China, and finance an ambitious policy of growth and support for collective externalities, which would be concentrated mainly in the most vulnerable countries. But whether in "moral" terms of burden-sharing or efficiency, another contributory system is now needed. We can see the magnitude of the political challenge, which is linked to the third crisis that we can identify.

The third crisis is a crisis of governance.

For the past 20 years or so, we have been accustomed to noting the growing gap between the state of the economic world and the state of the political world as reflected in the governance of international institutions.

It is marked, as we have just recalled, by the reduction in the relative weight of the OECD, and especially within it, Europe, by the increase in the weight of the BRICS, China in particular, as well as by the growing relative demographic weight of Africa and South Asia. These developments legitimize a better inclusion of beneficiary countries in decision-making mechanisms, and on the other hand a greater weight of countries with strong economic growth in these same institutions. As far as the latter are concerned, this development implies a substantial and growing responsibility, particularly on the financial level, as we have also just recalled.

The crisis of governance does not stop at this question of representation and contribution. It extends to the institutional landscape itself. The crisis of governance is also that of the increasing complexity of the institutional landscape and the growing difficulty of the international community in conducting clear and measurable global policies. The explosion of sectoral and thematic funds, particularly in the environmental field, provides an impressive demonstration of this. In addition to a proliferation that scatters funding, makes allocations more rigid, and increases structural costs, there is a growing cost of coordination between institutions, the price of which is paid at the end of the chain by the beneficiary countries. The poorer, more fragile and more dependent they are on aid, the more they are home to many bilateral institutions (several per contributing country often!) and multilateral institutions, often working on the same subjects.

But it would also be too restrictive to deal "only", in terms of governance, with the question of the number and rationality of institutions on the one hand, and decision-making power on the other. The reflection must embrace the complexity of the perception of aid, including among the beneficiaries, which is not simply a question of power (check meaning).

The last decade has seen an increase in the discourse of opposition to aid in public opinion, particularly in Africa, but also within certain governments. Criticisms of aid from these angles are long-standing. They relate to dependence, support for regimes deemed illegitimate and undemocratic, enabling corruption or inefficiency, and the construction of an aid industry disconnected from what the real needs of the beneficiaries are. These criticisms have been strengthened, in the logic of a sovereignist and nationalist sensibility that is universal. We saw a spectacular demonstration of this at the Montpellier summit with the "anti-development"

speeches that we heard there. It has also fuelled a wave of transformation of names in aid institutions, which now proscribe the latter word and that of "development" to fall back on the concept of "partnership".

The governments of developing countries have also fuelled a critical discourse on aid, denouncing, for example, a conditionality that, in part, was intended to respond to criticism of the feeding of bad governance: democratic, ethical, or macroeconomic conditionality. They welcomed China's neutrality on these fronts.

But this criticism of aid has paradoxically gone hand in hand with a demand for increased massive transfers from industrialized countries to poor countries. It has manifested itself not only in the traditional terrain of conferences and dialogues on development, but also in the variety of new processes for negotiating global public goods, especially on the environmental level: climate, biodiversity, and recently plastic, for example. Each COP has its own fund, and its thousand billion of dollars in transfers. Everywhere there is a desire for global, unconditional transfers in the form of subsidies.

The growing tension and what could be called a form of schizophrenia on the part of aid recipients (coexistence of increased criticism and increased demand) has also been accompanied by political autonomy on the part of the recipients. Aid was seen by many major donor countries as a way of supporting friendly regimes or of securing a clientele, in the Roman or imperial sense of the term. The geopolitics of the 2010s have largely exploded this link. Developing countries have benefited from increased competition, in the case of Africa with China, Turkey and others, but also, internally, Morocco. Should we not also reflect on the political meaning of the silence that accompanied the brutal announcements of American aid cuts in developing countries, in a context where each COP had accustomed us to a sometimes-hysterical criticism of the supposed failures of European countries to show international solidarity?

This means that any reflection on financing for development must now either start, or else quickly include, an analysis of the demands of our partners and a detailed understanding of their complexity as well as their contradictions, which we may not know. In other words, it is through dialogue that the next phase of the financing for development architecture will be built.

Fourthly, it is also a question of a crisis of structure.

This situation also has repercussions that may seem more technical, but which are fundamental in terms of measuring flows: the concept of aid appears to be less and less relevant for assessing financing for development, including in its most public part which is most related to taxpayers' budgetary concerns. Efforts are being made, for example through the TOSSD, to regain financial clarity, and thus also to get countries that are already or potential contributors such as the BRICS, which cannot, for political reasons, join the DAC.

We must recreate or rediscover forums, which must be both universal (involving all contributors and beneficiaries alike) without losing their efficient technical character, to deal with issues of measurement and management of flows, as well as evaluation, a dimension that is still too little considered.

Finally, the fifth crisis is operational.

International public financial transfers have been dedicated to an increasing number of challenges and causes. Aid has become "societal", it has entered the intimacy of many countries to defend causes in which we believe, relating to freedoms, diversity, inclusion, and morals.

In doing so, these interventions have also aroused rejection and have caused many of the beneficiaries to lose the legitimacy that had been gained from many donors. If this is a bit of a caricature, it is nevertheless legitimate to question the spectrum of interests of international aid in recent decades and its real societal impact.

Cultural ways of doing things must also be questioned. Arrogance is often the order of the day in aid, on the part of contributors. Recipient countries are often, or sometimes, subject to policy diktats, in the name of doctrines that may in fact prove to be inappropriate. Their listening is partial. Relationships are sometimes disastrous, when they should be the heart of exchanges. In short, the so-called "soft" dimensions are at the bottom of the scale of ways of doing things. It is difficult to imagine that North-South relations, and what is still called aid, can escape a questioning of its relational, symbolic, cultural, and political dimensions.

But the operational challenge is also linked to the old issues of conditionality, the relevance of the financial instruments used (budget aid, project aid, results-based aid, etc.) as well as to the coordination and operational costs of aid. Pierre-Olivier de Sardan has devoted a brilliant book to the "revenge of contexts," posing very challenging questions at a time when aid actors want to "scale up", about the transmission of lessons and experiences *"from one country to another, from one civilization to another"*²³ which also applies to the questions raised in the previous paragraph.

It is remarkable that the aid community, no doubt driven by the continuous growth in aid volumes since the beginning of the century, has questioned its effectiveness and real impact less intensely than during the 1990s. The persistence of very long-term dependencies on the aid of certain countries should at least have inspired us to think more.

This is not “le temps des cerises”, a time for nostalgia and regret, but a time for choices

There is no room in this discussion for nostalgia, for a time that would have been ideal and that has been lost, and that we should try to rediscover. For France and for Europe, and for the players in the ODA system in particular, the time has come for in-depth reviews, which the scale of the budgetary crisis requires.

It will be a question of proposing; and for France, to choose between various possible positions. They will require technical and political solutions that are themselves very different. Given France's integration into the European system, questions and answers must be asked and found simultaneously at both levels. The relative importance of France and Europe in the multilateral system also means that the latter must be considered simultaneously, even if, as has already been said, the answers now also belong to the other major current and potential contributors, such as the USA and China, and must include the beneficiary countries from the outset.

²³ Olivier de Sardan J.-P., *The Revenge of Contexts. Misadventures in Social Engineering in Africa and Beyond*, Karthala, 2021, 480 p.

Needs, or interests, "that is the question"

Any work to reconstruct a vision of French, or OECD countries', international action must start from a dual approach, "needs" and "interests". They must be confronted with each other and consider the macroeconomic reality in order to lead to the identification of various choices for France.

The needs approach is idealistic by nature. It starts from the analysis and measurement of collective problems or moral challenges to which it is necessary or desirable to contribute. This is often the language of multilateral institutions, the United Nations, NGOs, and to some extent developing countries themselves. This is how Coordination Sud reacted to the OECD's announcement of ODA cuts in 2024: *"This decline comes in a context where global needs have never been more pressing: humanitarian crises, climate change, food insecurity, protracted conflicts"*.²⁴

This approach also inspires the mountain of reports and studies that quantify the financing needs of Africa, climate, biodiversity, health, security, water, and education. It is also at the heart of the SDG process. The SDG process assesses humanity's common goals, determines the cost of achieving them, and defines a funding target. But it is also the way in which several international conventions, particularly in environmental matters, work. The billions of dollars are piling up and dizziness is sometimes created in view of figures that seem like mountains of international funding, sometimes at risk of undermining the importance of the role of the countries potentially receiving transfers in dealing with these issues themselves.

But the needs-based approach also has the great merit of identifying problems and mobilizing us positively towards common causes that bring us together, unify us, and make a shared global society by establishing a sense of solidarity, sharing, and common responsibility. This approach is also essential in multilateral institutions. It is the foundation of a vision of global law and the most compatible approach to the ethical inspiration of aid. Finally, without a needs-based approach, which starts from the analysis of a demand expressed or not, potential or not, of the recipients of public and private external financial flows, there can be no rational and effective approach to the financial flows.

The interest-based approach (of contributing countries) has always been present and is at the heart of development aid. But the vision of what these interests are has changed a lot. They can be geopolitical, security, cultural, economic or financial, or health and environmental. These interests can also be pursued through multilateral approaches, in the name of burden-sharing. The alignment of France's interests and the IDA's strategy, for example, actively sought and obtained during the negotiations to replenish this fund, allows France to obtain results that its budgetary means alone would not be able to achieve. The interest of an interest-based approach is to free oneself from the difficult task of defining global issues in order to anchor oneself in a convincing way, particularly vis-à-vis the taxpayer, in concrete subjects where we can debate a win-win agreement with the other parties concerned, and in particular the beneficiary countries.

The beneficiaries can be reassured by approaches that seem more credible to them than our supposed love for them or our virtue; which make us more readable and allow us to discuss as adults and in a respectful way our convergences. But we still need to have a solid analysis of what our interests are, and in particular our most vital interests. In the case of France, this must

²⁴ Coordination Sud, press release of 6 May 2025.

be updated. The world has changed profoundly, France has changed profoundly, but our "software" has not really been updated. The budget cut we are experiencing is proof of this. Either the French government is making a massive mistake in terms of assessing the interests of the nation by reducing the allocations to this policy by 40%, or the budgetary volumes devoted to it were not commensurate with the services rendered. But what services? The page is blank for the moment.

This confrontation between "needs" and "interests" will be all the more fruitful if it introduces reflection, and changes, in France's operating methods and the very nature of the relationship, in all its dimensions, which we hope for and which must be in line with the one desired by our partners.

And here is macroeconomics again!

Reflection on the renewal of an aid policy for France and Europe cannot ignore the new double constraint in which it is now placed.

On the one hand, the general tension in public finances is made even more noticeable by the general level of European and French public spending and the budget deficit. On the other hand, the need for an increase in military spending is being felt. If, on the one hand, it is a question, for France, of spending at least one additional per cent of GDP on defence and, on the other hand, of reducing the deficit by at least three per cent of GDP, if we take as a starting hypothesis a stability of compulsory levies, we can quickly understand the debate about large reductions in public spending and the need for aid policy in particular to prove its necessity. It also implies actively seeking not only a new narrative that would be convincing, or attractive operating methods, but two elements. A demonstration that continuing to do as much or doing more is macro-economically positive for France, and how can we do better and more, possibly with less? Revisiting ways of doing things, finding innovative operational paths, moving away from routine processes, will be essential.

Alternative visions are possible

To do this, we can start with visions, scenarios from which we could build alternative paths. Because there is no absolute truth in this matter, no single possible vision. There are innumerable options. However, we can try to start with three of them to put order into ideas and routes. Let us again take the case of France.

France could see itself as a leader in the construction and maintenance of a renewed global flow architecture, dealing with global issues as well as its deep strategic interests with ambition and dynamism. This goes hand in hand with a high level of budgetary contribution, a significant presence in international institutions, the creation of bold alliances, but above all a clear and shared vision within our political system of the nature of our ambition and what we seek to promote as a world order. The latter could be without the USA. This would be a very incomplete and shaky order, but political reality could lead us to imagine it.

France could see itself as an "intelligent" follower. We would be mobilizing for our overarching interests and would only seek, at the level of our overall contributions and those in international organisations, our fair share of the burden, a level that is probably even lower than

at present in budgetary terms. This would not be incompatible with one-off initiatives on subjects that are critical for us, either because of security or sectoral interest (health?) or because of a commercial issue.

Finally, France could opt for a minimalist posture, seeking to cover our strict vital interests outside our borders, by adopting American-style transactional postures and by placing our multilateral contributions at the minimum possible level, which will undoubtedly lead to a move away from the United Nations and the regional development banks, with the possible exception of the AfDB, and by being a very small player in Bretton Woods. France would focus any initiatives in these forums too only on subjects that are critical for France: migration, security, etc.

In any case, it is essential to revisit old but still current subjects. The place of multilateral financing, for example, in relation to bilateral financing. As soon as we move away from positions governed by institutional interests and summary reasoning, the answer to the question of what type of instrument best supports our interests becomes very complex. The question of linking aid also emerges from these questions, which are too easily and hastily decided one way or the other, and must, whatever the scenario in which we find ourselves, be dealt with in the light of the evolution of the global scene and its transformation since the early 2000s, when France decided to untie its aid.

Obviously, these categories are caricatural and the reality will never be so formalized, or so clear. But proposing these scenarios, assessing their institutional and financial consequences, as well as their impact, on our own national situation and our role at the global and European level, can be stimulating.

Whatever the scenario in which we are enrolled, we must not stop at the policy of financial flows, whether concessional or not, public or private. Trade and migration policies must be summoned to the court of coherence. Many non-financial components of international cooperation are also crucial: research, capacity building, global rules of trade and financial markets, our own standards, etc. We know that in many cases, these non-financial dimensions have an even greater impact on our global issues than financing. They are part of what a new political formulation on the international architecture must include, and all the more so, of course, since our financial resources are constrained.

Morality or interests, is this the debate?

The discourse on interests must absolutely meet the discourse of ethics, and vice versa. A policy that rests exclusively on one and ignores the other would not go very far.

Moral logic has always been present in aid. It was embodied in particular in its humanitarian component. It can continue to exist and mobilise at least part of ODA, but it has also prevailed in the implicit conception of our global system since the fall of the Berlin Wall. We evolved in a "Kantian" universe, with an aspiration for a rule of law based on an ideal vision of global society, which inspired the approach to both development finance and that of the BPGs. Kant and Rawls were our heroes, even if we did not mention them. This vision has been smashed against several walls, all the more because we have never really lived up to this vision, which also accompanied the construction of a global and liberalized economic world. Let us mention two of these walls.

The first is related to the geopolitical transition we are experiencing.

Even a Kantian world cannot function without a gendarme, equipped with a stick and a carrot. Our policeman, the United States, has resigned, thinking that it was not sufficiently paid for this role, but perhaps more deeply and more accurately because it could not or could no longer play this role: still powerful enough to negotiate business and make *ad hoc* agreements, but now not strong enough to impose a world order based on the rule that it could defend, in particular because of the emergence of a potential new gendarme.

But this potential new policeman, China, is not itself strong enough or morally ready to impose and manage a global order, which would work to its advantage. The new hegemon is not (yet) accomplished. China maintains a kind of free-rider vision hoping to see the system work to its advantage for a while longer, perhaps as long as possible, without having to pay the costs and ensure system maintenance. However, China can already create partial systems, as it does in Asia, creating club institutions, such as the BRICS bank, but Japan has done the same with the ADB, for example.

Between two hegemonies, the ride is bumpy. One can even wonder if this new hegemon will actually succeed in emerging and imposing itself, in a world where other very large players, such as India, will inevitably impose themselves as determinants in the long term. This could lead to prolonged chaos, or to a new institutional order still to be negotiated – a very difficult assumption.

But the second wall was the success of development itself.

The development community, out of idealism and lack of imagination, has never thought that the success of development itself, and particularly that based on the export of goods, services and people, which it has promoted so much, dazzled by the succession of trajectories of Japan, ASEAN or China, could impact the social intimacy and economic performance of industrialized countries, the ultimate financiers of the system. It is still unable to imagine the impact on global society, and on us, of an African continent of 3.5 billion people, with GDP per capita significantly higher than today's.

Of course, the slow growth of Western economies, the weakness of their productivity gains, their external financial(?) imbalances, especially those of the United States, and their social problems cannot be summed up by the Asian success. But it would also be naïve to dismiss the impact of the development of emerging countries, and even that of the poorest, on our own Western societies.

Accustomed to looking only at the impact of non-development, we have never in fact thought of the economic planet, let alone the environmental planet, as a system that could be disrupted by the combination of the economic growth and the population growth of countries considered to be developing, with effects that are still largely unknown. Aid is partly a victim of this myopia. Why finance development if it is ultimately to be the graveyard of industrialized societies?

Our task therefore is to rethink whether international cooperation is still possible in a Machiavellian world and no longer a Kantian one, and if so, what cooperation? Can it work for the interest of all, which would bring together morality and selfishness, needs and interests? And should it not also prepare for the advent of a world of tomorrow that is significantly different from that of today, because of the very success of development which we want?

We can bet that Machiavelli would have pleaded for cooperation, if it went in the direction of his own end, which supposes that we know what his end is. Machiavelli, servant of the great Laurent, was in fact a teleological philosopher. He certainly theorized the authorization to use all means, including legal and ethical means, which he preferred for very pragmatic reasons. But it was for an end (in his case the unity of Italy, which happened a few centuries after his death). What is our end, then, and what Italy do we wish to unify, it is by this path that we must pass.

We will find our dear Pascal there, who will help us to open our eyes and look at political greatness for what it does not want to be, naked. This is an opportunity to recall FERDI's favourite quote about global governance, a somewhat mysterious question, it must be said, and one that we could meditate on in depth, as it precisely extends the question I have just asked. In it Pascal speaks of man, and he says of him:

" On what will he base the economy of the world he wants to govern? Will it be on the whim of each one? What confusion! Will it be on justice? He does not know".²⁵

²⁵ Pascal B., *Pensées* (1670). This passage in fact introduces a reflection on the force of custom and the impossibility of referring to absolute justice to create laws. See Guillaumont P., Plazenet L. (eds.), *Pascal et l'économie du monde*, Ferdi, 2023, 230 p.

“Sur quoi la fondera-t-il l’économie du monde qu’il veut gouverner ? Sera-ce sur le caprice de chaque particulier ? Quelle confusion ! Sera-ce sur la justice ? Il l’ignore.”

Pascal



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