

Decolonizing Foreign Aid in the Trump Era: Towards South-South Cooperation

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Introduction

2025 has not come quietly. The United States and Argentina have announced their intentions to pull out of the World Health Organisation. USAID, one of the largest official development agencies in the world with a budget nearing \$43 billion¹ is now seemingly a forgotten apparition of the past. Elon Musk is a household name, and it has only been three months. Amidst these relevant events, the discourse surrounding aid is making a needed resurgence. Is foreign aid effective? Does it take valuable opportunities away from domestic jurisdictions? Are recipient countries ungrateful or corrupt or both? Will populism mark the end of traditional development cooperation? Does foreign aid perpetuate neo-colonialism? So many compelling (and bemusing) conversations have arisen against the backdrop of these swift, monumental changes. In this essay, I will challenge the notion of aid as charity and explore plausible frameworks for conceiving decolonial foreign aid in the Trump era characterized by an increased focus on national security and interests, the spread of populism, the perception of aid as an unnecessary expenditure, and the reconsolidation of economic and political models elsewhere.

Aid is not charity

Development cooperation (of which foreign aid constitutes a subdivision) is defined by the United Nations Department of Economic and Social Affairs by the following four criteria: it explicitly addresses national/international development priorities; it is not profit-driven (although it can be for-profit); it intentionally favours developing countries; and it is constituted by collaborative relationships which improve developing country ownership.² Foreign aid has a slightly narrower scope and is defined as “the transfer of resources from donor countries to developing countries, under concessional terms, to promote social and economic development”³

While these definitions are crucial for grounding contentious discourse, what eventually qualifies as development cooperation or foreign aid can culminate in an even more contentious debate because, as we will see in the course of evaluating the nature of commercial and aid driven transactions between the Global North and the South, the notions of “concessional” or “driven by profit” or the promotion of social and economic development are held rather loosely.

¹ Pew Research Center, “What the Data Says About U.S. Foreign Aid,” *Pew Research Center*, February 6, 2025, <https://www.pewresearch.org/short-reads/2025/02/06/what-the-data-says-about-us-foreign-aid/>.

² United Nations Department of Economic and Social Affairs (UNDESA), *What is Development Cooperation?*, 2016 Development Cooperation Forum Policy Brief No. 1, February 2015, Section: “What is Development Cooperation?”

³ United Nations Department of Economic and Social Affairs (UNDESA), *What is Development Cooperation?*, 2016 Development Cooperation Forum Policy Brief No. 1, February 2015, Section: “What is Development Cooperation?”

In Kwame Nkrumah's *Neo-Colonialism: The Last Stage of Imperialism (1966)*, neocolonialism is described as a system characterized by the appropriation of foreign capital "for the exploitation rather than for the development of the less developed parts of the world."⁴ Consequently, "the struggle against neo-colonialism is not aimed at excluding the capital of the developed world from operating in less developed countries. It is aimed at preventing the financial power of the developed countries from being used in such a way as to impoverish the less developed."⁵ This sentiment holds true now, more than 40 years after the book's initial publication. Hickel et al. (2022) posit via the unequal exchange theory that the economic growth of the advanced economies of the Global North relies on price differentials that extract resources and labour from the global South at a massive scale⁶. "In other words, structural power imbalances in the world economy ensure that labour and resources in the South remain cheap and accessible to international capital... Cheap labour and raw materials in the global South are not "naturally" cheap, as if their cheapness were written in the stars. They are actively cheapened."⁷

Kenneth Omeje reaffirms the same in *Extractive Economies and Conflicts in the Global South (2008)*, asserting that "public money levied from poor people's labour in the form of trade and resource exploitation is transferred to the rich countries in the form of foreign trade. The rich in the poor countries or the elite collect the proceeds and then send them back for safekeeping in banks in the rich countries. The real trick, throughout this cycle of expropriation, is to maintain the pretense that it is the poor in the poor countries who are being helped all along by creating jobs for them in their communities, which is far from the reality"⁸

Stated differently, foreign trade often affirms and actively reinforces the power structures and aims established during colonialism. These structures intentionally, willfully, and openly enrich Global North economies (and their populations) at the expense (both literal and metaphorical) of the Global South. Their politicians are social justice warriors, appalled by the supposed agenda of establishments who prioritize the welfare of far away populations over their own, in skillful ignorance and avoidance of the truth - that the very comfort upon which they depend to boldly believe these falsehoods is maintained and funded by the unequal power exchanges they repeatedly perpetuate in foreign trade, and then "compensate" via aid.

⁴ Kwame Nkrumah, *Neo-Colonialism: The Last Stage of Imperialism* (New York: International Publishers Co., Inc., 1966), x.

⁵ Kwame Nkrumah, *Neo-Colonialism: The Last Stage of Imperialism* (New York: International Publishers Co., Inc., 1966), x.

⁶ Jason Hickel, Christian Dorninger, Hans Wieland, and Intan Suwandi, "Imperialist Appropriation in the World Economy: Drain from the Global South through Unequal Exchange, 1990–2015," *Global Environmental Change* 73 (2022): 102467, <https://doi.org/10.1016/j.gloenvcha.2022.102467>.

⁷ Jason Hickel, Christian Dorninger, Hans Wieland, and Intan Suwandi, "Imperialist Appropriation in the World Economy: Drain from the Global South through Unequal Exchange, 1990–2015," *Global Environmental Change* 73 (2022): 102467, <https://doi.org/10.1016/j.gloenvcha.2022.102467>.

⁸ Kenneth Omeje, *Extractive Economies and Conflicts in the Global South* (Aldershot: Ashgate, 2008), 157.

Then there is the matter of tied aid characterized by the procurement of goods and services for aid projects from donor countries, resulting in a hike in procurement prices beyond world market prices by 25 - 30%.⁹ “Indeed, tied aid has long been a way for donor governments to pursue mercantilist policies. While subsidizing exports is not allowed by the World Trade Organization, purchasing or financing the purchase of goods to be sent to recipient countries under the guise of aid can amount to the same thing.”¹⁰ In other words, aid often amounts to the intentional undermining of domestic industries in developing countries through the provision of aid, which amounts to the subsidising of donor country exports.

Even though aid from international organizations such as the International Monetary Fund may be considered untied, in that they are not formally associated with the procurement of goods and services from any particular country, like many other sources of untied aid, they are undermined by power asymmetries which larger states use to their advantage to impose conditions which suffice to say, are not always in pursuit of the strategic objectives of the recipient state.¹¹

Thus, notwithstanding the reality of an insidious cycle of corruption spanning the global north and south, the rhetoric in the news, in election campaigns, and from populist leaders would have the layman conclude that the source of his misfortune must be the aid his country deploys to other countries. Rather than to him, as though there is a fundamental, rigid, binary dichotomy between the enricher and the enriched.

Now there is an argument to be made for the mockery corruption makes of our legal systems, the individuals and corporations who are enriched despite cost-of-living crises and stagnant wages, and the corruption of the elites who continue to become wealthier despite the increasing costs borne by those who do not belong to this nobility. That is no less true than the pursuit of strategic and economic interests, the provision of jobs, or perhaps more accurately, the strengthening of the wealthy in donor countries, oiled by the deployment of foreign aid. That is neither a value judgment nor an indictment upon its effectiveness or lack thereof. It is merely a fact.

This paints a particularly depressing picture of the future of foreign aid and perhaps development cooperation as a whole...but only between the global north and the global south.

⁹ Clark C. Gibson, Krister Andersson, Elinor Ostrom, and Sujai Shivakumar, *The Samaritan's Dilemma: The Political Economy of Development Aid* (Oxford: Oxford University Press, 2005), 118.

¹⁰Gibson et al., *The Samaritan's Dilemma*, 118.

¹¹ Randall W. Stone, The Scope of IMF Conditionality. *International Organization*, 62, no. 4 (2008): 590, 10.1017/S0020818308080211.

The Future: South-South Cooperation?

South-south cooperation has emerged in the past couple of decades as a viable model for long-term development, which “fosters inclusive growth, mutual learning, and shared success”¹² for 3 key reasons. The first is based on the notion of developmental proximity; “the assumption that many Southern donors face challenges similar to those in developing countries and offer relevant know-how.”¹³ Moreover, emerging powers have “firsthand experience in implementing development as well as receiving aid.”¹⁴ The second is that south-south development partners prioritise horizontal partnerships and “mutual benefits”¹⁵ over vertical donor-recipient relationships and “political conditionality.”¹⁶ The third is that they promote and give credence to the relevance of the UN organisational apparatus, which they are still largely dependent on as a mechanism. Some notable examples of SSC are China’s Belt and Road Initiative, the India, Brazil and South Africa (IBSA) Fund, and the India-U.N. Development Partnership Fund”, financing mechanisms “from and for the South”¹⁷ which offer “an alternative to the prevailing system of development cooperation by fostering a participatory approach to development, encouraging collective self-reliance, and creating more integrated development cooperation.”¹⁸ It also bears emphasizing that intra-relations amongst the global south are bonded by the shared understanding to different degrees of what is known by the Chinese as the century of humiliation. Different states might define it uniquely, and perhaps for some, it has gone longer than 100 years, but the legacies of paternalism endure, and with them, an experience rather than value-based camaraderie.

These benefits are reasonably accompanied by critiques ranging from their being “motivated by mere self-interest rather than enlightened self-interest.”¹⁹ to the lack of data available to assess their merit, to the lack of capacity for SSC to truly rival the scope and impact of traditional ODA from developed countries in the Global North.

While self-interest is hardly the most scornful deterrent amidst the backdrop of global politics today, a lack of capacity can be built upon and requires the strengthening of political institutions upon which it can

¹² Al-Khatib, Dima. “South-South Cooperation: A Pathway to a Sustainable and Inclusive Future.” *Columbia University – Multilateralism & International Organizations Initiative*, September 12, 2024, <https://multilateralism.sipa.columbia.edu/news/south-south-cooperation-pathway-sustainable-and-inclusive-future>.

¹³ Carolina Milhorange, and Folashade Soule-Kohndou. “South-South Cooperation and Change in International Organizations.” *Global Governance* 23, no. 3 (2017): 461–81. <http://www.jstor.org/stable/44861137>.

¹⁴ Milhorange and Soule-Kohndou, “South-South Cooperation and Change.”

¹⁵ Milhorange and Soule-Kohndou, “South-South Cooperation and Change.”

¹⁶ Milhorange and Soule-Kohndou, “South-South Cooperation and Change.”

¹⁷ Homi Kharas. “The Global South and Development Assistance.” *Brookings Institution*, 2019. <https://www.brookings.edu/articles/the-global-south-and-development-assistance/>

¹⁸ Kharas. “The Global South and Development Assistance.”

¹⁹ Emma Mawdsley. “Human Rights and South-South Development Cooperation: Reflections on the ‘Rising Powers’ as International Development Actors.” *Human Rights Quarterly* 36, no. 3 (2014): 630–52. <http://www.jstor.org/stable/24518261>.

stand as a foundation. For decades, since the independence of several countries in the global south and particularly on the African continent, the narratives regarding the corruption of the new political elite have pervasively dominated the airwaves domestically and abroad, eroding national and international confidence and perceptions of their capacity to receive the support provided in a meaningful way. This narrative of corruption as a broad, amorphous concept is challenged by Yuen Yuen Ang in *China's Gilded Age: The Paradox of Economic Boom and Vast Corruption* (2020), Ang unbundles corruption into 4 key categories, namely: petty theft (corruption within state bureaucracies), grand theft (high-level embezzlement), speed money (bribes which speed up processes), and access money (elite power for-profit exchanges). She further argues that the first three types of corruption impede growth, but the latter facilitates growth and economic expansion because “contrary to popular beliefs, the rise of capitalism was not accompanied by the eradication of corruption, but rather by the evolution of the quality of corruption from thuggery and theft toward sophisticated exchanges of power and profit,”²⁰ enabled by strong political institutions.

That is not to suggest that corruption should be pursued or that it is advantageous. It is, however, to consider that if institutional incentives for corruption are constantly transforming, but never disappearing, “a better question to ask, therefore, is not whether corruption will disappear but whether it could manifest itself in new forms and through new avenues”²¹ which are not injurious to economic growth and development and therefore facilitate more equal cooperation of global southern states amongst each other by leveraging knowledge sharing between emerging powers and less developed countries.

It is also to acknowledge that beyond the mainstream notions of corruption or aid that have become so commonplace in the past decade, there are thinly veiled truths which are not as palatable, not as useful for wielding against othered groups, not as colonial and paternalistic in their stance. And for breaking that fourth wall in our understanding of the west, and the global north as a whole, Donald Trump bears thanking.

Ultimately, decolonising foreign aid and development cooperation as a whole requires prioritising the elimination of barriers to intra-global south cooperation, the development of mechanisms via the United Nations or bilateral cooperation treaties to accommodate and facilitate SSC, as well as the addressing of internal institutional structures and incentives which remain barriers to the development of strong political institutions, and consequent economic growth. It is not that the future of global north and south relations is permanently halted or that the sum total of its operations is colonial. It is rather, as Kwame Nkrumah rightly concludes, that “a continent like Africa (and the global south as a whole), however much it increases its

²⁰ Yuen Yuen Ang, *China's Gilded Age: The Paradox of Economic Boom and Vast Corruption*, Cambridge University Press, 2020, p. 14

²¹ Ang, *China's Gilded Age*, p. 202.

(agricultural) output, will not benefit until it is sufficiently politically and economically united enough to force the developed world to pay it a fair price.”²²

²² Kwame Nkrumah, *Neo-Colonialism: The Last Stage of Imperialism* (New York: International Publishers Co., Inc., 1966), p. 9.

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