



Book Review: The Rise and Fall of DFID

Simon Maxwell

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Lowcock, M., and Dissanayake, R. (2024). [*The Rise and Fall of the Department for International Development*](#). Centre for Global Development.

A review by Simon Maxwell

Mark Lowcock and Ranil Dissanayake (henceforth M&R) have written a [history of DFID](#) [the former UK Department for International Development] from 1997 to the first days of the Starmer Government in 2024. They are both DFID veterans: Mark, of course, rising to be Permanent Secretary; and Ranil as an economic adviser. Theirs is a history marked by nostalgia for the golden age after 1997, as well as despair, or even almost bitterness, about the damage done to the Department after 2016. There is also an optimistic message, however, especially about the value of aid.

The book ends with four lessons, relevant to both the UK and other donors in international development and global affairs. These are about long-term vision, building an organisation to deliver the vision, generous funding, and partnerships. Two questions then arise. Is the history right? And are the lessons the right ones to draw, for the UK and others?

A personal note

We will get to those, but first a personal note to provide context for what follows. I have been at this for a long time: as an economist on a UK aid project in Bolivia in the 1970s; founding member of the [Independent Group on British Aid](#) (IGBA), which launched the poverty-focused concept of Real Aid in 1982; unofficial and occasional advisor to ministers and shadow ministers from the mid-1990s; Director of [ODI](#) from 1997 to 2009; Specialist Adviser to the [International Development Committee](#) of the House of Commons from 2011-2017; and, of course, someone with a [research interest in the topic](#).

The argument

Anyway, on to the book. There are four chronological sections, covering: (a) the Clare Short years from 1997-2003; (b) the remaining Labour years to 2010; (c) the coalition years to 2015 and through to 2016; and (d) "The Fall", 2016 to the present day. The history is interspersed throughout with discussion of and data on development trends (which I'm afraid I skipped). What do we learn?

Part I covers the decision to create DFID, the strengthening of the Department, various aid and non-aid initiatives, and, especially, the role that Clare Short and her team played in

embedding the [Millennium Development Goals](#) (MDGs) in the UK and internationally. The last chapter in this section offers a verdict on the Clare Short years: “The capability, reputation, culture and effectiveness of the department . . . strengthened substantially in these years”. In the authors’ rendering, Clare Short’s leadership did not quite achieve this on her own – Tony Blair and Gordon Brown are allowed a part. If, as M&R argue, “the most important test of leaders is what is retained from what they did years after they have moved on”, then this period is also a testament to their effective leadership.

Part II describes DFID’s growing concern for conflict, state fragility, insecurity, corruption and governance. It notes the increasing budget, lists a series of administrative reforms, and celebrates the level of decentralisation which gave DFID country managers more leeway than most other aid counterparts. A key feature during this period is the growth of cross-party consensus on aid. And of course, these were the years of the [Africa Commission](#), of pressure for debt relief, of [Make Poverty History](#), and of the [Gleneagles Summit](#). Importantly, development survived as a UK priority during the financial crisis from 2008: this alone justifies a positive scorecard for the Department at the end of a decade marked by austerity measures implemented by the UK Government.

Part III covers the Coalition years and the Conservative Government up to the Brexit vote in 2016. The development problem was “getting more complicated”, M&R write: climate change was growing in importance, while humanitarian relief, linked both to environmental crises and conflict, was absorbing an ever-larger share of the budget. Cameron himself led global work to design the (ultimately over-loaded, in their view) [Sustainable Development Goals](#) as the successors to the MDGs. During this time too, [0.7 became law](#). But [Andrew Mitchell](#) (Secretary of State from 2010-12) and his successors noted that support for development spending was shallow, and invested in [value-for-money](#), a focus on [results](#) and [independent evaluation](#) of aid impact. This, M&R conclude, “failed to head off the right-wing critics. They were technical and evidentiary responses to what was ultimately a political problem”.

Part IV covers a period of “chaos . . . political turmoil and policy confusion”. M&R lament the erosion of the commitment to poverty by successive ministers from 2016 onwards. “To the extent”, they say, “that [the political leadership of DFID] had any policy agenda at all on development, the Government’s narrative focused in an increasingly transactional way on a few issues – especially health, education, humanitarian response, and help for women and girls”. There was also “a deluded desire to pretend that Britain mattered more, and had greater influence on the world stage, than it did”. And then, of course, in 2019, DFID was

merged with the Foreign Office to create the [Foreign, Commonwealth and Development Office](#) (FCDO), and aid was cut from 0.7 to 0.5 percent of GDP. In subsequent years, there were cuts to the aid budget that got increasingly more severe: “Ministers presided over the destruction of much of DFID’s capability to manage development policy and programming, and a tarnishing of the UK’s international reputation”. Oh, dear.

To the lessons. As noted, there are four. First, a long-term vision, backed up with clear objectives and a persuasive theory of change. M&R argue that the MDGs offered this, while the SDGs do not. Second, building an organisation to deliver the vision, distinguished by strong leadership, a coherent culture, effective systems and processes, and of course good people. Third, generous resourcing. And fourth, strong partnerships, across Whitehall and internationally.

Is the history right?

So, is the history right? The book covers a lot of ground and is based on many interviews. It offers a passionate, evidence-based and welcome defence of development cooperation.

There is one regret, which is that M&R do not seem to have interviewed any of the Advisers or SPADs who worked for ministers or shadow ministers during the period. David Mepham would have been a particularly valuable source, given his experience with Clare Short and her predecessors before 1997. Sadly, David died in 2018. One anecdote of his, though, is that he had to rewrite the opening chapter of the [1997 White Paper](#) pretty well from scratch, because the civil servants didn’t get it. I wish we could ask him to say more about that. The many others who served deserve recognition. One of them, Stephen Doughty, is now a Minister himself.

There is an immense amount of detail in the book, bringing to mind debates which energised us as researchers at different stages. [Can poverty reasonably be defined in money terms?](#) [How can donor countries be held accountable for the quality of their partnership with poor countries?](#) Is budget support a good idea? Does aid actually work? [Is the focus on results the rabbit hole it often appears to be?](#) [What can be done in fragile states?](#) There is also a discussion to have over drinks one day about how different ministers and senior civil servants are ranked.

Let me just make a few points.

1) Yes, DFID was excellent in the 2000s, but I am not convinced that was mainly the result of creating a new Department. Clare Short asked me to write her a paper before the 1997

election on whether a separate Department was a good idea. Annoyingly, I can't find it. But I concluded that there were arguments on both sides, and that the decision was a bit of a toss-up. Clare said that the big advantage of being a Cabinet Minister was that she would be able to button-hole Gordon Brown while waiting to go into Cabinet or while sitting next to him on the front bench in the House of Commons. There was also an argument that you would have a better minister if they were in the Cabinet. That is a theory some would say has been tested in recent years.

People from other countries often asked me about the UK model. I would reply that, compared with other countries, usually with fragmented aid and development architectures, even the predecessor Overseas Development Administration (ODA) offered advantages compared to other systems: responsibility for aid policy as well as implementation; for development aid as well as humanitarian aid; for both financial and technical assistance; and with strong engagement with the Bretton Woods institutions and other multilaterals.

What is the DFID counterfactual? It is worth asking what the UK development offer would have been in the 2000s if ODA had been retained and strengthened, with Clare Short at the helm and more money to spend.

More recently, the merger has obviously created many problems, and many good people have left. On the other hand, [I set nine tests for a successful merger](#), and most of those have been met. They were: Commit to 0.7; Retain poverty focus; Adhere to DAC rules; DFID (= development) membership of Cabinet, National Security Council; Own Permanent Secretary; Own staff including 700+ professional advisers; Own Select Committee; A voice on non-aid matters; and Retain ICAI.

The big failure is 0.7, with M&R clear about the cost of cutting aid and diverting resources to support refugees and asylum seekers in the UK. There should also be special stress on protecting (or perhaps now rebuilding) the professional cadres, which was/is definitely a UK comparative advantage. Whether this is done within FCDO or by returning to a dedicated Department of State, as M&R recommend, can be considered a second order question.

2) Clare Short deserves a lot of credit for re-energising the aid programme and for pushing the MDGs at a critical time. It is also true, as M&R note, that she was often impatient with NGOs and (some) academics. I can think of at least one good anecdote of my own to that effect, which caused me a great deal of anguish and some difficulty as Director of ODI. The MDGs were characterised by time-bound targets (e.g. halve poverty by 2015). But there was

quite a [push-back against targets in the early years of the Blair Government](#), and the [MDGs raised similar problems of oversimplification and perverse incentives](#). Adrian Wood, when Chief Economist at DFID, used to say that it was important to “take the MDGs seriously, but not literally”. But I have said in public since that Clare Short was right to foreground the target-based approach of the MDGs, and I may have been wrong to nit-pick. The Christmas tree SDGs are another matter . . .

It is also important, though, to give even more credit than M&R allow to Tony Blair and Gordon Brown. M&R are quite grudging about Blair, in particular. But the progress made in the 2000s would not have been possible, for example at Gleneagles, without top-level leadership focus on high-level strategy. Why, one wonders, did No. 10 often describe DFID as the “big NGO down the road”? Why did one Permanent Secretary once complain that “there are not enough good people in DFID” to send around Whitehall? And why did one (Labour) DFID minister lament that DFID had too much body and not enough brain?

3) M&R are sceptical about what they describe as the “toothless” act to legislate for 0.7. I’m not sure about that, but maybe that is just because I was one of those advocating for it. It reflected a long debate through the 2000s and later about how to protect the level of aid. The commitment to 0.7 played an important part in the effort to build cross-party consensus: indeed, the commitment became a competitive issue between the parties. Yes, the commitment was abandoned when it became politically unpalatable – but the least that can be said is that having the commitment in place raised the embarrassment threshold when it was abandoned.

4) While the book has quite a lot to say about non-aid issues, arguably it does not say nearly enough. From the perspective of 2024, it is possible to make the case that non-aid issues are much more important than aid (with the exception of humanitarian relief as well climate finance, which many people do not think counts as aid at all). But the IGBA Report [Aid is Not Enough](#) was published in 1984, and of course many development experts worked on trade, finance, peace-building, migration and other non-aid issues both before and after. By the early 2000s, [Inge Kaul’s book on Global Public Goods](#) (published in 1999, not referenced in M&R) had helped reshape the development debate. By the middle of the decade, I was writing about the different development cooperation needs of the [20% Club, consisting of countries that were aid dependent, and the 0.2% Club, comprising countries that were not](#). A decade later, the International Development Committee wrote a major report on [Beyond Aid](#). By then, climate change ([finally](#)) worked its way to the top of the agenda, with [Rory Stewart](#)

[describing the issue as a 'cataclysm'](#) that had to be front and centre in development work. Here is a conclusion for M&R: a test of the effectiveness of a development agency is how well it shapes national policy on non-aid issues.

5) M&R hint at the importance of multilateralism but do not fully explore it – in terms of either aid spending or policy. M&R note in their chapter on the 2000s that “multilateral agencies are often effective but rarely efficient”, and they mention but do not discuss Andrew Mitchell's [Multilateral Aid Review](#). They do not analyse the reasons or consequences of the deep cultural affinity between senior DFID officials and the World Bank, often the default recipient of DFID resources. The EU deserves a chapter of its own in a history of DFID, and so do efforts to improve the performance of the UN. The materials in my cupboard are eloquent on both. I was writing in the mid-2000s about the competences required in DFID to deal with the multilaterals ([‘Spyglass, Spigot, Spoon or Spanner’](#)). M&R are also dismissive of the [Douglas Alexander White Paper in 2009](#), which committed to putting a higher proportion of new resources into multilateral agencies, to support reform.

6) Finally, I think it is important to recognise that DFID, wonderful as it was etc . . .etc . . . before the fall, was also sometimes seen as over-reaching. The [DAC Peer Review of the UK in 2014](#) had many positive things to say about DFID, but it also made the point, politely, that DFID was gummed up by targets, procedures and transactions costs, and had become (my words not M&R's) a bit of a global bully. With respect to humanitarian aid, the Review noted that “there is a fine line between ensuring UK priorities are implemented, and listening to, and respecting, the positions of others on the global stage”. It also argued that “the UK needs to manage the risk that its focus on reporting to domestic audiences weakens its engagement on mutual accountability”.

Lessons for the future

How about the lessons for the future? In thinking about these, I reflect on the above, but also draw on two recent books: [On Leadership: Lessons for the 21st Century](#) by Tony Blair, and [Failed State: Why Nothing Works and How We Fix it](#) by Sam Freedman. The former reinforces the M&R point about vision and leadership. The latter picks up a number of points made in M&R, not least the negative impact of a high turnover of ministers. Just four points.

1) A key conclusion is that aid matters and that it works for the most part. But I would suggest that this is not entirely dependent on organisational configuration, even if it is closely linked to it. Aid can make an important difference because of need. As the [November 2024 G20](#)

[communique](#) concluded recently: “With only six years left to achieve the ...SDGs..., progress towards only 17% of the SDG targets is on track, nearly half are showing minimal or moderate progress, and progress on over one third has stalled or even regressed”. So (more) aid is needed to meet the ambitions of the SDGs.

Clearly, aid is not the only answer to faltering progress, and attribution is sometimes difficult, but M&R make the case convincingly that cutting aid hinders development. In this context, diverting aid destined for developing countries to pay for costs of housing refugees and asylum seekers, in the UK and elsewhere, can have strongly negative consequences. [Total ODA spent on hosting refugees in donor countries in 2023 was \\$US 29 bn](#), with 11 out of 28 DAC members allocating more than 15% of “aid” towards that.

2) The conversation about what “development” means today is not over. The framing of [Andrew Mitchell's 2023 White Paper](#) was pretty good. Remember it had seven over-arching themes:

- Going further, faster to mobilise international finance to end extreme poverty, tackle climate change and biodiversity loss, power sustainable growth and increase private sector investment in development.
- Strengthening and reforming the international system to improve action on trade, tax, debt, tackling dirty money and corruption, and delivering on global challenges like health, climate, nature and energy transition.
- Harnessing innovation and new technologies, science and research for the greatest and most cost-effective development impact.
- Ensuring opportunities for all, putting women and girls centre stage and investing in education and health systems that societies want.
- Championing action to address state fragility, and to anticipate and prevent conflict, humanitarian crises, climate disasters and threats to global health.
- Building resilience and enabling adaptation for those affected by conflict, disasters and climate change, strengthening food security, social protection, disaster risk financing and building state capability.
- Standing up for open inclusive societies, for women and girls, and for the protection of rights and against their roll-back.

The White Paper was less good on the implementation side. As I [commented at the time](#): “The White Paper . . . does a pretty good job of diagnosis and with respect to a guiding policy. There are lots – lots – of actions, presumably coherent. What is not clear to me, though, is what choices have been made. . . . There are lots of 'we wills', which is fine, but I would love to see a list of 'we won'ts'”.

Which Government globally has done better? And will the new Labour Government feel the need to produce its own White Paper?

3) It goes without saying that the world order is exceptionally fragile, with consequences that range across development preoccupations, from conflict to trade, from democratic backsliding to organised crime, and from migration to climate change. In this context, development cooperation cannot just be about aid, but has to be about rebuilding the global order. Building on the lessons of collective action theory, development has to be [about creating a culture of collaboration, about incentives and disincentives, and about strengthening global institutions](#). A tall order at least for the UK, less powerful and less well-connected than it was in 1997, and likely to face major international disruption in the coming years. Development strategy needs to start with an analysis of this question.

4) Whatever the organisational configuration, this job cannot be done by development specialists alone. The development challenge now is cross-sectoral, cross-disciplinary, cross-border, and cross-instrument. Having a development voice at the heart of international policymaking is essential. My view? An FCDO is better suited to this than a separate FCO and DFID. The priority is to make FCDO as good as it can possibly be.

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