

Grants to persons and bodies

Much of government is a great recycling machine. It collects huge sums from taxpayers, and redistributes money to people, companies and institutions that it judges worthy or in need of it. Much of Parliamentary debate is about who should receive these grants, and about whether they are paid enough.

The most contentious grants are those to foreigners. The Coalition, the present Conservative government and the Labour Opposition all defend the idea that 0.7% of our GDP or 1.7% of our total public spending should be granted to overseas governments and companies operating in overseas places where incomes are low. The UK is one of the few countries to meet this UN target, with rich countries like the US and Germany refusing to get anywhere near it.

In order to hit the target there are times when ODA has made grants which many people and some of the press and media have thought foolish or inappropriate. There are rules over what is allowable as an overseas aid payment under the UN rules. There has been considerable argument within government over what should legitimately be included, and what flexibility there is within the UN rules.

For the rest of this article I am accepting that the current Parliament has no wish to repeal the legislation requiring us to spend 0.7%. Some of you may write in again to complain, but the reality is this is now widely accepted across the parties. I wish to explore what is and what should be included within this total.

The UK, for example, undertakes humanitarian missions using its armed forces. When they are called out to assist with an ebola outbreak in Africa I think all their costs for the duration of that mission including overheads and salaries as well as the accepted marginal costs should be charged to the Overseas Aid budget. What better example of good aid could there be, than UK personnel giving direct relief to the sick in a low income country.

The UK also often uses its military to undertake peace keeping missions in low income countries. Keeping the peace is fundamental to the success of any aid programme and programme of economic recovery. One of the main requirements to allow better growth and higher incomes in low income countries is stronger law and order. Shouldn't this also be fully allowable as a charge against the overseas aid budget?

The UK gives refuge to many people fleeing violence, and to many economic migrants who have come from low income countries. Some of the initial expenditure is allowable as aid. Shouldn't all the set up costs of a refugee be part of our aid budget? We need to provide an extra home, extra school place, extra surgery and hospital capacity.