

The Lords, development aid and what really needs to hap...

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As [the Guardian reports](#):

UK peers are urging the UK government to drop its commitment to spend 0.7% of gross national income (GNI) on aid, arguing it prioritises spending over results and jeopardises the quality and effectiveness of aid programmes.

I am one of the founders of the Tax Justice Network, and it has a clear development focus, so I have an interest in this issue.

And so it may surprise some that I have some sympathy the the headline message the Lords deliver, although none with the substance. The Lords report is, from all I can read, petty small mindedness of the very worst and most selfish Tory kind. It has rightly been dismissed out of hand.

And yet, the aim has to be for a world where aid is not needed because the countries now receiving it can stand on their own feet. Of course, many of them would if only we did three things. The first is pay them the right price for what they produce. But because of transfer mispricing abuse - which I have argued in a recent World Bank book could plausibly be \$160bn a year - somewhat bigger than the total world aid budget, they have no chance of getting that right price.

Second, we do, of course, have to make sure that these countries get the tax owed to them, but with the UK [failing to support country-by-country reporting](#) and [condemning measures taken by developing countries to beat tax haven abuse](#) its hard to see how that will happen.

Third, we need to stop the corruption that riddles these countries. Some of course is domestic and that requires local will. Much is not. Much goes through tax havens where a pinstripe mafia of bankers, lawyers and accountants handle the funds. That's why the Tax Justice Network oppose tax havens and the abuse they permit. One of their major roles is to continue world poverty.

Without these three reforms we cannot end aid.

But their lordships don't say that. They just say we shouldn't send aid. And that's just gratuitously offensive playing to base instincts that they, presumably, share.