

The Geopolitical Impact of USAID's Retreat on Humanitarian Aid: Towards a Complementary Approach between China and the EU?

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Trump's decision to cut funding and stop most of USAID's projects will have lasting consequences. First and foremost, it adds great pressure on an already big funding gap. Forgotten and underfunded crises will suffer from it. But Trump's action will also bear an effect on the nature of humanitarian aid itself. USAID's retreat accelerates a geopolitical shift. China, "Champion of the Global South", will inevitably fill the void and promote its own model of foreign aid. Development, economic and humanitarian rationales are therefore expected to be increasingly mixed at the expense of a principled approach. What could in turn the EU, and Belgium within it, do? Could they play the role of a "missing link" and promote a complementary approach to China? This brief offers insights on some questions ahead of the upcoming European Humanitarian Forum.

1. INTRODUCTION

The Trump administration has plunged the international system into chaos since it announced new trade tariffs. The rising commercial war with China, and this time also with the EU, has evidently pulled all the focus on looming economic catastrophe. Trump's first two months in office were actually softer on China than all the campaign rhetoric and the anti-China hawks that are part of his administration would have led us to expect. One could even argue that Trump gave China a sizeable gift, similar to the one made at the start of his first term in 2017. The brutal disengagement from international agreements has indeed, once again, left China significant room for political manoeuvring. Among several tactical retreats designed to "Make America Great Again" but that risk "Making

America Alone",¹ we focus here on the impact of USAID's financial gutting and coming dissolution.

Our argument is twofold. First, we foresee the lasting impact of humanitarian aid transformation on the broader geopolitical environment. China, "Champion of the Global South", indeed now disposes of a clear path ahead for deepening ties with partners abandoned by the U.S. What does that mean for the system? Second, we outline that the increasing instrumentalization of humanitarian aid for political and economic gain has durably complexified its good implementation on the basis of a principled approach. This geo-politicization of humanitarian aid, whose acceleration can already be perceived after USAID's retreat, reduces precisely the distinction with development aid. Yet the short-term and apolitical essence of humanitarian aid is paramount to its efficiency and good repartition among multiple crises. It is also paramount if humanitarians wish to maintain relatively easy access to the field, especially in man-made crises.

Amid this reorganization of humanitarian aid and the geopolitical stakes that revolve around it, we question the EU's and Belgium's role. Could they be the "missing link" to bind a fragmenting sector suffering from an ever-broadening funding gap?

2. AMERICA, ABSENS HAERES NON ERIT!

The events unfolding in the U.S. result from a long-term trend. The U.S., until recently one of the longest-standing humanitarian donors, has historically adhered to universal humanitarian principles such as neutrality and impartiality, ensuring that aid was not swayed by foreign

policy interests.² But this approach had already slightly evolved during the rebuilding of Europe after World War II. There had indeed been a broad bipartisan agreement that foreign aid can be a tool for securing alliances, stabilizing economies, and promoting prosperity. Then, in the post-Cold War era, geopolitical and geo-economic factors began influencing U.S. humanitarian aid, especially through joint military and humanitarian missions in post-Soviet states.

Under both the Trump and Biden administrations (2017-2025), U.S. aid became even more politically motivated, often aimed at countering China's rising influence in regions like Africa, Eurasia, and Latin America. This shift became particularly evident during the COVID-19 pandemic, when the U.S. moved away from its traditional focus on neutrality and impartiality. We could indeed see clear prioritization of aid to countries with higher democratic rankings or those aligning with U.S. foreign policy.³

Trump's decision on March 10, 2025, to terminate roughly 5,200 of USAID's 6,200 programs (80 to 90%) by July 2025 constitutes a drastic new stage, several steps further than expected. It bears lasting consequences as it contributes to the unravelling of the current international order. Humanitarian aid is closely linked to the norms and values of the global liberal order that encompass human rights, economic interdependence, and democracy in the broadest sense. To target the concrete expression of humanitarianism shakes to its core the essence of many international treaties, rules, principles, and institutions.

As a reminder, the principle of *humanity* asserts that solutions must be found to human suffering wherever it occurs, with particular attention to the most vulnerable populations. The principle of *neutrality* dictates that humanitarian aid must not favour any side in armed conflicts. The principle of *impartiality* means that humanitarian aid should be provided solely based on need, without discrimination. Lastly, the principle of *independence* emphasizes that humanitarian objectives must be separate from economic or military goals.

The international humanitarian sector faces a principles crisis. Both state and non-state actors more and more openly question the four fundamental principles endorsed by two UN General Assembly resolutions (46/182 and 58/114). The "pure humanitarianism" paradigm is being challenged by "state-driven humanitarianism", that is the political instrumentalization of aid towards other rationales (e.g. security and migration).

At the same time, we must acknowledge that contestation also emerges from civil society. "French Doctors" are for instance increasingly and repeatedly arguing against historic principles such as *neutrality*, retorting that some crises and contexts ask for political positioning and plaidoyer towards and for true victims.⁴

Today, humanitarian aid is a complex sector under stress. Conflicts are unprecedentedly violent and protracted, targeting civilians and frontline humanitarian workers. They are furthermore compounded by rising climate-related disasters. But despite the growing number and severity of crises, available funding has only marginally increased, or has even decreased for certain actors.

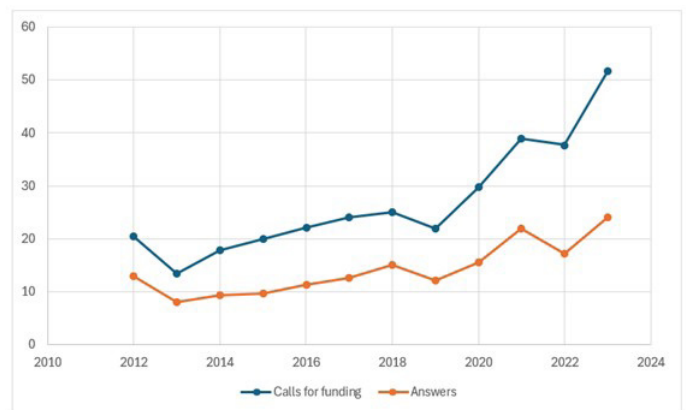


Figure 1. Evolution of the Global Funding Gap in Billions of USD (2012-2023)⁵

The U.S. retreat will certainly not ease the funding gap resulting from the reduction in aid provided by almost all countries.⁶ The fact that 10 to 20% of USAID's portfolio are expected to go to the State Department will not ease the principles crisis either. Trump's action actually reflects a profoundly altered American worldview. The

statement given in January 2025 is telling in this regard. *"The United States foreign aid industry and bureaucracy are not aligned with American interests and in many cases antithetical to American values. They serve to destabilize world peace by promoting ideas in foreign countries that are directly inverse to harmonious and stable relations internal to and among countries"*.⁷ In just two months, pure humanitarianism has seen a tremendous set-back across the Pond.

Moreover, from a geopolitical perspective, Trump's view on humanitarian aid provides an opening for rival powers like China to expand their influence and their own practice of non-traditional humanitarian aid. By halting aid, the U.S. allows China to continue presenting itself as a more dependable and stable partner. It is an important development in the framework of the systemic rivalry between great powers. The old adage *"those who are absent are always wrong"* resonates in the Global South.

3. CHINA: BONA VACANTIA

Trump's reorganization of USAID not only deprives the Western allies of moral pretension on the values they defend. It also highlights China's societal model as a viable alternative. While the U.S. wages incertitude, China appears as a stabilizing power. China actually portrays itself as the "Champion of the Global South". Its narrative is both powerful and attractive, mainly because China was still until recently a developing country itself.

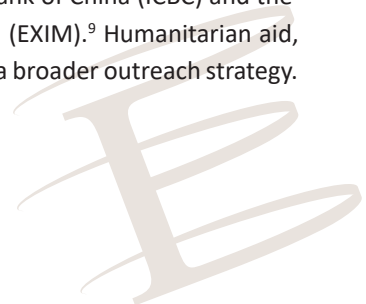
Beijing in fact considers that it *"will always belong among developing countries"*, as stated by Xi Jinping in his address for the 60th anniversary of the United Nations Conference on Trade and Development (June 2024). Arguments on this go back and forth, and delving into it is not key to the question at hand.⁸ Above all, the important element here is that developing countries seem to follow this logic, as evidenced by the growing interest shown to Chinese initiatives such as the annual Boao Forum for Asia. A world system with *"Chinese characteristics"* is appealing for some, seeing the rapid developmental success of China.

In the case of humanitarian aid, China adopts a state-centred approach to crisis management. It has deep roots in its civilization, dating back to ancient times. Unlike the liberal order, which focuses on individual rights, Chinese political philosophy sees the entire government responsible for the well-being of the people, contrasting with the Western emphasis on the chief of state's personal legitimacy.

According to Chinese authorities, the term *"donor-recipient"* is seen as symbolizing a hierarchical and unequal relationship, dominated by the liberal international system under the leadership of the United Nations and the U.S. This is viewed as representative of post-colonial dynamics, where Western governments have exploited developing countries. China, in contrast, positions itself as a provider within a South-South partnership, one that is not being led in the framework of the Development Assistance Committee (DAC).

In line with its traditional worldview, China also positions itself as the moral actor responsible for protecting people. Humanitarian aid in this context is at the intersection of a revisionist foreign policy and humanist imperatives, making it neither purist nor completely state-driven humanitarianism. Mostly, the Chinese perspective challenges the liberal narrative that dominates the UN-led international humanitarian system.

For historical, political, and ideological reasons, China refers to all its donations as *"foreign aid"* (对外援助 [Duiwài yuánzhù]), thus blending humanitarian aid and development aid under the same umbrella. Development and business are themselves already deeply intertwined, confusing even more what could be called pure humanitarian aid. The actual amount of aid provided is difficult to calculate as it is not disclosed to the DAC. It is, however, worth noting that the vast majority of foreign aid does not come from the China International Development Cooperation Agency (CIDCA) but from investment banks such as Sinosure, China Development Bank (CDB), the Industrial and Commercial Bank of China (ICBC) and the Export-Import Bank of China (EXIM).⁹ Humanitarian aid, hence, appears to be part of a broader outreach strategy.



It is closely linked to broader foreign policy goals and vision of a Sino-centred global order.

China's humanitarian aid is already being used as a tool to achieve geopolitical, economic, and diplomatic objectives, particularly within the framework of the Belt and Road Initiative (BRI). During Covid, China launched an initiative called "Health Silk Road", providing greater aid (in importance and number) to BRI partners and those supporting, or at least abstaining from criticizing, China's foreign policy.¹⁰ This strategy is based on a *win-win approach*, where China expects reciprocal benefits from its aid to partner countries.

Twelve years after its launch, the BRI shows a thematic and geographical displacement.¹¹ The instrument actually appears to be a catch-all instrument for China to promote its new world order, as shown for instance by the diversified content of the annual Belt and Road Forum (BRF). It has, most of all, shown China's capacity for translating its growing economic power into political power, a roadmap that humanitarian aid, incorporated into development aid more generally, will certainly follow to fill the void left by USAID's retreat. A roadmap that would effectively lead a major actor to progressively alter the nature of principled humanitarian aid into a cooperation mainly between states rather than with local NGOs and such.

4. EUROPA, QUO VADIS?

What is true for China could also be true for the EU. The U.S.' retreat offers an opportunity to fill a void, one that the EU needs filling since it is arguably the external actor suffering the most from the effects of neglected crises (e.g. instability and migration). In this time of uncertainty, every country is in search of new partners. One important lesson from the last years is indeed the fact that it is costly to be absent. Especially on humanitarian aid and development issues that truly interest countries in the South, those who are on the fence between the "Western World" and China. Take for instance the BRF in 2023 that showed the EU member states' decision to disregard what countries of the South consider an important multilateral

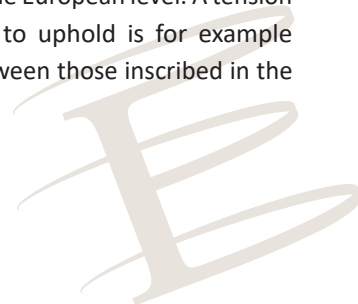
initiative for their development. Only Hungary was represented by its head of state, Malta, Cyprus and Italy participating at a lower level.

Of course, the more pressing business of the day is to manage the U.S.' posture on Ukraine and to reinforce the Union' security, in both economics and defence. But, if the EU could mend its internal divisions, would its approach be suitable to maintain the standards and principles at the core of humanitarian aid? Could it be the missing link between American domestic and Chinese foreign impacts on the humanitarian sector? Because if the funding gap inevitably deepens after USAID's retreat, it will also drastically affect forgotten and already underfunded crises. A strong European voice in the matter appears then even more important to balance the damage and recall the principled approach.

Criticism of the geo-politicization of humanitarian aid is already evident. Based on interviews with representatives from 141 low- and middle-income countries, Blair *et al.* indeed conclude that "*the apparent attempts by DAC donors to align their aid regimes more closely with those of China, in response to Beijing's growing competition, could represent a strategic mistake that will weaken, rather than strengthen, the demand from the elites of recipient countries*".¹²

In the last four decades, the EU and its member states have consistently been one of the biggest international donors, intervening to help people in almost all regions of the world, in a variety of crises, natural disasters, conflicts, and political instability.¹³ The EU through DG ECHO allocates aid to countries on a need-based approach. It relies on Council Regulation 1257/96 and Article 214 of the TFEU. It more broadly stands on the European Consensus on Humanitarian Aid that emphasizes the importance of the four humanitarian principles of *neutrality, impartiality, humanity and independence*.

But despite this framework, signs of instrumentalization of aid can also be observed at the European level. A tension regarding which principles to uphold is for example rooted in the difference between those inscribed in the



European Consensus and those in Article 214. Indeed, the EU gradually relinquished the principle of independence under Article 214, §2, to the advantage of more political rationales such as security, migration or economy. This approach aligns with Article 214, §1, which stipulates that *“the actions of the Union in the field of humanitarian aid are carried out within the framework of the principles and objectives of the Union’s external action”*.

Under von der Leyen’s previous term, the Commission made efforts to promote a global vision of the EEAS and the Union’s strategic autonomy. For example, the *rationale* behind the Global Gateway confused development issues with economic objectives such as securing critical resources. It also covered humanitarian assistance. An illustrative case of instrumentalization is the aid given to Syrian refugees in Turkey and the political agreement with the Turkish authorities in 2016. Aid was then conditional on the strict enforcement of border control and refugees’ settlement in the Turkish territories. On another less negative note, the EU also provided yearly aid towards Palestine before the attacks of October 2024 to maintain the possibility of a Two-state solution. This was in parallel to the helping of the population suffering under the Israeli blockade.

In the end, it seems the EU has also taken a turn towards a humanitarian policy increasingly estranged from the ideal of pure humanitarianism. One can see the difficulty for the EU to grow a stronger voice that would defend the essence on which humanitarian aid was built and commonly agreed at the UN level. And yet, adopting such a stance would benefit the EU from a geopolitical point of view since it could be complementary to China’s approach.

Proposed reforms coming straight from the global south exist at the international humanitarian aid level. One example is the localization of the aid that would break the verticality between donors and recipients, and supposedly increase the efficiency of the use of aid. This kind of reform could enable the EU to efficiently answer to the funding gap entailed by the US withdrawal while maintaining its standards. Yet, implementing such a reform seems difficult at the EU level. Falling short does however directly affect lives on the ground and this could

be a missed opportunity for EU leaders to step up and take the lead on humanitarian aid worldwide.

5. BELGIUM: SI FUERIS ROMAEE, ROMANO VIVITO MORE

What about a renewed impulsion from the member states that keep their own national policies on humanitarian aid? In this increasingly fragmenting world, could Belgium for instance lead on a European policy closer to its original ideals? The Kingdom has long been an illustrative example of a complementary dynamic between the EU and its member states, as stated and ruled by Article 4.4 of the TFEU. Leveraging its Presidency of the Council of the European Union in 2024, Belgium organized a roundtable with sixty experts from DAC member and non-member countries to explore a global response to the funding gap. The central question was: *how to understand and reconcile the varying visions of what constitutes international humanitarian assistance?*

Belgium has traditionally adopted a principled approach rooted in humanitarian law, the practices outlined in the Good Humanitarian Donorship initiative and the core principles outlined in the European Consensus. It was seen as *“a moral imperative”*¹⁴ and *“the fundamental expression of the universal value of solidarity between peoples”*.¹⁵ Belgium’s approach actually mirrors the core principles of its foreign policy that are an openness to the world and a steadfast support for multilateralism.¹⁶

However, the new governmental political agreement of the Arizona coalition¹⁷ foreshows some changes: the 3D approach (development cooperation, diplomacy and defence) is omnipresent, the government merges development and foreign affairs policies and large cuts on the overall budget of development (including possibly humanitarian aid) by up to 25% are announced. Overall, the new coalition seems to have rebalanced the equilibrium closer to the promotion of security and national interests than to pure development cooperation and humanitarian assistance in times of crisis. In this sense, Belgium seems to be following the trend impulse at the EU level rather than reconnecting with humanitarianism.



6. CONCLUSION

Trump's decision to cut the funding and stop most of USAID's projects will certainly have lasting consequences on several levels. The most immediate is the increased pressure on humanitarian aid's funding gap and the resulting pressure on forgotten and underfunded crises. People on the ground will die because of it. The second, less visible, effect is the impact on the broader systemic rivalry between the U.S. and China. The void left by USAID's retreat might be filled by the self-declared "Champion of the Global South". In this sense, a geopolitical shift in the field of humanitarian aid is unfolding before our eyes. Other non-DAC countries such as Saudi Arabia, India or Russia could seize similar opportunities.

Furthermore, Trump's action will have an impact on the nature of humanitarian aid itself. The Chinese model is expected to prevail more easily in the absence of a key ideological rival. Development aid, often conditional, will increasingly encompass short-term and theoretically apolitical humanitarian aid. In this evolution, we wonder whether the EU will stay silent or grow a firmer voice and build complementarity with China. At any rate, contemporary uncertainty weighs heavily on every actor. Especially EU member states that also shift their foreign policy towards their national interests at the expense of a principled approach. Belgium, although an open and traditionally humanitarian country seems to be following the trend.

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Endnotes

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