Disastrous deductions? Aid cuts and disaster governance in Malawi

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On 20 January 2025, President Donald Trump's first day in office, he implemented an immediate 90-day freeze on foreign aid. This was quickly followed by a stop-work order terminating 800 USAID (United States Agency for International Development) contracts and suspending thousands of staff worldwide. Though initially reversed by a judge, the order was reinstated, leaving suspended programmes without funding. Plans to dismantle USAID proceeded with terminated projects and contracts, leaving the aid sector scrambling to sustain and reinvent itself. In this article, we use examples from our research to describe what USAID's end looks like for disaster governance in Malawi, an aid-dependent and disaster-prone country in southern Africa. Foden conducted three months of fieldwork with multiple international NGOs in the southern districts of Chikwawa, Nsanje, Blantyre and Zomba in autumn 2023 (see Foden 2025). Hendriks conducted more than 22 months of ethnographic fieldwork in Malawi between 2019 and 2025, studying the motivations, aspirations and obligations experienced by Malawian civil servants (see Hendriks 2024)

Malawi has long been a major recipient of foreign aid. Since colonial times, concerns about the territory's financial self-sufficiency have featured prominently in colonial and postcolonial politics (Farrell & Hendriks 2024). In 2019, foreign aid totalled 129 per cent of government spending, with the US$1.17 billion Malawi received representing 10.9 per cent of gross national income (Morley & Silver 2023). Aid dependency is generally viewed as inherently 'bad', but economists Lensink and White dispute this, describing it as 'the case of a country needing aid to obtain an objective in the foreseeable future' (1999: 7). Anthropologists have shown how development processes are multiple, messy and generative in unexpected ways (Ferguson 1994; Li 2007, 2016; Mosse 2005). And aid has delivered results: De and Becker (2015) identify positive relationships between aid and living standards in Malawi, while the country performed well on Millennium Development Goals (Banik & Chinsinga 2016). Yet Malawi remains dependent on foreign aid for basic state functions, reducing governmental ability for agenda setting as donor priorities shape funding flows. Non-state donor influence is particularly strong in disaster governance (Hendriks & Boersma 2019; Kita 2017).

Despite this dependence, public discussions and national media increasingly reflect anger towards donors and NGOs, questioning programme impacts and accusing them of complicity in the status quo (Chirwa 2025). Without portraying the Malawi state as an innocent bystander, citizens' calls for government intervention align with the localization agenda undergirding the last decade of humanitarian and development efforts – the drive to shift power and resources to local state structures and organizations. Seen in this light, USAID's end may signal new momentum for this agenda.

Rupturing aid relationships

Discussions around aid localization tend to focus on financial aspects, but this represents only part of the story. Morley and Silver's (2023) 'Undoing aid' discussed the moral economy of aid funding following the restructuring of the UK's DFID (Department for International Development) into the FCDO (Foreign, Commonwealth & Development Office). They highlighted how changes in international funding streams significantly impact everyday life in Malawi, particularly the broken trust people – including aid workers themselves (Mosse 2005) – experienced when aid relationships suddenly broke down and promised resources or collaborations were no longer forthcoming. Similar to the USAID shutdown and the wider trend of donor countries reducing aid budgets, these impacts exceed the merely financial.

During our fieldwork in Malawi, which included the study of USAID-funded governmental and NGO-led programmes, reliance on clear donor strategizing was evident. In USAID-funded shelter programmes in Malawi's southern districts of Chikwawa and Nsanje following 2022's Cyclone Ana, studied by Foden, access to funding for local beneficiaries and small businesses was vital. These programmes focused on capacity building and livelihood development, employing artisans and brickmakers from displaced communities to produce materials and build homes. With the immediate stop-work order and funding freeze, ongoing NGO-led projects would simply be unable to continue.

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1. Famine Early Warning Systems Network, a former flagship USAID project: https://fews.net/about.

Anders, G. 2010. *In the shadow of good governance: An ethnography of civil service reform in Africa*. Leiden: Brill.

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Banik, D. & B. Chinsinga 2016. *Political transition and inclusive development in Malawi: The democratic dividend*. London: Routledge.

Cheek, W. & K. Chmutina 2022. 'Building back better' is neoliberal post-disaster reconstruction. *Disasters* 46(3): 589-609.

Chirwa, K. 2025. The poverty-industrial complex: How NGOs and journalists profit from misery. *Nyasa Times*, 3 March 2025.

Fig. 1. *A guest at the USAID & Peace Corps 50th Anniversary celebration reads the banners describing USAIDs development work history in Malawi. (USAID).*

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Fig. 2. *Brickmakers are reliant on regular payment to keep the pipeline of materials for construction going.*
Fig. 3. *USAID-funded projects are often dependent on daily materials deliveries and interventions, many of which have now stopped mid-programme.*
Fig. 4. *Projects are closely monitored by field officers on a daily basis to ensure quality construction and keep payment schedules for artisans on time.*
Fig. 5. *Government trucks parked outside Zomba district council, ready to proceed to displacement camps in the district.*
Fig. 6. *House construction continuing, with artisans paid based on the completion of different house stages, from foundation to walls to roofing.*

Field officers accustomed to spending days on site supporting construction would be unable to travel, materials would stop arriving and all activities would freeze.

Funding for these projects was often precarious, with payments arriving to field offices for distribution on the same day payment was due. Payment delays (whether from inability to visit field sites or slow budgetary processing by offices far from frontline staff) met with understandable frustration from community members working on housing construction. NGO staff acknowledged the benefit of working locally with disaster-affected community members, but financial constraints sometimes strained working relationships among artisans, material suppliers and NGO field staff. One field officer in Chikwawa in 2023 explained: ‘Working with artisans is more sustainable, but also very difficult … [Due to] the focus on money. Once they have been paid they don’t want to go back, they just want to go forward.’

Multiple field officers from different organizations expressed this view across the fieldwork period, underscoring that ability to pay was a core determinant of good working relationships. Programme participants often relied on NGO payments to put food on the table that day and consistently advocated for pay increases. NGO staff stretched budgets to reduce costs (e.g. with materials) to pay as much as possible to both local suppliers and the artisans and brickmakers recruited into construction.

Given the minute-to-minute nature of funding availability and staff field access, day-to-day activities were vital to moving construction projects forward when NGO staff were on location. A typical field day for officers from regional headquarters of larger international NGOs involved multiple trips from local suppliers to collect materials and back to field sites for delivery. At all stages, payments passed to different stakeholders to allow house construction to continue smoothly. If the USAID freeze on 20 January 2025 had been implemented during this field visit, artisans would have been left without payment, suppliers would have been unable to shift products and intended programme beneficiaries would, in some cases, have been left with half a roof on their homes.

International NGO staff would also likely be unable to remain in the field area, returning to regional offices or leaving the country entirely. This leaves local field staff bearing the brunt of frustrations from project beneficiaries who have not received what they expected – and what has been promised. It also requires local government officials to pick up the slack left by a withdrawing NGO sector in this same context of scarcity and broken promises, where the state already depends heavily on non-state actors. This has wider implications not just for aid-based collaborations between state and non-state actors, but also for state-citizen relations and state image.

As the Malawi state profoundly depends on donor support for many core tasks, sudden loss of funding implies halts or significant changes to state activities and abilities (France24 2025; Mwnation 2025). During fieldwork with the country’s Department of Disaster Management Affairs civil servants at district and national levels, Hendriks often heard worries about funding losses, for three reasons. First, no donor funding meant the state’s ability to execute projects and care for its population was hampered. Second, no allowances would be available for civil servants themselves, reducing their ability to supplement salaries while on the job (see also Anders 2010: 74). Third, given a long history of recurring corruption scandals and frequent allegations of malpractice directed at the civil service generally (Anders 2010, forthcoming) and the Department specifically (Nayupe et al. 2022), sudden funding losses could be interpreted by citizens as yet another example of

De, R. & C. Becker 2015. The foreign aid effectiveness debate: Evidence from Malawi. Working Paper 6: March 2015. AidData.
Farrell, S. & T.D. Hendriks 2024. Beyond failure: Exploring the heart of the Malawian state. *Journal of Southern African Studies* 50(5): 707-723.
Ferguson, J. 1994. *The anti-politics machine: Development, depoliticization, and bureaucratic power in Lesotho*. Minneapolis: University of Minnesota Press.
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Foden, G.W. & T.D. Hendriks 2025. Dis/counting disasters: The dangers of disaster data. *RADIX: Radical Interpretations of Disasters,* 20 February.

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Fig. 7. *Discussions among state and non-state actors, compiling disaster data.*

people in power using money for something else, rather than resulting from a global shutdown beyond their control.

High-level government officials often voiced fears around this dynamic as Hendriks followed them through meetings in Capital Hill's hallways in Lilongwe. The USAID shutdown feeds into already fragile trust in official state institutions and their executive powers – trust that has at times proven warranted to question. Here, trajectories of blame and responsibility bifurcate: although the state was living up to sovereign responsibilities only with donor and NGO help, blame for failed materialization of promises is attributed primarily towards the state.

Fewer resources

With greater need and fewer resources, governments and NGOs will likely shift from frontline disaster response towards advocacy to bring in necessary funding. This is already happening as working groups and communities of practice in practitioner technical specializations have shifted attention towards developing targeted advocacy documentation. Following USAID cuts, much discussion focused on 'worst affected' countries, often centring on the most visible humanitarian crises globally. For various reasons, Malawi rarely makes these lists, despite its reliance on international aid to support governance and overall state functioning (see Mwnation 2025).

Disasters in Malawi are often not as large as other high-profile humanitarian crises, and costs of disaster response and reconstruction are often lower than in other countries impacted by similar hazards. As we have argued elsewhere (Foden & Hendriks 2025), this is partly because less accurate data is available and much post-disaster recovery ends up being self-recovery, led by affected households, making costs inherently less quantifiable. On paper, these disasters do not rank as impactfully as disasters in areas with greater infrastructure and higher insured property levels, but the harm they cause is immeasurable.

The quantified cost of USAID cuts to Malawi sits at approximately US$350 million yearly (Savage 2025), or 9 per cent of the state's budget (Mwnation 2025), but this figure does not tell us what this means for health, education, food distribution and humanitarian programmes that have halted, or knock-on impacts on local capacities to support other disaster risk management activities. Counting merely the money no longer flowing from one actor to another does not suffice to map USAID funding cut impacts; quantifying fractured trust relationships in any currency is neither possible nor useful. Just because something cannot be counted does not mean it does not exist or cause far-reaching effects.

A prime example is the hampered functioning of the Malawi Vulnerability Assessment Committee (MVAC), responsible for data production on vulnerability and guidance on targeting humanitarian relief and managing risk. Like the brief FEWSNet[1] shutdown, following USAID cuts, shortages in data production or baseline updating can distort data for decades, complicating accurate and efficient disaster relief interventions. These ripple effects should take centre stage in our understandings of aid relationships and the importance of trust in shaping state-citizen relationships in contexts of crises and climate change.

Conclusion

On 25 February 2025, protests in Lilongwe and elsewhere responded to spiralling hyperinflation that Malawi continues to experience (Phiri 2025). In an election year, USAID closure impacts played out in a highly politicized and fragmented landscape of power. Kayuni et al. (2025) have identified a trend towards increasing political violence, raising concerns over the country's status as a peaceful, inclusive democratic society. Meanwhile, Kayira (2025) has argued that times of crisis offer citizens opportunities to contest state power and engage in the democratic process – something the recent 2025 elections, including the peaceful transition of power that followed, seem to underline. These crises of governance echo the broader dynamics of aid-dependent statehood: when aid constitutes the state's capacity to act, its withdrawal becomes not merely a fiscal crisis but a crisis of state-citizen relations.

The aid sector understands that disasters can provide an opportunity to 'build back better'. Though heavily critiqued for its neoliberal rooting (Cheek & Chmutina 2022), this remains a goal for those working in humanitarian and development space. As Tudor (2025) has argued, the magnitude of USAID funding cuts' may provide momentum for fundamental change that the sector has needed. Throughout 2025, humanitarian practitioners worked towards identifying new funding opportunities to continue operations previously dependent on donors like USAID. This is necessary, but more important is taking seriously the goals the sector has already set itself.

Local governments and local NGOs are ready to step up where the international sector retreats. In many cases, these actors already lead day-to-day programme activities, with oversight and funding from the wider humanitarian sector. When things go wrong, they bear the brunt of blame –- even when the causes of failure sit on the other side of the world. Meaningful localization requires shifting not just resources but also decision-making power to these actors. Malawian communities have long demonstrated resilience through local solidarity networks that operate alongside – and sometimes despite – formal humanitarian interventions. Since 2016, humanitarian actors have called for localization, but the aid system structure has hampered progress. Now that it has been fundamentally altered, the opportunity for genuine change exists. Whether the sector seizes it will shape not just disaster response in Malawi, but also the future of state-citizen trust across aid-dependent contexts. ●

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