Outsourcing the Business of Development: The Rise of For-profit Consultancies in the UK Aid Sector

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ABSTRACT

While much attention has been paid to the ways in which the private sector is now embedded within the field of development, one group of actors — for-profit development consultancies and contractors, or service providers — has received relatively little attention. This article analyses the growing role of for-profit consultancies and contractors in British aid delivery, which has been driven by two key trends: first, the outsourcing of managerial, audit and knowledge-management functions as part of efforts to bring private sector approaches and skills into public spending on aid; and second, the re-configuration of aid spending towards markets and the private sector, and away from locally embedded, state-focused aid programming. The authors argue that both trends were launched under New Labour in the early 2000s, and super-charged under successive Conservative governments. The resulting entanglement means that the policies and practices of the UK government’s aid agencies, and the interests and forms of for-profit service providers, are increasingly mutually constitutive. Amongst other implications, this shift acts to displace traditional forms of contestation and accountability of aid delivery.

INTRODUCTION

In 2019, Stephen Twigg, Member of Parliament and Chair of the Select Committee on International Development, and Matthew Rycroft, Permanent Secretary to the Department for International Development (DFID), were guests of honour at the 11th annual PricewaterhouseCoopers (PwC) International Development Conference. PwC is not the only prominent
consultancy with an interest in the sector. Consider, for example, McKinsey, which in its introduction to its development work, indicates why Twigg and Rycroft would be interested in an event of this sort:

Our deep expertise in the public and social sectors is complemented with more than 90 years of private-sector experience …. We work as a trusted partner with heads of state, government ministers, and senior leaders of development agencies. … [We work with] proven delivery methods, tools, and solutions for diagnostics, analysis, strategy development, capability building, and implementation …. We help shape the global development debate by investing in proprietary research, fresh thinking, and an extensive publishing program.1

Like many of its consultancy counterparts,2 McKinsey promises to bring fresh perspectives, managerial competence, analytical rigour and innovative solutions to bear on the world’s most urgent and complex issues. Tangible results are to be delivered quickly. These claims have, it seems, been persuasive. In March 2020, for example, DFID appointed McKinsey to administer the £70 million Invest Africa project. In 2017, the International Development Select Committee reported that between 2010/11 and 2015/16, bilateral expenditure through contracts increased from 12 per cent (£540 million) to 22 per cent (£1.34 billion) of the overall aid budget (IDC, 2017: 1). A significant proportion of development programme expenditure is therefore delivered through for-profit consultancies like McKinsey and PwC,3 such that they now manage a similar volume of the aid budget as NGOs, seen as a more traditional aid actor and means of delivery. These large consultancies dominate the contracting environment as ‘prime’ contractors, eligible under framework documents to tender for the biggest contracts (DFID, 2020), in turn mobilizing and coordinating consortiums drawing from a much broader ecology of individual associates, specialist firms, NGOs and universities.

The individual expert, or small team of consultants, is a familiar actor in the anthropology of development (Fechter, 2012; Lewis and Mosse, 2006; Mosse, 2011b; Yarrow and Venkatesan, 2012), but the professional services or consultancy firm has been relatively neglected, despite considerable recent interest in other domains (see edited volumes by Empson et al., 2015; Hurl and Vogelpohl, 2021b). There are expansive literatures on more traditional aid actors such as NGOs (for a review, see Brass et al., 2018) or bilateral donor agencies (e.g. Gulrajani, 2017; Mawdsley, 2019; Pauselli, 2019). By comparison, the literature on consultancies in aid is small, if growing (including Broome, 2021; Brunt and Casey, 2022; Hayes and Westrup, 2014;

2. We acknowledge that management consultancies and the major accountancy firms have very different histories and lineages (Kipping, 2021; McKenna, 2006; Weiss, 2019). However, for the purposes of this article, we focus narrowly on their common involvement as contractors or service providers to the UK government agencies responsible for development spending.
3. We define the term ‘for-profit consultancy’ in more detail below.
Keele, 2019; Nagaraj, 2015; Roberts, 2014; Seabrooke and Sending, 2019, 2022; White, 2020). The presence of for-profit consultancies in the aid landscape, now deeply embedded and omnipresent in practice, raises questions for critical development scholars around the scope and implications of their specific development rationalities and practices. We begin to address these questions in this article by tracing the drivers and entry points for the ascendance of for-profit consultancy firms to increasingly significant aid management, policy, audit and relational roles. Whilst our arguments remain tentative (the available data on consultants are notoriously patchy, subject to proprietary information and difficult to trace: see Craft and Halligan, 2017), we draw conclusions from the juxtaposition of longer-term analysis of for-profit consulting, personal experiences within the professional development sector, and an early phase of research as part of a large ESRC-funded project.

With a focus on the UK, we suggest that the role of for-profit consultancies has intensified, not simply in the volume of projects managed, but also in the centrality of their role in the political legitimization of aid as part of the electoral mandate, particularly of the Conservative party, first as part of a coalition government (2010–15) and then as the majority party within the UK Parliament. For-profit consultancies and public sector agencies have become increasingly entangled (Froud et al., 2017; Hurl and Vogelpohl, 2021a). Kipping has described relations between the public sector and private consultancies in the USA as being ‘mutually constitutive’ (Kipping, 2021: 37), and the term ‘consultocracy’ has been used to describe the role consultants have in government decision making (Hood and Jackson, 1991). New Public Management reforms (Arnold and Cooper, 1999; Christensen, 2005; Jupe and Funnell, 2015; Lapsley, 2009; Lapsley and Oldfield, 2001; Leys, 1999; Shaoul, 2011) and the implementation of cost-cutting austerity measures following the financial crash of 2007 (Beveridge and Koch, 2021; Hurl, 2018) have provided rich case studies of the growing-together of the public and private sectors, as the reductions in internal state capacity have necessitated the use of external expertise.

In this article, we show how for-profit consultancies in international development have moved from primarily project-oriented, technically expert actors to actors providing fund management, programme audit and knowledge-management roles. Relatedly, we examine how they perform key intermediary roles, orienting aid in its ambitions to engage global finance and the private sector, through the provision of financial expertise and the

4. In the UK, procurement data are often made public but are not always aggregated in a useable and mutually consistent fashion between different published datasets; rather, data are frequently organized according to the procuring departments, whose rules of publication differ.

5. One of the authors, Brendan Whitty, has experience as a technical lead within a DFID prime contractor, as well as independent technical roles.
facilitation of partnerships between government and private sector actors. Both shifts are central to changes in aid discourses forged under successive Conservative governments, although both had precursors in the New Labour era (1997–2010). We explore how consultants are caught up in the shift away from principally working in line with technical and professional agendas, towards discourses and practices that revolve around managerial rigour (see e.g. Eyben and Guijt, 2015), stringent scrutiny, and audit and quantitative calculative and evaluative practices (Donovan, 2018). We suggest that global for-profit consultancies are both beneficiaries of, and produce the conditions of possibility for, this work. Both intermediary and management roles echo parallel shifts in the wider practices of professional services firms (Roitman, 2021).

We further argue that the shift in the role of for-profit consultancies is part of a highly politicized re-absorption of ‘Big-D Development’ — as a distinct programme of intervention, often funded by ‘traditional’ donor agencies like DFID — into ‘little-d development’ (Hart, 2010), that is, the broader processes of capitalism’s global expansion, which, following Gillian Hart, we understand as ‘geographically uneven but spatially interconnected processes of creation and destruction, dialectically interconnected with discourses and practices of Development’ (Hart, 2010: 119). We suggest that the delivery of state-managed aid funds by private sector consultancy firms — often multi-sector firms with their own interests in global processes of capitalism — is both an example of the enfolding of the Development sector into capitalist progress and also an instrument for other articulations of that enfolding, particularly by fostering engagements with the private sector and with development finance (Mawdsley and Taggart, 2022).

The aid ethnography literature has long highlighted the depoliticizing effects of the Development industry’s technical discourses — in the sense of using technical language and rationales to foreclose political debate or contestation — whilst acknowledging the processes of translation and contestation that characterize delivery (Lewis and Mosse, 2006; Li, 2007; Rottenburg, 2009). The logics and interests of the actors involved in managing and delivering Development projects therefore matter. Critical accounts of the emerging ‘consultocracy’ highlight how management consultancies and professional services firms have a depoliticizing role in policy processes (Beveridge, 2012; Hurl, 2017; Hurl and Vogelpohl, 2021a; Ylönen and Kuu- sela, 2019), similar to the role attributed to development more broadly. A growing literature highlights their role in the institutionalization of transnational regimes (Faulconbridge and Muzio, 2017; Suddaby et al., 2007). Analyses stress a duality, therefore, whereby professional services firms propose transnational institutions and domains of expertise, yet at the same time are heavily inflected by their own nationally rooted organizational histories and hierarchies between offices (in key centres of finance like London and New York), thereby reproducing colonial core–periphery geographies (Boussebaa, 2015; Boussebaa and Faulconbridge, 2019). The increased use of
for-profit consultancies will entail the further foreclosure of political debate over the principles and values of British aid and further isolation of aid agencies from contestation, embedding the transnational logics of global capital.

The next section provides a brief overview of the history of for-profit consultancies in the UK’s development architecture, including the parallel history of professional services and global management consultancy firms of which they form part. Next we explore two key drivers for the growing role of for-profit consultancies in aid policy and practice: outsourcing of audit functions and key aid-management roles, and the reorientation of aid towards the private sector and the interests of global finance. We conclude by addressing the broader implications for development processes in the UK. We should be clear that this is by no means a comprehensive review of the for-profit development sector and, although we discuss depoliticization, we do not otherwise comment on the impact, effectiveness or value of these service providers.

**THE TRADITIONAL ROLE OF FOR-PROFIT CONSULTANCIES IN UK DEVELOPMENT**

The UK government has always outsourced some portion of its aid funding for delivery through for-profit consultancies. As such, they are one ‘vehicle’ amongst many: as part of the bilateral spend, they sit alongside civil society, multilateral agencies and NGOs, and recipient country states, regions and municipalities. Historically, the role of the consultant has mainly been technical in nature, going back to colonial administrations (Morgan, 1964: 12). At the time of the creation of the Ministry of Overseas Development in 1964, some 15,400 officers filled positions in the former colonies and developing world (ibid.: 61) along with independent technical advisors, university teachers and local training facilities, as well as training in Britain (ODM, 1968: para 5.04). Technical advice was therefore central to the initial frameworks of aid provision, often in the form of individual experts placed for the purposes of capacity building.

In this earlier era, consultants’ roles were generally found within and subject to the projects through which aid was delivered. In his analysis of development consultants in the 1990s, Roderick Stirrat describes a floating world of short-term consultants (sometimes as short as two weeks, sometimes four years) working in transient teams across a wide range of tasks (Stirrat, 2000: 34–35). Whether the consultants were moonlighting academics, freelancers or employees of a consultancy company, they serviced processes central to

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6. That is to say, it was primarily concerned with the available models for development projects, the arguments for them and the practices for their ‘implementation’, or translation into specific situations (Behrendts et al., 2014).
the development enterprise (for example, as the ‘public face’ of Poverty Reduction Strategy papers; see Craig and Porter, 2006: 87–88). This figure of the consultant is familiar from accounts of ‘Aidland’: David Mosse’s account of the Rural Development programme in India describes mostly individual consultants, each representing a different professional field (Mosse, 2005). In this rural development project, a significant 37 per cent of the project budget went to technical assistance (Mosse, 2011a: 21). Ferguson’s list of the works proposed in Phase Two of the Thaba-Tseka Development Project captures the complexity and breadth of their input, taking 12 pages to list activities spanning health, education, roads and agriculture, all serviced by a central project administration (Ferguson, 1996/1990: 88–100). As projects absorbed more of the aid budget, project roles became more significant: Barrie Ireton states that project expenditure increased from £ 406 million in 1987/88 to £ 1,649 million in 2005/06 (Ireton, 2013: 87).

A third key characteristic of the ‘traditional’ role of for-profit consultants was shared with all bilateral spending: ‘British aid is given on a government to government basis’ (ODA, 1985–86). The work of for-profit consultants was oriented towards not one but (at least nominally) two governments: the British government which hired them and the recipient-country government. In practice, the technical discourses driving development practice are there precisely to obscure the tensions incumbent in such a relationship and to maintain aid discourse’s comfortable assumption that the persistent ‘servant-to-two-masters’ relationship will be unproblematic (Rottenburg, 2009: 67–68). Technical assistance roles saw for-profit consultancies embedded in developing state agencies, addressing ‘capacity-building needs’ (for all the familiar challenges of institutional change processes, see Pritchett and Woolcock, 2004: 193; Pritchett et al., 2013; Wilson, 2007). The picture thus emerges of an earlier era of consultancies working in primarily technical and advisory roles with sectoral expertise (for instance in rain-fed agriculture, or maternal health), distributed across technical cooperation and (increasingly) project modalities, and oriented towards the public sector as their key interlocutors and partners.

An interesting distinction between DFID and many other UK government departments emerges from this context. We suggest that UK development was (mostly) insulated from the super-charged entry of management consultancy firms in the 1980s and 1990s, riding the tidal wave of New Public Management (NPM) reform. In other sectors, consultants — notably the Big Four accountancy firms (PwC, KPMG, Deloitte Touche, EY) — had a profound influence in framing the arguments for privatization and in administering NPM reforms, due in part to an enchantment with private sector management expertise over public sector practices (Saint-Martin, 1998). 7

7. Although see Kipping (2021) for whom the story of private sector entanglement in the public sector is much longer.
For the development sector, however, the role of NPM as an entry point for consultants was heavily moderated for various reasons.

In the first place, the measurement and management reforms which took place in 1986 (and which most resembled NPM) were not intended to drive or legitimize outsourcing, for the simple reason that much of development was already outsourced. For example, the introduction of the Logframe\(^8\) and its attendant technologies aimed at reforming project modalities and therefore the conduct of the relations between the ODA/DFID\(^9\) and project teams. The new project technologies sought to reframe the management of these processes and to render them more efficient but not to enter into a new world of market-based mechanisms and competition (for the most part—some quasi-government agencies were privatized). Indeed, Logframe guidance documents tend not to refer to procurement at all (Team Technologies Inc., n.d.). Secondly, the primary discursive reference point for the project technologies was not private sector excellence but rather development debates on the scope of appraisal, evaluation and participatory design (Cracknell, 2000: 42–47). The Logframe itself (‘the Project Framework’ as it was known in ODA/DFID) was a planning tool derived from the US military. It was introduced to broaden the considerations in planning projects beyond chiefly engineering and economic factors, and to open opportunities for social and institutional analyses (Eyben, 2014: Ch. 5). As a modality, the project became an arena for development debates around participation, emancipation and control (Dearden and Kowalski, 2003). Lastly, ODA as an agency was always heavily staffed with a large proportion of policy experts, including economists and, increasingly, political scientists and anthropologists (Eyben, 2014: 74–78, 88–94; Kothari, 2005). The primarily development-oriented discursive reference points robbed external consultancies of their unique selling point over the civil servants—their private sector expertise. ODA remained confident in its own capacity to institute reforms.

Moreover, the quantified accountability measures which constituted the Logframe’s primary claim to be an NPM administration reform (Cracknell, 2000: 47) were weakened by a subsequent paradigm change in aid discourse under the auspices of Clare Short, who became Secretary of State for International Development in 1997 under New Labour. Clare Short and DFID committed themselves, in their first White Paper of 1997, to the principles of the emerging international ‘aid effectiveness’ paradigm. This paradigm introduced state partnerships and ownership to the core of aid provision (DFID, 1997: para 2; OECD, 2005) and emphasized contribution rather than

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8. The Logframe or Project Framework constitutes a set of templates and procedures for project appraisal, design, management and evaluation—integrated in a formalized cycle—which enabled (amongst other things) an expansion of relevant factors to include the institutional and social environments.

9. The Overseas Development Administration (ODA) was the forerunner to DFID in the UK.
attribution of results, limiting the grip of project-based accountability and audit systems. A review in 2008, looking at Logframes over the previous years, observed that in many cases, the only numbers were the page numbers (interview, cited in Valters and Whitty, 2017: 21). Therefore, while the Logframe reforms had set in place an accountability mechanism at the project level, the corporate accountability system was indirect, predicated on a scoring system that allowed considerable local discretion to the DFID team in charge, and did not afford the opportunity for internal outcome-oriented control and audit. As a consequence, although in 2005 ActionAid calculated that the £101 million or so of UK aid that was spent by the UK ‘was allocated … to the “big five” accountancy firms (PricewaterhouseCoopers, KPMG, Deloitte Touche, Ernst and Young, Accenture) as well as to free market think tanks like Adam Smith International’ (Greenhill, 2006: 35), the development work of these firms remained mostly technical, distributed within projects and state oriented.

**THE RISE OF PROFESSIONAL SERVICES FIRMS IN THE UK’S AID SECTOR**

While consultants have therefore always been present in the UK’s development sector, we contend that a different breed of development consultants has emerged across the sector over the last decade or so. We identify two kinds of for-profit consultancies in the contemporary development services marketplace. The first are large transnational multi-service consultancy firms for whom government and bilateral aid agencies sit alongside a vast array of private and public sector clients across diverse industries. In the UK, management consultants of this type which are regularly contracted to design and deliver UK aid programming include those with roots in accountancy, such as PwC or KPMG; engineering consultancy, such as Tetra Tech or Mott MacDonald; or management consultancy, such as McKinsey. In parallel, a slate of smaller, specialist development management contractors are also called upon to support the spending of the UK aid budget. Some of these smaller contractors have their origins in management consultancy for particular industries (such as Palladium, whose roots are partially to be found in rural management service provision). Others in this category are tied more closely to earlier types of development consultants originating from the third sector or academia. Oxford Policy Management (OPM), for example, began in 1979 as an applied research working group on food

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10. It was only following the appointment of Douglas Alexander as Secretary of State, and after the global financial crisis of 2007/2008, that the New Labour leadership and key internal champions began to tighten the accountability structures (Valters and Whitty, 2017). As we will see in the next section, under the subsequent Conservative administrations, more substantial changes started to take place.
security and agriculture at the University of Oxford, and only later evolved into a private sector development consultancy.

Any analysis of the growing ‘new’ consultancy role in the UK’s aid sector must also be situated within the wider history of the rise of global management consultancy, and particularly its rapid growth over the last two decades. While the USA and the UK emerge as global leaders in the rise of management consultancy (Kipping and Clark, 2012), the industry does not share the same historical trajectory in both countries. US management consultancy began to emerge in the 1950s, far earlier than in Europe. Some of these mid-century US consultancies have played (and continue to play) an important role in development through USAID (United States Agency for International Development) contracting, especially those born of Cold War ‘liberal internationalism’. Some, for example, were initially concerned with problems of engineering and agriculture, and have now evolved into more generic strategy and advisory firms (Roberts, 2014). From the 1950s onwards, early strategy firms such as Booz Allen Hamilton and McKinsey began to export US-style corporate management to Europe (Kipping and Clark, 2012: 11–12). These early consultants were predominantly engineers, concerned with scientific management and labour process management. As management consultants spread across the USA and the UK over the next half century, multiple mergers with accountancy and audit firms across this sector — leading to the contemporary pre-eminence in the UK of the Big Four accountancy firms — saw tensions emerge over the principal focus (and legal boundaries) characterizing their work. Recent decades, however, have seen the re-centring of consultancy across these firms, which are now more commonly referred to as professional services firms than as accountancy practices.

Since the mid-20th century, these for-profit consultancies have played a central role in the expansion of global capitalism (and have thus contributed to the growth in inequalities driven by this capitalist expansion in most countries around the world).11 They have enacted this role through their influence over the management of corporate and financial activity, and their role in training a global cadre of young professionals to work across the private sector (Kipping and Clark, 2012: 5) and, increasingly, also across international NGOs and state bureaucracies (Giridharadas, 2019: 22–34; Kipping, 2021: 44). Unlike previous types of development consultant, for-profit consultancies are lucrative, often global firms, which arguably (albeit to differing extents) play a significant role in processes that are driving the widening global inequalities that many, more traditional, development professionals still believe their work is designed to resist (Boussebaa and Faulconbridge, 2021).

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11. While inequality is notoriously difficult to measure, the World Inequality Report 2022 affirms that ‘income and wealth inequalities have been on the rise nearly everywhere since the 1980s’ (Chancel et al., 2022).
THE CHANGING ROLE OF FOR-PROFIT CONSULTANCIES IN UK AID

In trying to explain the entry of these organizations into UK aid, we suggest two particular drivers, analysed below.

Outsourcing Managerial, Audit and Knowledge-management Roles

Following the election of the Conservative-led government in 2010, the new Secretary of State for International Development, Andrew Mitchell, made a series of changes in policy that were to drive the outsourcing of key managerial and audit roles to for-profit consultancies. His first major change was to set ‘the results agenda’ and ‘value for money’ logics at the centre-piece of a political programme which had until then retained many of the hallmarks of Labour policy: ‘I saw that this was space occupied by Labour, not the Tories. I said what does a centre-right development policy look like? It was clearly the results agenda’ (interview with Andrew Mitchell, 2016, quoted in Valters and Whitty, 2017: 27).

Whilst — as discussed above — earlier targets had tended to be indirect and permitted considerable discretion across a decentralized department, the new reforms were more stringent and aimed at controlling and auditing DFID’s accomplishments (Valters and Whitty, 2017). This decision was explicitly party-political and presentational, with a view to distinguishing a centre-right Conservative agenda from a space hitherto occupied by Labour, whilst maintaining (at that time) many of New Labour’s policy commitments. In fact, the Labour government had already started to harden its position on value for money and accountability, and many of the DFID reforms under Mitchell had their genesis in the previous Labour administration (ibid.: 23–26).

The raft of reforms sought to institute results-oriented audit and management processes based primarily on the quantified measurement of aid projects in one way or another. A Bilateral Aid Review was initiated which articulated common targets and evaluated projects against these targets. Along with new, more stringent project reporting requirements and data harmonization and aggregation processes, these paved the way for a wholesale adoption of results-based management at the corporate and project level, through the tightening of project results frameworks, and their linkage to an aggregated departmental results framework. Corporate-level management practices were replicated at the level of projects, with increasing use of
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payment-by-results modalities. To the audit and accountability systems may be added further knowledge-management functions based around data generation and evidence-based policy rationalities. These were championed by a powerful advocacy group of senior bureaucrats whose commitment to experimental impact evaluative technologies has been highly influential (Donovan, 2018; Kelly and McGoey, 2018). A growing stream of funding required for-profit consultancies to conduct a range of project monitoring and evaluation, results verification and learning, under the general rubrics of ‘Monitoring, Evaluation and Learning’ and ‘Third Party Verification’ contracts. Increasing the depth of the supplier market for evaluation services was the subject of a specific strategy (DFID, 2014: 10). A contrast may therefore be observed with the role of consultants in NPM accounts in other sectors, where the for-profit consultancy roles were chiefly in central policy design and legitimization around privatization and NPM reforms (Arnold and Cooper, 1999; Jupe and Funnell, 2015; Leys, 1999; Saint-Martine, 1998), rather than on providing audit and knowledge-management roles themselves.

The outsourcing of newly created audit and knowledge-management roles has been coupled with outsourcing core management functions in the delivery of aid, beyond the traditional professional services roles of the for-profit consultancies. Several reasons may be identified, linked to corporate pressures being felt by DFID: staffing was not keeping up with the increase in budget at a time when management tasks, audit processes and controls were proliferating with the introduction of greater audit compliance tasks (NAO, 2015: 33–42). The pressure was compounded by the decision to rule out recipient states as ‘delivery partners’ through budget support, amidst a growing scepticism of their reliability and probity (DFID, 2011c; ICAI, 2013b). The prohibition intersected with the new vision of control over aid, as the use of (often weak) country systems to measure and track development over pooled funding meant attributable results were hard to track. A key focus became the development of procurement and management capabilities that could work smoothly with contractors as delivery vehicles for the increased budget (ICAI, 2013a; NAO, 2015: 37). DFID continued to direct its attention to ‘fragile’ and post-conflict states: the 2015 UK Aid Strategy committed to allocate 50 per cent of aid to fragile states and regions, as a result of growing pressure to focus on fragility as the locus of poverty. Such areas are not only logistically harder to manage and oversee, due to the dangers involved, but their lack of stability also means development programming is technically more challenging and requires more oversight. Closer audit attention is necessary but also more difficult. Finally, these audit and professional demands were supplemented by a growing list of compliance requirements pertaining to good conduct and safeguarding (for a review, see IDC, 2020).

12. A modality in which the payment is contingent on the attainment of verified results (Clist, 2016).
As a consequence, DFID was increasingly compelled to outsource aspects of its portfolio management to for-profit consultancies, including aspects of its grant-making role and contracting and scrutiny of programming. In other words, the availability of a market of consultancy firms was a necessary condition for the delivery of these reforms, given the funding constraints noted above. The example of the Girls’ Education Challenge Fund (GEC) illustrates how far DFID has been willing to outsource programme and portfolio management roles that might once have been conducted in-house. The GEC was designed in 2012 by a team in DFID’s London headquarters (DFID, 2011b). PwC — one of the largest contractors to the UK development agencies — won the initial contract and was involved in delivery of both the first and second phases of the Fund, worth respectively £355 million and £497 million. The first phase funded 37 different interventions intended to improve the education of one million marginalized girls. Interventions were identified from three different funding windows, each with different levels of appetite for experimental interventions, with their own grant-making criteria, and each with their own sub-contractors who actually delivered the interventions. Each intervention was overseen and managed by GEC and the team partnered with four corporate sector partners — the Discovery Channel, Coca-Cola (which brought in MasterCard), Ericsson and Avanti. It worked across 18 countries and involved a consortium of evaluation partners, led by another firm, Coffey (subsequently bought by Tetra Tech, a US-based engineering consultancy), which was responsible for evaluating the success of the project on behalf of DFID, using a highly complex experimental results-based mechanism (Coffey, 2016).

Whilst the GEC is an unusually complex programme, it serves to illustrate the extent to which DFID was willing to transfer the management of a large section of the aid budget to a contracted fund manager, which would be responsible for everything from digesting evidence to contracting out and managing delivery through sub-contractors. Importantly, the programme’s independent evaluator noted that the GEC’s functions operated largely in parallel to DFID’s country offices and did not engage them sufficiently (Coffey, 2016: 2). There are plenty of other examples, including the UK Caribbean Infrastructure Fund; the portfolio approach adopted by the Supporting Peace and Stability in Eastern DRC; the ‘Manufacturing Africa’ programme; the Good Governance Fund; and the African Clean Energy Programme.

The expansion in roles of for-profit consultancies has been driven by a combination of politically motivated and pragmatic reforms. It reflects an underlying shift in the arguments legitimizing the UK’s international development expenditure, from primarily technical to increasingly founded on managerial, audit and evidence-based logics of rigour in delivery. It has been supercharged since 2010, although many of the factors driving the change were initiated prior to this, under the New Labour government. The increasing centrality of consultancies is evident in the UK’s 2022 aid strategy, which
sets British (private sector and other) expertise at the forefront of the UK aid effort (FCDO, 2022). Just as the aid reforms have been designed with a view to capitalizing on the expertise of for-profit consultancy firms, the aid-focused for-profit consultancy sector has shaped its expertise to the requirements. It has transformed itself from simply providing mainly technical development experts to providing a much broader set of managerial skills which, when not found within the traditional suppliers of services, would be drawn from outside the development specialist teams (for large multi-sector professional services firms) or would be brought in. Consequently, we suggest that DFID and its market of suppliers found themselves, at this time, in a process of mutual constitution, the one shaping the other.

While the strategic alignment of the offerings of for-profit consultancies and the needs of DFID (and, more recently, the newly integrated Foreign, Commonwealth and Development Office, FCDO, into which DFID was absorbed in 2020) goes a long way in explaining the allure of development’s new delivery partner, a second (closely connected) set of factors also comes into play. Here, we argue, the alignment between development and for-profit consultants and contractors may be entangled with more profound shifts in the relationship between ‘big D’ and ‘little d’ development.

**Intermediaries to Global Finance and the Private Sector Turn**

A second key element is the broader reorientation of UK and wider aid agendas towards (global and local) markets. During the early 2000s, New Labour had nominated the recipient state as the key ‘owner’ of aid, as part of its commitment to the Paris Declaration on Aid Effectiveness. Amongst other things, New Labour increased volumes of budget support, from £268 million in 2003 to £461 million in 2008 (NAO, 2008: 1), and rejected British interests as a relevant consideration in aid delivery. Within Whitehall, Clare Short insisted that poverty reduction was the primary purpose of aid, and vigorously protected the aid budget from other interests, most significantly those of the Foreign and Commonwealth Office and commercial priorities (Barder, 2005: 11; Vereker, 2002: 135). This autonomy was enacted in law through the introduction of the poverty focus and proofed against budget cuts by the commitment to 0.7 per cent of GDP in aid spending (Townsend, 2010). However, post-2010 Conservative governments have brought an end both to these commitments and to the state-centric focus in aid spending as part of an ideological centre-right programme, described by Justine

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13. Although originally drafted by Labour, the commitment to 0.7 per cent of GDP in aid spending was supported by all the major parties and appeared in the Conservatives’ election manifesto for 2009, before being brought into law by the coalition government in 2015. In 2021, soon after DFID’s absorption into the newly created FCDO, this commitment was cut to 0.5 per cent of GDP.
Greening during her time as Secretary of State for International Development as a ‘radical shift’ that saw the private sector as the crucial driver of development (cited in Mawdsley, 2015: 339). In a little over a decade, a private sector turn has come to characterize a large part of the UK’s aid spend.

This has necessitated the pursuit of new forms of business and financial expertise by DFID (and later by FCDO). In 2010, Andrew Mitchell (2010a) made no bones of his intention to infuse DFID with new private sector know-how, stating in a speech on wealth creation to the London School of Economics that:

It is my intention to recast DFID as a government department that understands the private sector, that has at its disposal the right tools to deliver and that is equipped to support a vibrant, resilient and growing business sector in the poorest countries. To do this we will need to add new types of people with different skills … I want DFID to learn from business …to inject new, business-savvy DNA into the department.

Shortly after the election of the coalition government, Mitchell (2010b) announced the creation of a new ‘Private Sector Development cadre’ at DFID, which has since grown to become one of the department’s largest professional cadres. The new mantra was ‘making markets work for the poor’, focusing on microfinance and access to finance, business regulation reform, productive infrastructure and trade connectivity (DFID, 2011a; ICAI, 2014). The 2010s saw the growth and consolidation of the role of the private sector as both contributor to and recipient of UK aid (DFID, 2020: 13).

Over the last decade, development’s ‘private sector turn’ has been accompanied by an appeal to financial markets as a source of development financing at scale. Ostensible attempts to boost available development funds through private financing have brought about the financialization of the international development sector, representing a move away from the Washington Consensus towards what Gabor (2021) has termed the ‘Wall Street Consensus’ (Gabor and Brooks, 2017; Jafri, 2019; Mawdsley, 2018a, 2018b; Soederberg, 2013). Between 2012 and 2016, DFID increased annual spending on banking and financial services from £ 155.6 million to £ 392.6 million; on services in support of business from £ 30.8 million to £ 89.8 million; and on support to production sectors as a whole from £ 269.2 million to £ 521 million (DFID, 2018: 160). Financialization has seen the reconfiguration of the financing and design of many activities implemented under the banner of ‘Big-D Development’ (Hart, 2010, see above), while new trends ‘aimed explicitly at deepening and expanding financial markets and logics in the name of development’ (Mawdsley, 2018a: 265) have transformed the development sector into an emerging marketplace for speculative investment capital. These trends have seen an expansion of the

14. How successful the UK and other multilateral and Development Assistance Committee (DAC) bilateral actors have been in this effort is another question.
structural role of external private sector actors across the development sector, including investors and investment banks, venture capitalists, impact-investing fund managers and philanthrocapitalists. Importantly, they have also increasingly seen foreign aid repurposed as a mechanism for de-risking private investment. In the UK’s development sector, these shifts have been evident in moves to bring the CDC Group (the UK’s development finance institution, which had maintained a low profile throughout the New Labour era and has recently been renamed British International Investment or BII) to the centre of the UK aid delivery apparatus. Drawing on £4.3 billion of UK aid funds allocated to it for the period 2014–2026 (PwC, 2020: 9), the CDC group has spearheaded a host of new global financing mechanisms in its provision of ‘catalytic development capital’ designed to ‘reduce risks and enable investors to invest more profitably in developing markets’ (ibid.).

As these shifts have taken hold, the need for business and financial expertise to support them has also grown. Recognizing that for-profit consultancies are uniquely positioned at the boundary between the global corporate, financial and development sectors (reflecting a role undertaken by for-profit consultancies more broadly, see e.g. Roitman, 2021), the UK government has relied heavily on consultancies to help implement reforms to its development financing practices. While we do not suggest that the impetus for the financialization of development can be traced directly to the work of for-profit consultants, we do contend that consultants have been key actors in providing the conditions of possibility for these shifts. In other words, consultants have facilitated the practical implementation of financializing reforms across the UK’s development agenda. While for-profit consultancies are not present in all areas of contemporary development programming and delivery, one of the areas in which their presence has become significant is that in which the UK government is most vigorously driving development’s financializing and broader private sector turn. UK aid’s IMPACT Programme, for example, was launched in 2013 to build impact-investing market infrastructure across sub-Saharan Africa and South Asia. It is managed by global development consultancy Palladium and impact-investing advisory firm The Good Economy. Meanwhile, the UK aid-funded Centre for Disaster Protection, which promotes government adoption of ‘risk financing’ tools such as insurance and contingent credit in response to natural disasters and climate change in the global South, was initially managed by OPM before DAI Global UK took over as its managing agent in 2021. In a further example, the Global Head of Infrastructure at KPMG was appointed to Alok Sharma’s International Development Infrastructure Commission, established in August 2019 ‘with a mandate to make

15. Alok Sharma was Secretary of State for International Development, 2019–20.
recommendations on boosting private capital investment into sustainable infrastructure’ across the global South (UK Government, 2020: 2, 37).\textsuperscript{16}

Consultancies are also central to the incorporation of impact investing and social finance technologies by the UK government. The design of development impact bonds (DIBs),\textsuperscript{17} vaccine bonds, climate finance and other blended finance arrangements (in which public and/or philanthropic funds underwrite and thus ‘de-risk’ investment; see Hughes-McIure and Mawdsley, 2022; Sklair and Gilbert, 2022) requires complex financial and legal expertise and facilitation between different private and public sector actors — further services that for-profit consultancies are well placed to provide. The Climate Finance Accelerator programme, for example, designed by the UK government’s Department for Business, Energy and Industrial Strategy to develop investible low-carbon projects across the global South, is a multi-partner initiative led by PwC.\textsuperscript{18} Across these programmes and initiatives, government is rapidly cementing its dependence on consultants and contractors for the provision of both epistemic and skills-based expertise for the management, evaluation and audit of financialized and businesses-oriented aid.

\textbf{DISCUSSION}

The role of consultants and contractors in UK aid delivery has transformed in both substance and significance. They are no longer simply providing technical services which are state-oriented and ordered within projects.\textsuperscript{16}

\textsuperscript{16} We illustrate here with examples of two firms that specialize in this field. In addition to the work on IMPACT (worth £17 million), PwC won contracts as managing agent for programmes including: the Flexible Facility for the Private Sector Development Programme in the Democratic Republic of Congo (£35 million); the Accelerating Investment and Infrastructure in Nepal programme (£19.1 million); the Work and Opportunities for Women programme (£10.2 million); the Financial Sector Stability Programme (£3.4 million); the Investment Climate Facility of UK Specialist Expertise (£3 million); and multiple smaller contracts. In addition to work on the Centre for Disaster Protection (worth £30 million), DAI won contracts as a managing agent for: Market Development in Northern Ghana (£14.3 million); Economic Growth in Kyrgyzstan and Tajikistan (£19 million); energy and financial services under the Mexico Programme (£24.2 million and £9.5 million respectively); the Arab Women’s Enterprise Fund (£9.6 million). Each of these involves the provision of flexibly directed expert services and expertise to outcomes intended for the promotion of private sector growth or financial services specifically.

\textsuperscript{17} The design of DIBs is an area in which the two trends driving the turn towards for-profit consultancy identified in this article converge. The emergence of payment-by-results modalities during the 2000s/2010s was a feature of DFID’s emerging audit and results-based management framework, as discussed above. From the 2010s, new DIBs and vaccine bonds, growing in popularity across the financializing international development sector, drew inspiration from these earlier payment-by-results models.

\textsuperscript{18} See DevTracker: https://devtracker.fed.gov.uk/projects/GB-COH-03580586-5000693254/summary
Rather, they are increasingly central to the FCDO’s functions of audit, management and knowledge management; further, they provide expertise and intermediary functions linking aid processes to the broader for-profit and financial sectors. These roles are central conditions for the ability to operationalize the politicized aid paradigm that has emerged under successive Conservative governments (although with precursors in pre-2010 Labour governments). They signify a turn to the private sector as an engine of growth, and private sector managerial logics and calculative practices as the main domain governing how aid will be given.

This shift in focus is evidence of a deepening in the relationship between the ‘Development industry’ — which Gillian Hart labels ‘Big-D Development’ — and ‘development’ as a global drive towards the expansion of capitalism (Hart, 2001, 2010). Analytically, Hart’s argument focuses on how the changing discourses, practices and ideologies of Development shed light on and often serve global capitalism. As Mawdsley and Taggart (2022: 3) argue: ‘going beyond “containment”, Development is ever more deeply inhabited by (capitalist) development’. We suggest that the role of for-profit consultancies is an expression of a deeper entanglement of Development processes with prominent actors in global capitalist processes — as key intermediaries facilitating engagement with other important actors within global capitalism; and as interests in their own right, since they are critiqued as forming a growing ‘consultocracy’ with their own interests (Sturdy et al., 2020; Ylönen and Kuusela, 2019) and the tendency to produce homogenized global institutions (Faulconbridge and Muzio, 2017).

For-profit consultancies act as intermediaries to the logics of global finance and capital which are central to contemporary ‘little-d’ development processes (Gabor, 2021; Pistor, 2019). The Development industry is drawn into the discursive framings and ideologies thus introduced. Hindman observed more than a decade ago that ‘the aid industry continues to borrow from the corporate world even as it decries it’ (Hindman, 2010: 185). The administrative expertise, insulation and autonomy that had characterized DFID has become increasingly porous to the private sector, necessitating a reconfiguration and creation of new assemblages of expertise in which for-profit skills and knowledge are crucial. In this respect, the reconfiguration of aid may be expected to reconfigure its geographies: the key reference points and performances of aid’s legitimacy move away from state ministries and meeting rooms and towards the spaces of a globally mobile private sector.

Second, for-profit consultancies are themselves central to little-d development processes, and their deepening role as managers of Development processes may be expected to have an impact. After all, while the anthropology of development literature has typically characterized development as foreclosing debate through the deployment of technical argument (Ferguson, 1996/1990; Li, 2007: 7; Rottenburg, 2009: 69–72), the project arena is never fully closed, representing instead ‘the permanent provocation between the will to govern and strategies of struggle, the points at which an opening
became a closure, before the next reversal’ (Li, 2007: 273). That is to say, the application of universal technical logics demands a process of translation and application into specific contexts, wherein new hybrid forms can be produced (Gal et al., 2015) and where contestation is possible. The logics and interests of those seeking to govern these processes therefore matter.

It would not do to romanticize the bottom-up or emancipatory structures and practices of either INGOs or recipient developing country states — two of the other main aid recipients and managers. The formers’ responsiveness to grassroots or bottom-up structures has been heavily questioned (Banks et al., 2015). Upwards accountability processes and practices tend to dominate (Agyemang et al., 2017), as they have remade their own internal processes to fit deliberate audit processes, hollowed out by the same contractual formulations and practices that the for-profit consultancies have seized upon (Boomsma and O’Dwyer, 2019; Cazenave and Morales, 2021; Duval et al., 2015). Nevertheless, for all the flaws of INGOs, they do retain claims to multi-vocal accountability and an emancipatory and community orientation (Agyemang et al., 2019). These claims offer space for contestation (Girei, 2016; Winthereik and Jensen, 2017; Yasmin and Ghafran, 2019) and form an important part of their staff’s felt responsibility (Agyemang et al., 2017), despite the symbolic violence done to these commitments by the wider discourse (Kuruppu and Lodhia, 2019). And it need hardly be said that, for any deficiencies in their governance, developing country governments are more politically embedded in their societies than global for-profit consultancies.

Yet there are differences between these actors and the for-profit consultancies. The growing attention toward global for-profit consultancies or professional services firms as actors in their own right highlights their interests in pushing ‘an institutionalization of new transnational regimes’ (Faulconbridge and Muzio, 2017), as they seek to extend their own technical fields of expertise within a forming global landscape (Suddaby et al., 2007: 356). They do so through a variety of active strategies (Boussebaa and Faulconbridge, 2019). Ian Harper’s account provocatively juxtaposes the segregated, literally gated-and-walled-in global health professionals in Nepal with the migrant Nepali health workers who fluidly navigate social settings in their work in health systems in the UK and the USA (Harper, 2011; Mosse, 2011a). The logics of the local environment are excluded, sometimes literally walled off, as their focus is towards a travelling expertise. For-profit consultancies’ own structures reproduce the core–periphery dynamics of global capitalism, with a cosmopolitan elite recruited from leading universities, headquarters in key sites of global capitalism at the core, and a periphery of localized, territorially constrained offices (Clegg et al., 2018). One may conclude that the growing reliance on for-profit consultancies could be expected to insulate the UK government apparatus further from its primary interlocutors, as possibilities for resistance, contestation and the brokering and translation of other voices in the development sphere may be further restricted.
CONCLUSIONS

The growing presence and influence of for-profit consultancies in the aid landscape raises questions for critical development scholars. Whilst for-profit consultancies have always played an important role in development, we have shown that since 2010 that role has been supercharged by a politically and ideologically driven development paradigm. We suggest that for-profit consultancies themselves acted as essential prior conditions of formation for this role: their availability has permitted the emergence of a particular conjunction in which the position of consultants has shifted from a primarily technical, fragmented and state-oriented contribution, to the current situation in which for-profit consultancies sit in influential management, audit and intermediary positions, located between public sector aid donors and the private sector. Each of these roles is necessary to the ongoing enactment of UK aid’s current configuration: their technical roles as evaluators and audit contractors; their role as managers of aid delivery; their capabilities and positioning as credible intermediaries in portfolio or fund management; and their existing global networks and positioning as actors in infrastructure and financialized spaces. We have further suggested that the shift to increased placement of private sector organizations in key positions has contributed to the reconfiguration of aid relations, reorienting development away from the state and towards the needs of private capital.

The UK government’s 2022 ‘Strategy for International Development’ (FCDO, 2022) points to the expansion of the FCDO’s engagement with the private sector through the search for development finance, furthering the use of UK aid to de-risk investment in development. Of the four priorities laid out in the 2022 Strategy, the first is to ‘deliver honest and reliable investment, building on the UK’s financial expertise and the strengths of the City of London’ (ibid.: 5). Plans to achieve this goal include working ‘with capital markets to share risk and remove barriers to investment to mobilise finance for development at scale’ (ibid.: 9), leading to mobilization of ‘up to £8 billion of UK-backed financing a year by 2025 including from the private sector, targeting the main barriers to investment’ (ibid.: 8). We might expect, therefore, to see a parallel entrenchment over the coming years of the reliance on for-profit consultancies that has enabled the initiation of this trend over the last decade.

While the search for development financing appears to be a growing trend, however, it is not clear whether the reliance on audit and evaluation technologies outlined above will continue to rise. Recent events on both the global and domestic stage — most significantly the COVID-19 pandemic, Brexit and the Russian invasion of Ukraine — have sent shockwaves across the UK’s international development landscape, making it difficult to predict how the role of for-profit consultancies in the design and delivery of aid will evolve. We do know that consultants and contractors are adept at reshaping their offerings to meet emerging demands. Regardless of these uncertainties,
the shifts in the role and significance of these firms in the recent spending of the UK aid budget, outlined in this article, certainly merit further investigation. As the UK government embarks on a new era of development design and spending, critical development scholars would do well to stay attuned to its engagement with for-profit consultancies.

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The Rise of For-profit Consultancies in the UK Aid Sector


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