

**ARE WESTERN AID TO AFRICA THE SOLUTION TO THE
EMBATTLED CONTINENTAL ECONOMY**

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1. Introduction

- Can a richer be a beggar and can a poorer be a donor?
- If Africa is alleged to be a richer continent why does it continue to be a recipient of handouts from those viewed as poorer continents?

- What is wrong with the African institutional mechanisms that continue to render it as vulnerable continent?
- How do we explain the economic osmosis of Africa in the context of aid, which moves from the place of lower concentration to the place of higher concentration?

The dependency syndrome has never been a culture of the African soil and its people. Traditionally, Africa has never been a beggar continent, so had it never been submissive, for the continent has what desire. I hope it is not too late for Africa to go back to these core traditional and cultural ideals of doing business. Yes off course, it is better late than never.

The concept of begging as a product of globalization through the manifestation of developmental and/or humanitarian aid is grossly terminal to the self-determination and economic independence of the Africans and the mother continent Africa.

Western countries have set and marked donations of developmental and/or humanitarian aid as the conduit of strengthening their international relations with the African continent. However, despite what may be the constitutive intentions behind the giving of a specific aid, these types of donations have great negative impact on the continent than the benefit.

These donations are of retrogressive effect, than the progressive one to the indigenous efforts aimed at the continental-economic recovery by the African people, within and beyond the continental boundaries.

Of obviousness, the whole world is aware that aids are given with ulterior motive on the side of donors that is if the attached conditions are not the befitting descriptive phrase. In most instances, aids are given on the basis or in pursuit of

diplomatic approval, military ally, commercial or economic and in exchange of cultural influence. Generally, group of donors, may include individuals, private organizations or governments.

2. Historical background of aid

Historically, aid is coming from ancient times, but became popular and common in the nineteenth century, when a significant numbers of private aid started flowing from the Western countries to the rest of the world, particularly to the African continent. Building of missionary hospitals and schools are both unexclusively, practical examples of effect of aid. Lucidly, the quantity of aid being given to Africa at the moment is way beyond the amount that had been donated during nineteenth and twentieth century altogether, with very little improvements on the socio-economic level of the general citizenry on the continent. Most of the aid this far, has consisted of humanitarian aid towards natural disaster and unforeseen crises. However, some transfers that would now be counted as aid, has came under the purview of colonial office budgets. Notably, aid became a major activity subsequent to the end of World War II, coupled with European reconstruction, decolonization, and cold war rivalry for with the influence in the third world. This was strengthening by Harry Truman inaugural speech in 1949, where he announced the foundation of NATO as an integral of component of development policy of western nations towards Africa. He noted that;

“In addition, we will provide military advice and equipment to free nations which will cooperate with us in the maintenance of peace and security. Fourth, we must embark on a bold new program for making the benefits of our scientific advances and industrial progress available for the improvement and growth of

underdeveloped areas. More than half the people of the world are living in conditions approaching misery. Their food is inadequate. They are victims of disease. Their economic life is primitive and stagnant. Their poverty is a handicap and a threat both to them and to more prosperous areas. For the first time in history, humanity possesses the knowledge and skill to relieve the suffering of these people”.

Generally, and of practice to date, aid is normally effected in the form of financial grants or loans, or in the form of materials, labor, or expertise. It may be pledged at one point in time, but *payout* (financial transfers) might only be exercised on a later stage. This is done in promotion of Truman advocacy, and he is considered as the father of the aid for the 21st century.

3. General types of aid

There are two major types of aid generally perpetuated by developed nations in order to inject inferiority feelings among the African people via their governments. These are for instances,

a) Humanitarian aid or emergency aid

This is quick response assistance by individuals, groups or governments to specific people during and or aftermath of artificial emergencies, e.g. war and natural disasters such as flood, tsunamis, volcanoes and earthquakes. In a number of instances, the provision of this type of aid includes, food aid, in-kind services (like logistics or transport. So this type of aid is expressively distinctive from the

developmental aid, because of its constitutive nature, such that it focuses on relieving suffering caused by natural disaster or conflict, as opposed to the removing of the root causes of poverty or vulnerability. Furthermore, humanitarian aid is not the same as humanitarian intervention, which involves armed forces aimed at protecting civilians from violent oppression, often sponsored by the state or state organs.

b) Development aid

This type of aid is given by developed countries with intention of supporting development in general. Usually the target development direction can either be economic development or social development in developing countries. Unlike humanitarian aid, which is mainly given in order to relieve distress temporarily, developmental aid supposedly aims at alleviating poverty in the long term. Whether this comes to terms with reality, is a wider subject on its own and will rightfully be interrogated herein.

Development aid is often given by governments through some of the following institutions; international aid agencies and multilateral institutions such as the World Bank. If developmental aid is to be given by individuals, institutions such development charities such as ActionAid, Caritas, Care International or Oxfam, may resume the role of agency in effecting the concerned donations.

4. Specific types of aid

- Project aid – exclusively given for a specific purpose e.g. building materials for a new hospital.
- Programme aid: exclusively given towards specific sector e.g. agricultural sector of a country.
- Budget support: often a form of Programme Aid that is directly channeled into the financial system of the recipient country.
- Sector-wide Approaches (SWAPs): A combination recipe of Project aid and Programme aid/Budget Support e.g. support for the agricultural sector in a country will include both funding of agricultural projects (like setting up an irrigation project) and provide funds to maintain it (e.g. buying chemicals needed).
- Food aid: food given to countries in urgent need of food supplies, after being stricken by natural disaster.
- Untied Aid: given and the recipients can spend the money as they choose.
- Tied aid: conditioned aid, such the recipients can only uses it to purchase products from the country that donated the aid or a specified group of countries.
- Technical assistance: various personnel, such as engineers are deployed into developing countries to in order to become involved with the implementation process of projects funded with the concerned aid. It can be both programme and project aid.
- Bilateral aid: given by one country directly to another.
- Multilateral aid: mostly is given through the intermediacy of an international organization, such as the World Bank, with pools of donations

from several countries' governments and then distributes them to the recipients.

5. Fatal consequences or threats posed by the aid given to the continent

According to Lord Bauer, and undeniably as it is, development aid actually hinders development because it increases laziness, dependency, clinging on power by the authority holders, corruption, misappropriation of resources, and erosion of envisaged civilization and civil society formations. He summed up the argument against the development aid, in his distinctive writing on Equality, Third World and Economic Delusion (Cambridge, Massachusetts: Harvard University Press) in 1981, to the effect that:

"the argument that aid is indispensable for development runs into an inescapable dilemma. If the conditions for development other than capital are present, the capital required will either be generated locally or be available commercially from abroad to governments or to businesses. If the required conditions are not present, then aid will be ineffective and wasted."

Various contagious views came into play, with majority underscoring the need to stop of massive and continuous aid for it has created a culture of dependence and therefore constitutes an obstacle for introducing structural changes that would benefit the continent. Further, Africa is a great mess because of the impact of aid and all its associated conditions. Generally, African government consider foreign aid as a permanent developmental instruments, reliable en consistent source of income, hence they find on reason to adopt alternative policies to foster and

finance the economic development of their countries or as the case may be. So if the only thing you know is opening a fridge, take out a fish and cook, why should you mind about learning how to fish?

According to Irwin Stelzer, in his support of the foregoing exposition *"an assured continued flow of aid infantilises and debilitates its recipients, and prevents the local economy from becoming self-sustaining. It diverts local politicians from the hard work of creating the institutions that make private-sector development possible and instead sets them wandering from one world capital to another, begging bowl in hand"*. It is further submitted that dependency on aid as the case may be, incites governments to create a large and inefficient public sector. This has a potential of warding off the possible effectiveness and competitiveness of the market. Of majority, they hold the view that this becomes an automatic cricket to corruption, favouratism and nepotism. In this regard, James Shikwati observes *"that development aid fosters the so-called 'political industry' and curbs the real economy, no wonder that in Africa the richest people are politicians, not entrepreneurs"*.

Make both domestic and foreign investment unattractive, fewer investments reduce economic growth, fewer job opportunities and increasing poverty levels. Further, giving of aid thus feeds corruption and bred new dependency dimensions. Erosion of civil society brings a defeat to democratization process and deformation to the social contract between people and government thereof. Also aid may even directly supports and sustains dictatorial regimes. Aid also foments violent conflict. The prospect of seizing power and gaining access to aid wealth (and oil in oil-rich countries) is irresistible. Thus, aid not only undermines economic growth, but it is

also a cause of unrest, and possibly even civil war (Dambisa Moyo, *Dead aid.*, New York: Penguin Books, 2009, p. 59-60).

As Robert Calderisi, author of the book, *The trouble with Africa. Why foreign aid isn't working* (New York: Palgrave Macmillan, 2006) said:

"Africans need breathing space much more than they need money. Not a Marshall Plan, but real backing for the few governments that are fighting poverty, plus political support for the millions of Africans who are resisting oppression and violence in the rest of the continent."

6. Status quo on aid

So far about 500 billion has been given to Africa, yet the continent remains the same, that is if its state is not debilitating.

7. This is what Africa needs

For Africa to achieve and ripe full benefits of the globalization the following must take effect;

- Industrial Technology based skills transfer
- Multi faceted free and fair trading playground
- Improved competitiveness of its private sector
- Technological innovation and entrepreneurialism
- Intra-continental integration and balanced economic trade systems

- Intra-continental policy cohesion
- Access to investment capital for its citizens

8. Conclusion

Apart from dependency, redundancy, laziness and possible corruption that aid handouts bring about, they also instigate inferiority and loss for both socio and legal identity of the African people. In light of the above, I submit that aid must be discontinued, particularly if they are coming with attached conditions. Substantially and effectively so, no economic independence is possible with imposed debtness born out vulnerability. Any further acceptance of aid of whatever kind by the Africans is economically suicidal to the continent.

Were Africa able to attract this money back, its private capital stock would increase by about two-thirds. Size can matter in development. Some schemes to save mankind work on a grand scale, or not at all. But what is true of a particular aid effort need not be true for the entire continent. Unless Africa is trapped as Mr Sachs supposes, one need not feel bound by the precise sums he recommends. There need not be a specific quantity of aid below which it will do little and above which it will make all the difference. The grand macro-solutions often neglect the nagging micro-foundations. The staff of rural schools and clinics, for example, have scant reason to do their job well. In Africa, the average person consumes just enough energy each day to power a single light bulb for three hours. Mobilizing public and private funding for infrastructure is a huge challenge – the International Finance Commission (IFC) estimates that it will take \$2 trillion a year to modernize the world’s infrastructure. Western donors and lenders are generally skeptical about China’s efforts to assume a leadership role in providing global infrastructure, and point to the benefits international competitive bidding rules and environmental and social safeguards provide to ensure responsible and sustainable implementation of infrastructure projects.