

Unending Reliance of African States on Foreign Aids: an Assessment

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Abstract

The paper is an examination of the unending reliance of African states on foreign aids. Foreign aid is widespread in Africa, and the nature of Africa's dependency on foreign aid seems to support the popular view that the continent is incapable of an existence free from aid. Budgets by Africans for national and continental projects are planned based on expected aid flows, the implication being that these projects often fails because, among other reasons, most of these aids are not put into the proper use aid They are often misused. On the other hand, Africa's access to aid, in the first place, is argued to discourage proper implementation of the region's growth initiatives. The paper adopted secondary source of data which was obtained through the review of extant literature from journals, scholarly articles from the internet, and books etc., and the international-dependence models, which comprise false-paradigm approach, the neo-colonial dependence approach, and the dualistic-development approach as framework of analysis. This study argues that African generally have contributed to the current state of aid dependency in the continent and had cleverly managed it , exaggerated hopelessness and instrumentalized aid to obtain resources that have mainly sustained undemocratic regimes and corruption. Using extant literature , the study shows that foreign aid to Africa has not led to any significant sustainable growth in that region but has rather, at best, provided short-term relief to few poverty-stricken countries and, at worst, pushed recipient countries deeper into debts. The study concludes that Africa needs trade rather than aid and provide recommendations in form of solutions to Africa long reliance on foreign aid.

Keywords: *Dependency, Development, Foreign aid*

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Background to the Study

Every nation of the world is in one way or another involved in one form of exchange or the other with the rest of the world; this has reflected in many bi-lateral and multi-lateral agreements in the fields of technology, economic and social development (Younas , 2008). In recent times, the world has come to witness this robust interface to also include assistance in the form of aid from the developed countries of the world to the less developed countries of the world to assist these less developed countries achieve certain minimum standards that are needed for the growth and survival of these countries (Collinson & Duffied, 2013).

In the past twenty years, African countries have received more foreign aid than any other continent, yet the number of Africans that lives in abject poverty has tremendously increased over time (Anand & Ravallion, 1993). Over one trillion dollars of foreign aid in the form of ODA (Official development assistance) has gone to the African continent over the past 60 years , even more astonishingly 400 billion dollars of ODA was transferred to Africa between the years 1970 to 2010 yet Africans are in need of help more than ever (Powell, 2013). Today, African countries are more dependent on foreign aid than they have ever been. Foreign aid is the donations of funds, goods, or services from one nation to another (Ekanayake & Charrna, 2010). Such donations can be made for a humanitarian, altruistic purpose, or to advance the national interests of the giving nation. Aid can be between two (bilateral) or many (multilateral) countries/institutions. Bilateral aid is usually tied aid (conditional aid), that is when recipients must purchase products/ services from the donor country. Multilateral aid is usually untied aid that can be spent in any sector of the recipient country (Easterly & Pfitze, 2008). Unfortunately, foreign aid has been more harmful to the African countries' economies and political systems rather than helpful.

Insufficient or non availability of resources for developmental projects has orchestrated the heavy reliance on aid by African countries. However, aids to African countries have proved to be both beneficial and detrimental in more ways than can be imagined. Aid has been used to finance development projects, finance technical assistance, or import critical commodities, including food. The term 'aid' may, however, be a misnomer to the extent that it may suggest something that is free. But, aid can be free or not free. Free aid comes in the form of a grant; whereas non-free aid comes in the form of a loan. When aid comes as a loan, it can be concessional or non-concessional, depending on its terms. Most 'aid' to Africa has actually been in the form of loans. Foreign aid to Africa has not matched the continent's development needs. Aid has also come with costs, including crippling debt and imposition of conditions that may not always favour Africa's long-term development interests (Williamson, 2008). Furthermore, prolonged use of foreign aid has led to addiction from which Africa has found it difficult to wean itself. Also, aid has created moral hazard to the extent that it has bred complacency and apathy especially in seeking alternatives. Over the past five decades, foreign emergency aids to Africa has helped to avert hardship for many of Africa's poor, but failed to promote any significant economic development (Sherife, 2009).

Considering the weak economic base of most African economies, aids though, of minimal benefit, is a vital element towards the economic stability that African desire. While it is easy to assume that African countries are responsible for their chronic reliance on foreign aid, one can argue that African countries are trapped in an economic rat race against developed countries which are unwilling to let them break free. Foreign aid has generally benefited the ruling elites in Africa, by among other things, enabling and perpetuating corrupt governments' hold on

power, and by extension, entrenching the pervasive underdevelopment Africa continent had experienced. This however does not imply that African countries are helpless to escape this repetitious cycle rather it means that they are victims of a 'strategic political oligopoly' organized by a few nations whose intention is to keep African countries in a subservient position (Werker, 2008).

The paper is divided into five parts. The introduction, conceptual clarification, the third part is on Africa's aid dependency syndrome and form of aid dependency. Other part provided an insight of the impact of foreign aid on African countries that comprises both the negative and positive sides. The paper then examined some theoretical issues. The final part of the paper gives concluding remarks.

Literature Review

It is a misnomer to believe that foreign aid enables poor countries to escape the poverty trap. This is because research has proved that poverty, contrary to the popular belief, is not caused by capital shortage. In fact, studies have shown that there is no correlation between aid and economic development, rather, most aid recipient countries have become and remained more dependent of foreign aid (Ree & Nillesen, 2009). Additionally, a World Bank study showed that food aid budgets in developed nations were mainly guided by prospects for commercial exports of surplus from donor countries, and not determined in accordance with the needs and objectives of recipient countries' to reduce dependence on imported food. A U.S General Accounting Office report, criticized USAID for having no strategies for the assessment of the impact of its programs in enhancing the food security, and further, the Agency could not determine whether food aid was an efficient means of accomplishing food security goals in aid recipient African countries (Commission for Africa, 2005). Critics now contend that foreign aid to Africa must be changed for a number of reasons, but mainly because it has not worked. Further, they argue that most aid initiatives are not well thought out, and most of the funding intended for projects, rarely reaches the intended target groups (Moreira, 2005).

Dependence on foreign aid by African countries has significant negative effects on the development of recipient countries. According to this view, foreign aid is fully consumed; it substitutes rather than complements domestic resources; assists import of inappropriate technology; distorts domestic income distribution; and encourages a bigger bloated?, inefficient and corrupt government in African countries (Easterly, 2011). Also, the view of Mosley (1980) is that foreign aid has no impact on the development strive in Africa. This view is shared by Moyo (2009) who argues that aid has not helped to improve social and economic conditions in Africa for several reasons: a) sectors that are critical and important to the development of the country have rarely been allocated any resources and less than 6.5 per cent of development aid received by African countries over the years has been allocated to areas that are not critical to accelerated growth and economic development, such as education, healthcare, infrastructure, energy, agriculture, technology, and the environment; b) the debt and aid resources have been stolen and corruptly squandered by government officials to enrich themselves, their families, and friends instead of being directed to the productive sectors of the national economy; c) during the cold war, the policies of the developed countries favoured African countries that were friendly with them and as a result, Official Development Aid (ODA) was usually quite unpredictable and could not be depended on for making long-term development plans. In addition, many of the Western donors often attached conditions to aid that made its effective use for development difficult; d) in many instances, aid was driven by

interest groups in the developed countries to sell their products, services, and technologies that were not suitable for African development because they were often obsolete and inappropriate for African conditions (Burnside & Dollar, 2006).

The Concept of Aid

The concept of aid was introduced during the 50's in order to create economic growth and promote democracy in the African continent. Basically, aid is the transfer of resources from the rich countries to poor ones for the purpose of development. Foreign aid is primarily the official government-to-government transfer of financial and technical resources for the programs of social and economic development (Moyo, 2006). Foreign aid is the transfer of goods or services from one country to another directly or indirectly through international organizations such as the World Bank, the United Nations Children's Fund, and many others.

Knack (2009), argues that foreign aid means economic, technical aid given by one nation to another for purposes of relief and rehabilitation, for economic stabilization, or for mutual defense. Some experts charges that aid has enlarged government bureaucracies, perpetuated bad government, enriched the elite in poor countries, or just been wasted.

Leeson (2008) asserts that although aid has sometimes failed, as they have supported poverty reduction and growth in some countries and prevented worse performance in other. The standard definition of foreign aid comes from the Development Assistance Committee (DAC) of the Organization for Economic Cooperation and Development (OECD), which defines foreign aid as financial flows, technical assistance, and commodities that are (1) designed to promote economic development and welfare as their main objective (thus excluding aid for military or other non-development purposes); and (2) are provided as either grants or subsidized loans (OECD, 1998).

Africa's Aid Dependency Syndrome

Aid, either in cash or in kind, is broadly aimed at transferring resources from donors, usually rich countries, to recipient-countries, many of which are not necessarily poor if own resources are well managed. Aid includes, among others, debt cancellation, emergency relief assistance of different types, outright grants, soft loans, implicit capital transfers or disguised flows such as preferential tariffs by one country to another's exports, post-conflict peacekeeping assistance and technical cooperation (Todaro, 1994; Harsch, 2005 & Ilorah, 2008). There is, though, lack of clarity about what actually constitutes foreign aid to Africa, to the extent that even private foreign investors' capital flows, representing normal commercial transactions, prompted by commercial considerations of profits and rates of return, are often construed as aid to the continent. This ambiguity in meaning has meant that the operations of foreign multinationals engaged in the exploration for oil and other mineral resources in Africa are mistakenly considered, albeit by design, as development assistance and therefore aid to the continent. For example, the Chinese presence in different parts of Africa in recent years, motivated by long term strategic and economic interests, especially in Africa's oil and other mineral resources, is often touted as technical cooperation between the two regions, with China perceived as giving a helping hand, and Africa at the receiving end (Gaye, 2008).

Most regions of the world have less aid dependency ratio than countries in sub Saharan Africa. (World Bank, 2006). Africa long relied on foreign aid. Aid per capita has increased despite the increase in the sub-Saharan Africa population which is expected to nearly double to 1.5 billion by 2030 (Mills, 2011). As a percentage of GNI, gross capital formation (GCF), and imports,

three of the four main measures of dependency (data on the fourth, public spending, is unavailable), the region's dependency on aid has remained on the high side, varying only slightly depending on donor sentiments that are in turn determined by performances in their economies. According to the World Bank (2003), the sub-Saharan Africa's level of dependency was equally high in the 1980s. Several factors such as natural disasters, poor terms-of-trade and, especially, bad policies are blamed for the region's high dependency. It is important to note that Africa has undoubtedly benefited from certain types of foreign aid but not equally so from many others. It has benefited from emergency relief assistance including temporary shelters, food and medicine for victims of natural and man-made disasters. These usually fall within the resources allocated under the International Development Association (IDA) for post-conflict and post-disaster countries, and limited to a specific time period (World Bank, 2006). These post-conflict and post-disaster allocations are meant to support the exceptional needs of countries emerging from conflicts and disasters (Wall, 2002).

There has not been scarcity of conflicts and disasters (natural and man-made) in Africa during the last half-century. Post-conflict assistance obviously brings great relief to torn families and all conflict victims in general. Natural disasters have also befallen several countries on the continent both in the past and in recent years. Countries such as Ethiopia and Somalia in the Horn of Africa have regularly suffered from the effects of drought, such as dryness and de-agriculturalisation, and have received emergency relief assistance in form of food and medicine aid from donor countries and institutions. Some other categories of foreign aid to Africa, especially the so-called outright grants and soft loans for economic development, have not been equally beneficial to recipients (Wade, 2003).

There is skepticism that outright grants and soft loans have practically created more problems than they have solved over the years. Soft loans, in particular, are to fill the so-called financing gap, boost investment and growth. Africa has remained an example of a region with a failed aid-investment-growth link (Carlsson, et. al, 1997, Easterly, 2002). Many countries on the continent such as Cote d'Ivoire, Burundi, Sierra Leone, Central African Republic (CAR), Guinea Bissau, Democratic Republic of Congo (DRC) and Zimbabwe, all among the little-or-no-growth countries (World Bank, 2006a), are indeed growth disasters despite having received significant amounts of foreign aid to boost investment and growth in their economies. The general growth performance is one of disappointment, considering the low base of economic activities in the entire region. In other words, higher growth rates are needed for any significant improvements on the lives of citizens.

Soft loans and outright grants are usually politically motivated to the extent that even notoriously and financially irresponsible countries, characterized by poor governance, are often prioritized recipients as long as they fulfill the politically strategic needs of donors. Notably during the Cold War era, donors from the West, including its big business, had, through these categories of aid, encouraged repressive African regimes in Zaire (present DRC), Kenya, Ghana, CAR, and Nigeria, as long as these regimes remained anti-communist. In the same era of power tussle, the former communist Soviet Union had also, through these same types of aid, held on to regimes in countries such as Ethiopia, Mozambique, Somalia and Angola, as long as they remained anti-West (Ilorah, 2008). Regardless of what governance these regimes practiced and how their aid packages were expended, their loyalty to donors determined the development assistance they received (Enoki, 2002). Actually, the Cold War inspired the filling of the financing gap with foreign aid (Easterly, 2002), and yet there is hardly any proof that it led to growth in Africa.

A yet important indication of the region's appalling growth is the poor level of the total factor productivity which, according to the World Bank (2006b), has remained negative since the 1960s, reflecting the continent's lack of technology for efficient use of inputs to produce output. The lack of technology and the subsequent inability of the continent to exploit its vast natural resources profitably continue to exacerbate its vulnerability to exploitation in partnership agreements with other world regions (Ilorah, 2008). Perhaps, the lack of technology also explains why benefits of globalization through trade continue to elude the continent, exacerbating directly or indirectly the continent's dependency on foreign aid (Ilorah, 2004).

Apparently, the unabated dependency on foreign aid means that the rest of the world has, to a large extent, continued to perceive any growth in Africa as foreign aid-driven and, sadly, the continent sees every other regional partner as potential aid donor. Often, African countries and their aid proponents project ubiquitous growth targets that are impossible to attain, hoping that foreign aid will subsidize the costs of required investments and usher these poor countries to the path of economic growth (Easterly, 2002), but overlooking other countervailing factors in these countries such as their bloated and often corrupt and inefficient public sector run by few elites and their inner circles. This elite group through which aid, especially financial aid, is administered does not always see the need for accountability for its activities and consequently aid is not often used for intended purposes, such as profitable investments. As a consequence, the continent has rather fallen deeper into unsustainable debts, demonstrating that aid cannot accurately reflect the basic needs of poor countries in terms of promoting economic development (Lal & Rajapatirana, 2007). Critics argue that foreign aid to African countries, at best, enable them to service their subsidized loans under earlier foreign aid agreements and, at worst, is exhausted for the purchase of consumption goods or to keep corrupt and incompetent governments in power (Bauer, 1997).

Form of Aid Dependency

Aid dependency refers to the proportion of government spending that is given by foreign donors (Thomas, 2011). A country is aid dependent when it cannot perform many of the core functions of government, such as delivering basic public services like schools and clinics, without foreign aid (Thomas, Viciani & Tench, 2011). This paper identifies aid dependency as when aid funds a high percentage of government budget expenditure, on an ongoing basis. One main cause of high aid dependence is political instability or conflict.

In the views of Clemens (2012), aid is not intrinsically linked to dependency; studies have shown that dependency is influenced by many factors, mostly length and intensity of the donation period, and most time has been identified as a point where aid begins to have negative effects. What causes dependency is when aid is used, intentionally or not, as a long-term strategy that consequently inhibits development, progress, or reform which is the situation in most African countries. Food aid is particularly criticized for this; increasing dependency on food aid creates disincentive for local food production by reducing market demand. This is compounded when aid is replaced with commercial imports rather than locally sourced food, either because of cheaper prices or a lack of recipient country food production capacity. This creates a situation where countries that dependent on food aid experienced agricultural stagnation (Shah, 2012). This is common in countries that dependent on cheap imports of grain stocks from developed economies, or such countries where aid dependency has forced an over-reliance on cash crops.

The nature of aid almost intrinsically causes what is increasingly known as 'political dependency' by encouraging donor intervention in political processes. Donors need to satisfy the interests, values and incentives of the home country, whilst also providing them with expected results in order to maintain the cash flow. This has resulted in donors either bypassing and therefore destabilizing government service provision processes to establish donor projects, a strategy often favoured by USAID and the World Bank (Brautigam & Knack, 2004), or intervening directly in policy-making and implementation (Brautigam, 2000). The involvement of donors, either foreign governments or international agencies, in recipient country political processes has been shown to reduce the quality of governance (Knack, 2001). It reduces leader accountability; the government is "playing to two audiences simultaneously" the donors and the public (Hayman, 2008). This means the direction of accountability is between government and donor rather than the public, risking government legitimacy and delaying the progress of political reform and development (Brautigam, 2000).

This is particularly damaging in countries where the need for aid stems from political upheaval or civil unrest such as the Democratic Republic of Congo or Zimbabwe, which have a lengthy history of aid dependence (Moss et al., 2006). The risk here is that donors have political leverage, thus decisions and planning become reliant on donor involvement whose motivation and values may not necessarily align with those of the public or government.

Another form of dependency is project earmarking which is a strategy favoured by many international donors who fear corruption in recipient governments, therefore 'earmark' direct sector or programme funding rather than general government budget support (Foster & Leavy, 2001). This not only shifts the agenda-making power to donors who have the authority to set priorities and direct funds accordingly, but also creates irregular and unsustainable development where some sectors outperform others. Dependency relates not only to commodities but also technical expertise and skills which donors often bring to specific aid schemes and projects, which when not appropriately coupled with education create an over-reliance on donors (Thomas et al., 2011).

Impact of Foreign aid on African Countries

There are numerous types of aid, for example, technical assistance, food aid, project aid, program aid, and budget support. Aid is given also in the form of loans or grants, which have different degrees of effects. These types of aid have different effects and they all have an impact on the recipient. For instance, there have been debates on food aid, which is often viewed as harmful for agricultural producers; on budget aid, which has been cited as breeding corruption; and on project aid, which it is claimed has resulted in useless "white elephants" or in reduced public savings etc. A rigorous assessment of the impact of aid on African countries from both the negative and positive sides will be discussed in this section.

Positive Side of Foreign Aid

Foreign aid is beneficial for a number of reasons in African countries as it is assumed to facilitate and accelerate the process of development in a number of ways; importantly on economic development. Foreign aid's main role in stimulating economic growth has been to supplement domestic sources of finance such as saving, thus increasing the amount of investment and capital stock. This is facilitated by an increase in investments both physically and human capital as well (Boone, 2006; Tavares, 2003).

According to Barter (2012), foreign aid also enhances the capacity to import capital goods and technology. It is also associated with technology transfer that increases technology knowledge and new skills in a country. This can be in the form of funding of training institutions for example the computerization and e-marketing skills, which in turn increases the productivity of capital. For example e-commerce, computerization and recently the fiber optic cable which attracted many foreign investors. In many African countries foreign aid is most of the time in terms of humanitarian aid especially during emergencies or natural calamities such as droughts, famines and earthquakes. The Aid enables countries facing such catastrophes to spend limited foreign exchange on other essential imports. It also enables countries to invest the little they have to solve other emergency needs. In line with this, development projects funded thorough foreign aid have been of great benefit to the people, such as construction of roads, hospitals, schools, boreholes, which could have taken many years for a country to achieve especially if the income per capita is below level or the revenue collected from tax is insufficient. If used well the funds directed to developmental projects is a major boost to African struggles to achieving development and improving quality of life (Framroze & Tarp, 2011).

Through extending foreign aids, political alliances are created which are necessary for the development of any country. Through this channel ideas are exchanged and political boundaries are opened for social and economic benefits of the citizens of both countries. At time thing that would have been harder to achieve if political relations between two countries did not exist at all or if they were strained can be achieved. For instance, China and Uganda have had good political relations since the 1980's and this has been mainly as a result of China extending aid to Uganda (Burnside, 2007).

The issue of structural transformation of many African countries has been speed up by foreign aid, as a result of a demand to do so from the donor countries. This has entailed implementation of certain policy reforms aimed at improving standards, especially in government offices, adopting policies that are more economically friendly, policies that promote efficiency, transparency and accountability. Above all donors emphasis good governance and ensures countries benefiting from the aid meet these standards. Issues on democracy and democratization always draw many potential Foreign Aid givers as it is part of their emphasis. In a number of African countries withdrawal by the foreign aid givers has been experience in countries that are corrupt and/or not democratic and they fail to adhere to the rules and regulations set by the donor countries or agencies (Rena, 2008).

Negative Side of Foreign Aid

Providing foreign aid to African countries is termed to be beneficial, many times it comes laden with plenty of consequences more often than not which adversely affect the recipients more than they help them. A number of the donor countries concentrate so much with the government and other major agencies based in these countries that they fail to address the real needs of the people. This means that most aid does not actually go to the poorest, instead massive and grand strategies fail to help the vulnerable and in return the money/ grants finds its way to the famous and powerful politicians who instead use it to benefit their interests.

Aid is often wasted on conditions that the recipient must use overpriced goods and services from donor countries, in return the aid given fails to sustain the needs of the African countries; rather it finds its way to back to the donors in one way or another. For example in the debate of

globalization, severe criticism has been leveled at global economic institutions. Most often singled out are the World Bank which leads multilateral work for long – term development and International Monetary Fund which exists to guide and assist national financial systems. Critics maintain that those institutions serve as collectors of debts from the African countries to the affluent world, and that they force these countries to implement heavy-handed liberal policies that lead to greater poverty (Ovaska, 2003).

In terms of governance aid has rarely helped, mostly it has damaged the capacity of countries in Africa to govern their own affairs. In most recipient countries, aid has propped up autocratic regimes, a state of the winner takes all, incompetent governments and a violent opposition movement. The nature of African Governance is too centralized, hence the checks and balances of parliaments and organized citizen movements are rare. Politics and governance therefore is more centered on kinship and ethnic hierarchies. Competition among these hierarchies drives politics and wars. Because aid is also a kind of patronage system, it has tended to fit neatly into African political life. Aid in many African countries therefore determine the direction of politics in terms of policies to be adopted, reforms and even sometimes who is to take up leadership based on who the donors have recommended and/ or endorsed, for example in Zimbabwe, many westerners funded and supported Tvasangirai rather than Mugabe which resulted in violence between the opposition and the ruling party

Many aid givers dictate the projects they would like to support and encourage needy countries to take them up. This may led to the implementation of projects that are not priority projects, especially if the recipient government has little to say in their choice. This too makes the recipient countries too dependent on the aid givers as everything is literally done by the donors. The talk of constructions of schools, road, hospitals and even political independence is solely addressed by the Aid givers. This creates a state dependency among countries in Africa. As a result accountability between African countries, states and their citizens is almost non-existent. Instead more accountability is seen on receiving states and their donors. Hence the revenue received through taxes is hardly accounted for by the governments which in turn results in corruption and lack of transparency becoming a norm in most governments (Tarp, 2011).

In the view of Lancaster & Wangwe, (2012), one of the most frequent criticisms of foreign aid is how it fuels rampant corruption in the countries that receive it. A lot of the help whether monetary or in kind, goes through a thick sieve of corruption that the little which trickles through is not sufficient to serve the purpose for which it was given. On some occasions this happens with full knowledge of the donor country or organization. For instance, in July 2013 Uganda was ranked as the most corrupt country in Africa and the 140 in the world by the transparency International Index. Even with this knowledge financial aid is still given to the corrupt National Resistance Movement regime. It is sometime argued debatably by scholars that from these discoveries it is not wrong to conclude that this aid is a payoff to the politicians of African countries to give way to the imperialistic tendencies of developed countries.

Foreign aid had failed to stimulate trade and wealth creation. Foreign aid creates poverty through economic institutions that systematically block the incentives and opportunities of poor people to make things better for themselves, their neighbours and their country. Malik (2009), states that “Aid tends to delay the development of business in Africa. It has kept Africa behind, or Africans behind in terms of getting the confidence they need, the experience they need to take a full part in the global economy, create businesses that compete globally and succeed globally.

Knack (2014) opine, that rather than foreign aid help in creating wealth, prosperity and economic development, most Africans have over the past few decades realized a net decline in their standards of living. On the contrary, the ruling elite became richer. According to Mathew (2009: 23), “over the period that foreign aid was being pumped into Africa, the per capita GDP declined by an average of 0.59 percent annually between 1975 and 2004. Foreign aid has been found to do more harm to Africa leading to a situation where Africans have failed to set their own pace and direction of development free of external interference”.

Alesina & Dollar,(2012) argue that one of the negative of foreign aid is loss of policy autonomy. Aid dependent governments can lose the space to design and implement their own home-grown development policies. This can occur as a direct consequence of aid, because donors insist, for instance, on recipient countries implementing the donors' policy priorities. Or , an indirect consequence, because countries are so busy engaging with donors that they fail to develop their own alternative policies, or because aid distorts government spending towards a particular sector.

Collier (2006), perceives lack of commitment and accountability of the African countries has also a reason for which aid has not been beneficially to the continent. Powerful rulers have discretion over how foreign aid is used and/or distributed. Since they do not have to be accountable to any one sometimes they exploit their power to grab the aid resources. Sometimes they give emphasis on short-term political interests and time preferences, for the foreign aid resources. Ali and Isse (2006:244) said, “Since no one expects to reap the future profitability of aid, in such settings, rulers might adopt policies that benefit them in the short term but hurt the nation in the long run”.

Again, when services are funded in considerable part by aid, this undermines the normal relationship whereby citizens hold their own governments accountable for delivering services such as education, health or water. This is because governments focus their attention on relations with aid donors rather than with their own people, and citizens focus attention on provision of services by donors or NGOs. As a result, there may be less pressure for budgets to be transparent and accountable (Moss, Petterson, & Van de Walle, 2006).

The debt burden of African countries have often been incurred as a result of the foreign aid packages pushed by wealthier countries and Western institutions and pursued by corrupt and greedy politicians and businessmen in recipient countries. Foreign aid' is quite a comprehensive and encompassing term. Most people don't realize that loans are usually embedded in aid packages, either directly or as a condition of foreign aid donations being given in the first place. An overload of debt combined with punishing interest rates creates the condition of economic subservience and ties down, most African countries to perpetual underdevelopment, dependency and poverty (Levine & Roodman, 2006).

As aid flows in, citizens of the African countries effectively become disenfranchised as increasingly all their governments need to do to stay in power is to court and cater to foreign donors. Such governments have less of a need to raise taxes, and as long as they pay their army and security apparatus well, they can be relatively relaxed about the views and opinions of their disgruntled people. It's stated that across Africa, over 70% of government income comes from foreign aid, meaning that such administrations are seriously compromised and unlikely to act in accordance with the interests of their populations (Easterly, 2006). Similarly, Minh (2006)

asserts that in donor countries, for all the billions of dollars of foreign aid money appropriated from their taxpayers over the years, no clear, effective system has ever been put in place to hold aid recipients and governments accountable for how the money is spent. Such spending serves to increase the power and unaccountability of governments and lessen the influence of otherwise free thinking and responsible individuals who would be able to trade and produce wealth through voluntary exchange. This anti-democratic system has reinforced social inequities and perpetuated cycles of political abuse that lead to an entrenched and pernicious form of authoritarianism that empowers the elite few, while keeping a majority of people in abject poverty (Barner & Barner, 2013). Foreign aid in Africa discourages investment and entrepreneurship. The economies of most African countries are tied to agriculture and mineral wealth with the exceptions of a few countries such as South Africa, Nigeria, and Angola which rely on oil production. In Western African countries such as Ghana and Senegal, cocoa beans and peanuts are major cash crops while diamond, copper, and gold are found in the Democratic Republic of Congo, Zambia, and other countries (Gwartney, Lawson, Hall,2011). Africa has countless resources to enhancement its economy and improves the standard of living of its people, but that wouldn't happen unless foreign aid is stopped. For example agricultural aid to Africa harms African farmers who are capable of producing more than enough food for all Africans. It puts them out of business because no one would buy their crop for the right price when they can get free or subsidized food. For example Zambia and Zimbabwe farmers can't grow grain they receive a large amount of free or subsidized grain from the West.

Free or subsidized food from the West undermines the economic viability of farming in Africa. Why should African people depend on African farmers when they can get free or subsidized food? Cutting agricultural subsidies will encourage African farmers to produce a large scale of crops in order to satisfy the needs of all African, and sell their crops for the right price. Large scale farming will create industries which will employ a large number of people. When people have jobs, they will spend the money they earn from their work, and as a result of that the economy will grow Africa (Tupy, 2009).

On closer inspection, according to Bacha (2009), the very idea that the purpose of aid is to alleviate poverty seems incorrect. Instead, it is actually an important function of Western imperialism. In the majority of cases, the actual function of publicized aid from Western governments and their agencies, including the World Bank and the IMF, is to subsidize and facilitate the operations of the corporations and banks of the West. Aid was, and is, therefore used by governments and big aid agencies to ensure that the governments that receive the money adopt policies that favour not necessarily capitalism itself, but the interests of the foreign corporations and banks, in particular those that target African countries they have yet to adequately entrench themselves in. These aims mean that the aid agencies support only pro-Western and often repressive governments, some of them the product of US-supported military coups, while patriotic and sovereign governments who try to protect and develop their own industries and improve the well being of their people are vilified by the Western mainstream media and become the target of uprisings, coups and invasions planned and organized by the financial elite's intelligence agencies (coyne, 2008).

Branson (2006) argued that African countries grudgingly trade off most of their autonomy for financial benefits as a result of aid dependency and this creates avenues through which aid giving countries and bodies extend unchecked control into the political, social and economic

spheres of these nations. Dictating development of specific sectors and policy implementation usually results in misallocation of resources to less urgent issues and ignoring pressing matters in response to the demands of the aid giving nation.

When this trend is followed over long periods of time, African countries sink deeper in the poverty trap. However, overtime, it has been realized that simply giving handouts to the states in need of aid without equipping them with the requisite knowledge with which they can devise mechanisms to combat their state of poverty is more detrimental than it is helpful as it fosters further dependency and casts the already staggering economies in a deeper economic trap.

Foreign aid in Africa discourages investment and entrepreneurship. The economies of most African countries are tied to agriculture and mineral wealth with the exceptions of a few countries such as South Africa, Nigeria, and Angola which rely on oil production. In Western African countries such as Ghana and Senegal, cocoa beans and peanuts are major cash crops while diamond, copper, and gold are found in the Democratic Republic of Congo, Zambia, and other countries (Gwartney, Lawson, Hall, 2011). Africa has countless resources to enhance its economy and improve the standard of living of its people, but that wouldn't happen unless foreign aid is stopped. For example agricultural aid to Africa harms African farmers who are capable of producing more than enough food for all Africans. It puts them out of business because no one would buy their crop for the right price when they can get free or subsidized food. For example Zambia and Zimbabwe farmers can't grow grain they receive a large amount of free or subsidized grain from the West (Taylor, 2012).

Free or subsidized food from the West undermines the economic viability of farming in Africa. Why should African people depend on African farmers when they can get free or subsidized food? Cutting agricultural subsidies will encourage African farmers to produce a large scale of crops in order to satisfy the needs of all African, and sell their crops for the right price. Large scale farming will create industries which will employ a large number of people. When people have jobs, they will spend the money they earn from their work, and as a result of that the economy will grow Africa (Tupy, 2009).

Theoretical Framework

The paper is situated within the context of the international-dependence models, which comprise false-paradigm approach, the neo-colonial dependence approach, and the dualistic-development approach; these approaches have strongly criticized the nature of the relationship between the world's poor countries and the rich ones. The relationship between these two groups is characterized by dependence and dominance, with poor countries reduced to perpetual subordinates of rich countries" (Todaro & Smith, 2006:115-118).

According to the false-paradigm approach underdevelopment and poverty and, by extension, the dependency syndrome in the poor countries as the result of an often misleading a-single-prescription-fits-all doctrine, usually adopted for poor developing countries by naïve and assuming international experts employed by own donor countries, multinational donor organizations, and intergovernmental institutions. Especially in times of crises in developing countries, these experts recommend outmoded and inappropriate policies based on strange, if curious, mixture of ideology and poor economics that, at best, protect special interests but neglect the effects on the general population in the countries for which the policies are meant (Stiglitz, 2002:12-14). Projects undertaken by these poor countries fail because of, among others, wrong policies based on wrong doctrines and inappropriate models (Todaro & Smith,

2006:117). The policies may, though, serve the interest of an opportunistic few belonging to the ruling elite that controls their countries' meagre resources, including donor aid packages. The failure of policies based on wrong advice usually exacerbates poor developing countries' aid dependency, deepening their debts and debt-servicing problems.

The neo-colonial dependence approach, sees the grossly slanted resource distribution and, by extension, the unequal power relationship between the rich developed countries and their poor developing counterparts have over several decades promoted foreign aid, weakening attempts by the later at achieving self-reliance and especially economic independence (Griffin & Gurley, 1985). This approach argues that often the main beneficiaries of foreign aid to poor countries comprise a small group of the ruling class whose activities and policies not only resist accountability but also obstruct any radical reform efforts that could tamper with their power base or benefit ordinary citizens. Aid donors as external forces, on the other hand, have special interests that are often both political and economic in the aid-recipient countries. Usually some donors, in collaboration with members of the ruling elite in the recipient countries, choose to ignore the fact that aid packages, especially financial aid, are not often used for their intended purposes. The neo-colonial dependence approach therefore views dependency on foreign aid rather as a form of political and economic control of poor developing countries by their rich developed counterparts, assisted by forces from within the poor countries. A condition of dependency is therefore perpetuated in the poor developing countries, trapping these countries in more serious conditions of backwardness, making them vulnerable to exploitation (Dos Santos, 1973).

lastly, the dualistic-development approach argues that the co-existence of industrialized developed countries and poor developing countries has become so entrenched, reinforcing in itself with the former getting only richer and the later only poorer. This co-existence of unequal partners, both politically and economically, with minimal hope of a breakthrough for the poor countries, renders any attempts by these countries to cut loose their foreign aid dependency trap an uphill battle. Dependency and poverty among African countries therefore reinforce and exacerbate a cycle of reliance, the situation in Africa providing a good example. Even though these theoretical facts are often ignored by foreign aid proponents they nevertheless remain an important basis for criticisms against the continent's unending reliance on foreign aid (Todaro & Smith, 2009).

Alternatives for Foreign aid and way Forward

Considering the damaging effects of foreign aid such as political manipulation and control, African countries should begin to distance the continent from the lure of short-term gratification attained through foreign aid and must look for an alternative if they are to build thriving economies and expect a stable development. The onus is on them to adopt one or more of the self help measures below so that they can reduce dependence on foreign aid and in the process be weaned off it.

The first step towards becoming autonomous is embracing a true culture of democracy and not a semblance of it; in which there are checks and balances for all government activities as well as freedom to criticize bad government and hold it accountable for all its actions. It is the duty of all citizens in Africa to demand for good governance and fair treatment as stake holders within their nation's political system. Governments and all other bodies entrusted with the welfare of the people must be held accountable for their activities and all inconsistency dealt with severely.

Instilling and maintaining a culture of transparency in which the government's activities are checked and all monies are properly accounted for, will help push Africa countries into a state of greater self help and self sufficiency. Perhaps, very important is that citizens should begin to be more assertive for their fundamental human rights in their countries and regularly demand for accountability from their leaders. African leaders, many of whom are leaders for life" in their countries should begin to do away with their practices of predicting catastrophes, domestic conflicts or even inter-state wars on the continent should be discouraged.

Domestic resource mobilization is potentially the biggest source of long term financing for sustainable development and it is the life blood of all state governance, such as the provision of public goods and services. Reliance on aid can be reduced through economy diversification. African countries must widen their economic base by investing in alternative sectors such as mining, technology and in education.

Local manufacturing is also another path that can lead African countries out of foreign reliance and dependence since even a small increase in the share of manufacturing in GDP has a potential to facilitate an exit from donor reliance and dependence. In addition, investing in local manufacturing and education will in effect lead to the diversification of the labor force which is vital for building a more taxable population and exporting processed goods essentially for increasing earnings from both domestic and international sales. They must begin to create an atmosphere that is conducive to good investments. Such investments, foreign and local alike, should take their roots in the establishment of a manufacturing base that creates jobs and promotes growth (UN, 2005).

Often, investors decry skills shortage in the continent as a big concern. To reverse the severe skills shortage, governments should begin to prioritize education more seriously, especially in the natural sciences and mathematics (not neglecting other disciplines totally), and also try to retain skilled citizens as well as lure back home those outside the continent (Ilorah, 2008). Perhaps, technical cooperation with interested global partners should be encouraged, but such venture steered towards infrastructural development and, possibly in partnership with the private sector, towards attracting even more resources, as well as reducing risks in infrastructural ventures on the continent. In other words, any interactions with foreign partners should strictly be used to promote technological and other knowledge transfers. A good investment transfers skills and technology, assists economic growth, and creates dynamic linkages with local firms (Barnes & Barnes, 1995).

Lewis (2008) argued that soft loans to Africa, even though made on a concessionary basis, have gone into unprofitable investments or imports of consumption goods and these have exacerbated the continent's debt crisis rather than contributed to meaningful investment returns. Stightz, (2010) advised that Africa should therefore begin to shun such categories of foreign aid and rather begin to design more home-grown strategies that are specifically suitable for Africa's development. For example, the promotion of more sub-regional trade, among other partnerships, could create benefits that would to a large extent distract Africa's attention from foreign aid, triggering what could be considered as a phasing-out process of the continent's dependency. Africa countries must also resist being bullied into signing agreements whose consequences are dangerous to their economies. In addition to this, recipient countries should make bold economic policies which protect the interests of their nationals and promote their development away from aid reliance and dependence.

Solidarity and a combined effort amongst and within the continent should be encouraged so that they assist each other to break free from the vicious cycle of dependence on foreign aid especially from developed countries whose conditions on aid are normally exploitative. Just like situation in Uganda, Kenya, Tanzania, Burundi and Rwanda who had embarked on a joint effort through the East African Community to assist each other to break from free poverty through creating more accessible markets for traders within the great lakes region. For example, through issuing the East African Passport, traders and tourists can now easily cross from one border to another without paying a visa fee. This has boosted trade within the East African region and helped to generate more income to these different countries and thereby lessened their dependence on foreign aid (Albuero, 2011).

Chabal & Daloz (2009) are of the view that birth control should also become a regional concern and be taken up during meetings of the continental body such the African Union. If the continent is struggling to feed its present population, it should serve as a wakeup call for what problems lay ahead if it continues to grow its population at the present rate and depend on aid for survival .

Conclusion

After so many years of existence foreign aid in Africa has been more harmful than helpful in improving the standard of living of Africans and encourages democratic state rather than dictatorship and corruptions. Africa is more in need today and live in extreme poverty which threatens their existence than they were 50 years ago before any type of foreign aid existed.

Judging from the number of positive and negative effects of foreign aid based on this paper, the negatives seem to outweigh the positives. Unfortunately for many African countries foreign aid is seen as a step forward to development but in the real sense development is totally dependent on the countries in the North. This dependency has caused us to worship Foreign Aid. It is at this that one can conclude that Foreign Aid is a necessary Evil to African countries.

Obviously, foreign aid to Africa has not had the intended effect on the continent, considering that investments in the region have remained poor and growth unimpressive. Perhaps, it is more appropriate to argue that aid has actually been a source of disincentive to local initiatives in Africa. Dependency on unearned income, such as foreign aid, which requires little or no institutional structure to collect and little reciprocity involved means that most African countries have remained politically and economically underdeveloped (Grabowski, 2006). Although it bears several unfavorable consequences, it also carries some benefits which cannot simply be ignored. For the longest time it has harbored exploitation of African countries, yet without it, most African countries would not be relevant in the 21 century.

While it is the desire for all African countries to achieve a state of greater self help and autonomy, a decision to just do away with these aids would be foolishly ambitious and extremely damaging to the progress of some Africa countries especially the poor people who desperately need this help. Therefore, a gradual approach to achieving greater self help should be employed while moving towards self sufficiency is kept at the helm of all effort (Anwar, 2002).

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