

Is Aid a Blessing or Cures for Africa?

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Abstract

In Africa aid is a short term blessing that minimized the problem of trade deficit, budget deficit, gross capital formation, poverty reduction, aid lead economic growth, human capital development, foreign exchange stability and economic stability role in Africa and also tries to full fill humanitarian emergency need of Africa at a large. However, due to aid conditions and neo- colonial hidden objectives of aid donors even though 1trillions of dollar were spend in Africa for the last 60 year from rich countries still Africa is the home of millions poor and yet not realize sustainable economic growth. So that, it is time for Africa tool look inside, to use its natural resource endowment and its land productively; avoid aid dependency culture; look for domestic source of revenue by expanding tax base and developing modern tax administration system; incorporate its endogenous knowable as part of its education, training, research and development areas; reduce waste and increase resource management and it must strengthen political, economic (like free mobility of labour, free trade area among Africans, establishment of domestic non government organization and using common currency) and social integrations(like developing African common cultural center) among its members countries; uses of domestically manufactured products, and reduce corruption and rent seeking activities of government officials; avoid predatory instructional set up and exercise democratic government system.

Keywords: Africa, Europeans aid, blessing /cures, review

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1. Introduction

The author is highly attracted why Africa poor? Why Africa need unlimited aid and why not developed with the last sixty year aid support? Is aid bless or cures for Africa? These initial motivations enforce the author to review the existing literature and write this short academic letter. Aid in Africa can be emergency humanitarian aid that could be providing at the time of natural calamities or catastrophe. Aid can be also charity that can be dispersed by charitable organization or peoples on the ground and Aid can be also systematic aid directly given to the government of Africans bilaterally as well as multilaterally (Dambis Moyo,(2009) .

2. Empirical and theoretical Reviews

The History of aid in Africa, it far back to post colonial period of 1950's and 1960's following the success full achievements of July 1944 General Marshall Plan of United States of America in reconstruction of physical infrastructure in Western European countries like France, British, Italy, Germany, Norway, Austria, Greek and Netherlands after the second world war (WWII). In Western European the aid is success full because of the presence of developmental institutional set up before the war like the presence of like trade policy, sounding fiscal and monetary policy, civil service and democratic government system and aid limited with finite period. (Dambis Moyo, (2009) ;Baron Roman Prochazka, 1934) .

West Europeans believed that nothing but the dominancy of white race can maintain order, security in Africa and ensure progress and development in the native peoples of Africa (Baron Roman Prochazka, 1934). As a tool they used aid, however, when aid came to Africa the face value or explicit face of aid is development tool for Africa but the hidden value or implicitly neo -colonial tools of West European to had political control over the their colonial domain and maintain their pervious geopolitical holds .The West European implicit interest here is that to make Africans independency on paper by making independence dependent on the financial largesse of their former colonial master as well as using aid as tools of cold war towards expanding capitalism or free market economic system (Dambis Moyo, (2009) .

For the success full achievement of their internal objectives they put conditions of getting aid. The primary condition, procurement of goods and services and also aid administrators are from donors as well as donor selected groups not from aid recipient Africans .The second conditions, the aid was given for pre select sectoral interest of donors and also aid recipients should made an agreement to made economic and political reforms based on the interest of donors like reduce civil service, privatization of government owned public enterprises or industries, reduce trade barriers, and reduce corruption and rent seeking. Even with such conditions however, aid given by Western Europeans were used for other than predetermined purpose in Africa (Dambis Moyo, 2009).

Even though, Western European aid has neo- colonial objective, it had short run blessing effect on filling

the gap of trade deficit, budget deficit, gross capital formation, poverty reduction, aid lead economic growth, human capital development foreign exchange stability and economic stability role in Africa. It also tries to full fill humanitarian emergency need of Africa at a large (Giram, 2013). The West European consider Africa is a land of poor, illiterate deeply embedded in their psyche is an inability to embrace development and improve their own lot in life without foreign guidance and help (Dambis Moyo, (2009).

For the last the past 60 years at least \$1 Trillion of foreign aid has been transferred from rich countries to poor over the past sixty years and Africa the biggest recipient, by far. Yet regardless of the motivation for aid giving economic, political or moral aid has failed to deliver the promise of sustainable economic growth and poverty reduction still among the world poor Africa takes. According to the world data lab, 42 African countries are in poverty, and in 16 of those countries, the poverty rate is rising and also 70 percent of the world poor people's still live in below poverty line at 1.90 US dollar which is around 40% of the entire population of 1.3 billion on the continent which makes Africa the poorest continent on earth and also more than a quarter of the hunger in the world live on Africa and one fifth of peoples living in are malnourished till 2018 Choch, M., & Lakner, C. (2020); Schoch, M., & Lakner, C. (2021).

The study conducted in Africa revealed that corruption decreased growth rate of GDP by 0.75 percentages and per capital income by 0.90 percentage and increased income inequality (Gyimah-Brempong, K. (2002). Africa was identified as a land of unemployment, diseases, conflict, debt crisis, low per capital income, low rate of economic growth, high level of dependency, the land of civil war of the world's 20 war-related conflicts in 2013, 11 alone were fought on the African including the wars in Sudan and South Sudan, Somalia, Nigeria, Mali, the Democratic Republic of Congo and the Central African Republic, Currently Ethiopia (Louwa, O. G., Lanrewajuu, A. S., & Ojeme, S. (2014).

We Africans develop aid dependency culture, even when the governments of Africans develop their yearly plan of capital revenue foreign aid and subsidy aid can be taken as the consistent and reliable source of autonomous investment or capital budget for long gestation period development projects under taken by government of Africans. The aforementioned short run aid based economic growth, will fail when aid stops and hence, it could not have long run effect on economic growth of Africa. Aid had strengthen foreign influence on internal political, security and development issues of African countries without their consent and with minimal participation of African in their matters resulted from using aid as neo colonial tools of neo colonialism. Aid in the form of charitable organization could be criticized for poor implementation, high administrative costs and an area of Western Europeans religious expansion. Most importantly systematic aid creates Africa corrupted official due to weak aid management and check and balance practices.

To reduce poverty, fostering economic growth and bring economic development it is time for Africa to use its natural resource and land productively; Africa must avoid aid dependency culture; look for domestic source of government revenue by expanding tax base and developing modern tax administration system; incorporate its endogenous knowable as part of its education, training, research and development areas; reduce waste and increase resource management and it must strengthen political, economic (like free mobility of labour, free trade area among Africans, establishment of domestic non government organization and using common currency) and social integrations (like developing African common cultural center) among its members countries; uses of domestically manufactured products, and reduce corruption and rent seeking activities of government official. Finally Africa shall avoid predatory instructional set up and exercise democratic government system.

Collusion

For the last sixty year, Trillions of dollar of aid were flow to Africa; but unable to take away billions of Africa poor and realize sustainable increase economic growth. I think, it is a turning point for Africa to look inside because Africa is endowed with abound natural resource endowment, active young labour force, brain drain scholars, culture, religious believes, its own endogamous knowledge, natural and manmade tangible and intangible heritages, dispute settlement mechanisms and old informal and formal institutions and focus on domestic source of finance, establish economic and political integration among Africans.

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