

Chapter 15

Foreign Aid to Africa: Conceptualising Socio–Economic and Political Development Applying Complexity Theory

Sultan Juma Kakuba

Islamic University in Uganda, Uganda

ABSTRACT

The main objective of this chapter is to provide evidence that foreign Aid to African countries is a bar-ricade to their sustainable development. Both modernisation and Dependency theorists' suggestions have failed to spawn socio-economic and political development in African countries. Complexity theory may provide a better understanding of the linkage between foreign aid and the socio-economic and politi-cal underdevelopment. The current foreign aid given to African sovereign states by donor or developed countries seems to perpetuate underdevelopment. In fact, Foreign Aid to most of African countries has not adequately addressed its problems; rather it has succeeded in keeping most of African countries dependent on foreign aid and in the state of underdevelopment. Using both quantitative and qualitative document analysis of records on foreign Aid to Africa reveals that foreign Aid in and out of itself is not a bad thing, it is among those many important resource inputs, which operate in many African coun-tries which if paved with good intention could bring about sustainable socio-economic and political development in Africa.

INTRODUCTION

Unlike in Europe, where many countries reaped profitably from the Official Development Aid (ODA) through the Marshal Plan, which contained assistance programmes for the economic reconstruction of countries that had suffered the consequences of World War II. For instance, Foreign Aid provided to countries like Japan principally helped to improve up on its socio-economic and political development. Since then developed countries have adopted it as a tool to promote economic and political development

DOI: 10.4018/978-1-7998-2448-0.ch015

to underdeveloped world such as Africa. In other words, Foreign Aid is considered as an important tool that can help to overcome underdevelopment in Africa, which is viewed by developed world as a dark continent. Extending foreign aid to Africa is therefore expected to transform it to a modern world.

However, massive Foreign Aid disbursed to Africa has been of questionable benefit. Africa is seriously grappling with socio-economic and political problems. Perhaps it is correct to say that foreign Aid has exposed Africa to both intended and unintended consequences which curtail its socio-economic and political development. To say the least, there has been little impact of Foreign Aid on economic and political development in Africa despite its huge transfer to the continent. In fact, there are questionable political practices as well as significant economic instabilities in many African countries which are fueled by foreign assistance. The nature of political injustices and poverty in Africa is unacceptable, though developed or donor community continue to transfer massive Aid to the continent.

The objective of this paper is to explore the relationship between Foreign Aid on one hand and economic and political development on the other. In other words, the interest is to establish how foreign Aid shapes or affects economic and political development in Africa. In-depth understanding of this, is very important to guide political leaders, policy makers on whether to continue relying on foreign Aid or give it a break. This is because it is surprising that the mission of Foreign Aid is to help close the gap of socio-economic and political up-hills faced by developing nations is hardly reflected on the African continent. The continent remains with exception of a few countries like South Africa and Botswana, majority countries in Africa experience economic and political underdevelopment. It should be mentioned that even those countries like South Africa pockets of destruction are seen in the foreign Aid extended to it.

Political development is seen in the perspective of having a self-reliant, rule of law, free and fair periodic elections and respect for human rights among other tenets. In that regard, citizens are given full opportunities to participate in the political affairs of the country. Economic development on the other hand is often looked in the lens of a sustaining economy, where there is economic growth in terms of Gross Domestic Product (GDP) as well as increase in international trade. In this paper Foreign Aid should be understood as international transfer of any resources or assistance intended to contribute towards economic and political development. It is pertinent to note that to achieve this status is a hard rock to crack, which requires adequate resources and credible policies.

The western developed world emphasise that to get to this level of development, democracy has to take centre stage. In this regard, both viable economic and democratic institutions have to be established to promote economic and political development. This was born out of decolonisation, which was a striking feature, which brought high hopes to Africa. Along those lines, they have been quick to suggest policies to many third world countries like those in Africa for their socio-economic and political development. Calhoun (2011) points out that “after independence, a variety of the world’s richer countries mounted substantial efforts to help postcolonial countries grow” economically and politically.

In the light of this, Foreign Aid has remained a major source that supplements domestic economic and political development initiatives in many African countries. Therefore, it is pertinent to understand its contribution in this perspective. The paper limits itself to a period 1986-2011. This period will provide a better understanding the impact of foreign aid over a long period of time. This paper attempts to address this important question: to what extent has Foreign Aid had impact on economic and political development in Africa? In view of this impact, what is the importance of Foreign Aid to Africa? Does it constitute any important episode in the economic and political development in Africa? The answer to this question will clear clouds about theory and reality through critical assessment of Foreign Aid potential as regards economic and political development. It will also add to the existing literature about

9 more pages are available in the full version of this document, which may be purchased using the "Add to Cart" button on the publisher's webpage:

www.igi-global.com/chapter/foreign-aid-to-africa/248779

Related Content

Analysis of Financial Strategies of 3PL Companies in the GCC

Vijaya Kumar, Subhadra Satapathy and Hameedah Sayani (2017). *International Journal of Corporate Finance and Accounting* (pp. 16-34).

www.irma-international.org/article/analysis-of-financial-strategies-of-3pl-companies-in-the-gcc/193898

Comprehensive Investment Risk Assessment

(2024). *Six Sigma DMAIC and Markov Chain Monte Carlo Applications to Financial Risk Management* (pp. 156-199).

www.irma-international.org/chapter/comprehensive-investment-risk-assessment/343955

Transparency in Latin American and Caribbean Supreme Auditing Institutions

David Ortiz-Rodríguez, Laura Alcaide-Muñoz, Jesús Mauricio Flórez-Parra and Antonio Manuel López-Hernández (2019). *Organizational Auditing and Assurance in the Digital Age* (pp. 203-222).

www.irma-international.org/chapter/transparency-in-latin-american-and-caribbean-supreme-auditing-institutions/222627

Rational Asymmetric Development: Transfer Mispricing and Sub-Saharan Africa's Extreme Poverty Tragedy

Simplice A. Asongu (2016). *Economics and Political Implications of International Financial Reporting Standards* (pp. 282-302).

www.irma-international.org/chapter/rational-asymmetric-development/147328

The Correlation of Non-Performing Loans Between the Four Greek Systemic Banks Before and During the Recent Crisis Based on Accounting Information

Kanellos Stylianou Toudas, Apostolos Christopoulos, Petros Kalantonis and Stylianos Kravaritis (2017). *International Journal of Corporate Finance and Accounting* (pp. 23-40).

www.irma-international.org/article/the-correlation-of-non-performing-loans-between-the-four-greek-systemic-banks-before-and-during-the-recent-crisis-based-on-accounting-information/204426