

FOREIGN AID TO AFRICA: A HOLLOW HOPE?*

KWAME AKONOR*

Recent years have seen a surge in calls for more foreign aid to Africa in order to eliminate the continent's poverty. International organizations, scholars, celebrities, and philanthropists have all made renewed pleas for a massive infusion of development aid. They generally present two arguments to justify more foreign aid to Africa. One family of justificatory arguments aims to establish the essential rightness of foreign aid and the West's moral obligation to provide it: Helping Africa through foreign aid is not only charitable but morally correct, and repairs the conditions of injustice and inequality that permeate the international political economy. Redolent of the familiar "white man's burden" to uplift the peoples of the "dark continent" from gloom, ignorance, and despondency, this justification derives force from its missionary zeal.¹ Former British Prime Minister Tony Blair's memorable description of the continent as a "scar on the conscience of the world," as well as his insistence that the international commu-

* This essay is based on the author's statement at the 12th Annual Herbert Rubin and Judge Rose Luttan Rubin International Law Symposium, "The Future of a Continent: Law and Policy of Sub-Saharan African Children," held at New York University School of Law on October 29, 2007.

** Dr. Kwame Akonor is an Assistant Professor of International Relations at Seton Hall University and director of the university's Africana Center. He is also director of the African Development Institute (ADI), a New York based thinktank that advocates self-reliant and endogenous development policies for Africa. Dr. Akonor is the author of *Africa and IMF Conditionality* (Routledge, 2006) and was recently a post-doctoral fellow at Cambridge University.

1. RUDYARD KIPLING, *THE WHITE MAN'S BURDEN* (1899). Kipling's "White Man's Burden," subtitled "The United States and the Philippine Islands," was published in *McClure's Magazine* in February 1899 as a plea for U.S. colonization of the Philippines and other former Spanish colonies. DAVID GILMOUR, *THE LONG RECESSIONAL: THE IMPERIAL LIFE OF RUDYARD KIPLING* 126 (2002). Because of its title and theme, the poem is also widely interpreted as a moral calling for empire building in non-European societies. See *id.* at 126-29 (discussing the poem and the numerous messages Kipling attempted to portray).

nity could heal it, is a classic illustration of this normative perspective on foreign aid to Africa.²

The second argument posits that injecting more foreign aid into Africa would materially benefit its people. Jeffrey Sachs's 2005 book *The End of Poverty* and the United Nations (UN) Millennium Development Goals (MDGs) have given this line of reasoning credibility and exposure.³ The UN Development Programme (UNDP), for instance, claims that "[a]id provides governments with a resource for making the multiple investments in health, education and economic infrastructure needed to break cycles of deprivation."⁴

These two families of justificatory arguments for sending foreign aid to Africa are logically independent of one another and are not mutually exclusive. However, both lines of argument are problematic and I will critique each in turn. Ultimately, aid to Africa is a band-aid, not a long-term solution, and African leaders themselves are responsible for creating true, systemic change.

THE NORMATIVE ARGUMENT

The principle of sending aid to Africa on moral grounds is problematic for two reasons. First, it reinforces the negative stereotype (held by some in the development policy community) of Africa as a "helpless child" and as a continent of "beggars." The implication is that Africa is clueless when it comes

2. Tony Blair, Prime Minister of the United Kingdom, Speech to the United Kingdom's Labour Party Annual Conference (Oct. 2, 2001), available at www.guardian.co.uk/politics/2001/oct/02/labourconference.labour6.

3. At the UN's Millennium Assembly in September 2000, the UN agreed to a set of eight Millennium Development Goals (MDGs) for the world's poor nations to be achieved by 2015. The goals are: eradicate extreme poverty and hunger; achieve universal primary education; promote gender equality and empower women; reduce child mortality; improve maternal health; combat HIV/AIDS, malaria and other diseases; ensure environmental sustainability; develop a Global Partnership for Development. United Nations Millennium Declaration, G.A. Res. 55/2, ¶¶19-20, U.N. Doc. A/RES/55/2 (Sept. 18, 2000). For useful critiques of the MDGs, see Samir Amin, *The Millennium Development Goals: A Critique from the South*, 57 MONTHLY REV. 1 (Mar. 2006), at 1-5; William Easterly, *How the Millennium Development Goals Are Unfair to Africa* (The Brookings Institution, Working Paper No. 14, 2007).

4. United Nations Development Programme, *Human Development Report 2005: International Cooperation at a Crossroads Aid, Trade and Security in an Unequal World* 7 (2005), available at <http://hdr.undp.org/en/reports>.

to its own development and will perpetually have to depend on foreign assistance (the fact that African countries are the largest recipients of foreign aid does little to rebut this impression).⁵ Second, the argument that this aid will break the structural cycle of dependency is disingenuous. The fact is that none of the foreign aid to Africa is aimed at transforming Africa's structurally dependent economies. Indeed, the direction and targets of aid thus far have done little to empower and strengthen the continent relative to other actors in the global political economy.⁶ Moreover, those who champion the moral argument, when pushed, generally admit that their calls for intervention are self serving and not purely altruistic.⁷ The primary true objective cited for African aid is to reduce poverty in order to provide a bulwark against terrorism.⁸

THE EMPIRICAL ARGUMENT

As for the empirical argument, the evidence is overwhelmingly against those who argue that aid can lift Africa out of

5. Kwasi Anyemedu, *Financing Africa's Development: Can Aid Dependence Be Avoided?*, in AFRICA AND DEVELOPMENT CHALLENGES IN THE NEW MILLENNIUM: THE NEPAD DEBATE 262 (Jimi O. Adésinà, Yao Graham, & Adebayo Olukoshi eds., 2006). See also Simeon Djankov, Jose G. Montalvo & Marta Reynal-Querol, *The Curse of Aid* 7 (Universitat Pompeu Fabra Dep't Econ. & Bus., Working Paper 870, 2005), available at <http://www.econ.upf.edu/docs/papers/downloads/870.pdf>.

6. The structure of African economies today, notwithstanding the volume of aid, remains as it was during the colonial era. Most are integrated into the world economy as raw material producers and importers of manufactured goods, with very little control of pricing on the world market. See The New Partnership for Africa's Development [NEPAD], Framework Document 5 (Oct. 2001), <http://www.nepad.org/2005/files/documents/inbrief.pdf>. The main critique here is that aid does nothing to address the systemic bias of the global political economy toward poor African countries, be it through trade barriers or intellectual property and migration regimes, to name a few.

7. See Chris McGreal, *Blair Confronts 'Scar on World's Conscience'*, THE GUARDIAN (London), Feb. 7, 2002, at 16, available at <http://www.guardian.co.uk/world/2002/feb/07/politics.development>. A similar commentary is made by Professor Stephen Smith of George Washington University. Stephen Smith, *Will the G8 Summit at Gleneagles Ultimately Help Africa?*, 15 CQ RESEARCHER 751, 751 (2005) (arguing that helping the poor in Africa will serve America's self interest).

8. The proponents of this line of thinking do not make a causal link between poverty and terrorism, but they stress that poverty increases the susceptibility to violent extremism. Smith, *supra* note 7, at 751.

poverty. The record shows that foreign aid has failed to deliver in any meaningful way.⁹ According to most estimates, the West has spent close to \$600 billion on foreign aid to Africa since the 1960s.¹⁰ While scholars and practitioners disagree on the effectiveness of foreign aid in general,¹¹ the irrefutable fact remains that during a period when aid has risen over time as a percent of income in Africa, Africa's growth rate has concurrently fallen.¹² Even the UN and World Bank have recently admitted that Africa, the region receiving the most aid, will not meet its development benchmarks by 2015.¹³

Aid advocates explain Africa's abysmal development record despite huge aid inflows by what I call the "aid quantity argument." First, aid advocates argue that it is unfair and misleading to cite aid amounts in aggregate terms. They point out that while aggregating decades of aid provided to Africa may make that amount of aid sound significant, the average

9. See WILLIAM EASTERLY, *THE WHITE MAN'S BURDEN: WHY THE WEST'S EFFORTS TO AID THE REST HAVE DONE SO MUCH ILL AND SO LITTLE GOOD* (2006) (arguing that despite the \$2.3 trillion in foreign aid in the last fifty years, African people still lack many basic necessities).

10. According to Dr. William Easterly, the West spent \$568 billion on foreign aid to Africa between 1960 and 2000. William Easterly, *Can Foreign Aid Save Africa?*, Address at the Clemens Lecture Series of Saint Johns University (Dec, 2005), available at <http://www.csbsju.edu/clemens/images/Clemens2005.pdf>.

11. There is vast literature on the pros and cons of foreign aid but for very up-to-date work, see UN Econ. & Soc. Council, Dep't of Econ. & Soc. Affairs, *Working Paper: Development Aid and Economic Growth: A Positive Long-Run Relation*, UN Doc. ST/ESA/2006/DWP/29 (Sept. 2006) (prepared by Sanjay G. Reddy & Camelia Minoiu), available at http://www.un.org/esa/desa/papers/2006/wp29_2006.pdf; EASTERLY, *supra* note 9.

12. The inverse relationship between aid and Africa's growth rates is aptly captured in FREDRIK ERIXON, *AID AND DEVELOPMENT: WILL IT WORK THIS TIME?* 8 (2005), http://www.policynetwork.net/uploaded/pdf/Aid_&_Development_final.pdf.

13. According to the UN, "at the midway point between their adoption in 2000 and the 2015 target date for achieving the Millennium Development Goals, sub-Saharan Africa is not on track to achieve any of the Goals." UNITED NATIONS, *AFRICA AND THE MILLENNIUM DEVELOPMENT GOALS: 2007 UPDATE 1* (2007), <http://www.un.org/millenniumgoals/docs/MDGafrika07.pdf>. The World Bank concurs with this fact. See The World Bank Group, *Millennium Development Goals, Sub-Saharan Africa*, <http://ddp-ext.worldbank.org/ext/GMIS/gdmis.do?siteId=2&menuId=LNAV01REGSUB6>.

“receipts” per African per week or day are negligible.¹⁴ For example, a claim that Africa has received \$500 billion in aid over a fifty year period averages to only about ten dollars per person per year or twenty cents per person per week.

Second, aid advocates point out that the amount of aid given to Africa is a drop in the bucket compared to the total national wealth of the Western developed countries. One frequently cited example is that the United States, though it has the largest gross domestic product (GDP) in the world, spends only one hundredth of its budget on foreign aid to sub-Saharan Africa.¹⁵ In other words, they argue, the results of development aid are not discernable in Africa solely because very little aid has been provided. Indeed, some aid advocates use this argument to call for further increases in the volume of aid to Africa. This proposal, known as the “Big Push,” claims that a massive infusion of well-targeted aid is necessary to end Africa’s poverty.¹⁶

However, the aid quantity argument is a fallacy. It overestimates the potential benefit of foreign aid by assuming that more aid money would automatically lead to more development. It has been well documented that unaccountable leadership—not a lack of money—is at the heart of Africa’s underdevelopment.¹⁷ For example, the African Union estimates that Africa loses \$148 billion (€114.28 billion), or a quarter of

14. In an online debate on the effectiveness of foreign aid arranged by the Council of Foreign Relations, Steven Radelet, senior fellow at the Center for Global Development argues that over the last fifty years foreign aid “works out to be fourteen dollars per person per year in low-income countries—not exactly winning the lottery.” Steven Radelet & William Easterly, Council on Foreign Relations, Online Debate: The Effectiveness of Foreign Aid (Dec. 1, 2006), <http://www.cfr.org/publication/12077>.

15. According to the 2006 U.S. foreign assistance request, non-food aid to Africa totaled \$3.6 billion. DANIELLE LANGTON, AFRICA: U.S. FOREIGN ASSISTANCE ISSUES 3 (Jan. 26, 2006), <http://fpc.state.gov/documents/organization/62657.pdf>. The U.S. GDP in 2006 was approximately \$13 trillion. Bureau of Economic Analysis, National Income and Product Accounts Table: Table 1.1.5. Gross Domestic Product (Apr. 30, 2008), <http://www.bea.gov/national/nipaweb/TableView.asp#Mid>.

16. For a good overview and critique of the Big Push idea, see William Easterly, *The Big Push Déjà Vu*, 44 J. ECON. LITERATURE 96 (2006) (reviewing JEFFREY SACHS, *THE END OF POVERTY* (2005)).

17. The unwise spending by Africa’s leaders is very well documented. See generally MARTIN MEREDITH, *THE FATE OF AFRICA: FROM THE HOPES OF FREEDOM TO THE HEART OF DESPAIR* (2005).

its entire GDP, to corruption *every year*.¹⁸ It would be an understatement to suggest that some of these misused funds must come from foreign aid.¹⁹ Moreover, there is no evidence that more aid money would necessarily lead to favorable development outcomes. This is because the total volume of aid, in and of itself, tells us nothing about how that money is disbursed or why a given aid-sponsored project succeeds or fails.

Given this poor investment performance, the challenge for the aid industry is to rethink aid delivery. The most promising strategy on the table can be termed the "targeted aid" approach.²⁰ Proponents of this strategy push not only for *more* aid, but for the *right* aid. In other words, they claim that the impact of foreign aid depends on both its quantity and its quality. Unfortunately, there is little evidence so far that the targeted approach works.²¹ Further, as William Easterly and others have pointed out, aid donors and advocates have not learned from their past mistakes and thus will be likely to continue making them.²² Post-independence foreign aid in Africa has largely been wasted, mismanaged, or misdirected. If the targeted aid approach is to be meaningful to ordinary Africans, it must focus more on transcontinental projects, such as

18. MEREDITH, *supra* note 17, at 687; Elizabeth Blunt, *Corruption 'Costs Africa Billions'*, BBC NEWS, Sept. 18, 2002, <http://news.bbc.co.uk/2/hi/africa/2265387.stm>. Governments have begun to recognize the need for transparency and good governance. See THE COMMISSION FOR AFRICA, OUR COMMON INTEREST 33, 145 (2005).

19. The case of Zaire's Mobutu is a glaring example of such abuse. For more information on Mobutu, see MEREDITH, *supra* note 17, at 293-308. However, there are numerous studies on the relationship between foreign aid and rent-seeking behavior or corruption. For particularly relevant African studies, see Jacob Svensson, *Foreign Aid and Rent-seeking*, 51 J. INT'L ECON. 437 (2002); Stephen Knack, *Aid Dependence and the Quality of Governance: Cross-Country Empirical Tests*, 68 S. ECON. J. 310 (2001).

20. A good example is Jeffrey Sachs's call for aid that will combine "investments well attuned to local needs and conditions [to] enable African economies to break out of the poverty trap. These interventions need to be applied systematically, diligently, and jointly since they strongly reinforce one another." JEFFREY SACHS, *THE END OF POVERTY* 208 (2005).

21. Easterly notes that "[t]he big problem with foreign aid . . . is that the people paying the bills are rich people who have very little knowledge of poor people." EASTERLY, *supra* note 9, at 17.

22. See EASTERLY, *supra* note 9, at 367-384 (arguing that aid donors make numerous mistakes including not learning from the poor, giving aid to governments, and searching for a utopian fix).

highways, telecommunications, and power plants. Such projects would transform Africa's disarticulated infrastructures and improve the continent's global position. Of course, such projects raise the prospect of a united and empowered Africa—a goal Western donors have never championed.

CONCLUDING THOUGHTS: THE WAY FORWARD

Foreign aid is not a panacea for Africa's development woes. So far, foreign aid has created a welfare-continent mentality and has become the hub around which the spokes of most African economies turn. At the dawn of this century, more than fifty percent of sub-Saharan African budgets and seventy percent of their public investment came from foreign aid.²³ This is unfortunate, particularly given that Africa is one of the most resource-rich continents.²⁴ Dependence on foreign aid has compromised the sovereignty of African states. Most aid packages (even those from charities) come with stipulations and conditions to which countries must adhere before further aid is disbursed.²⁵ In the future, the link between aid and conditions will only grow tighter. The Millennium Challenge Corporation (MCC), a newly created U.S. agency, exemplifies this trend. Established in January 2004, the "MCC is based on the principle that aid is most effective when it reinforces good governance, economic freedom and investments in people."²⁶ Simply put, countries that do not embrace capitalism and democracy will not be eligible for aid.

Africa's development will not materialize from outside sources. Thus, African leaders should take control of their

23. MEREDITH, *supra* note 17, at 683.

24. Africa is one of the richest continents on earth when it comes to natural resources and known mineral wealth. Encyclopaedia Britannica, Africa, Encyclopaedia Britannica Online (2008), <http://search.eb.com/eb/article-37211>.

25. The suggestion here is that because aid donors seek 'good' policy environments in which to disburse aid flows, they are more likely to attach conditions. Of course, donors are not always successful in getting aid recipients to be compliant. For more on this literature, see Paul Collier, *The Failure of Conditionality*, in PERSPECTIVES ON AID AND DEVELOPMENT 51-78 (Catherine Gwin & Joan M. Nelson eds., 1997); PAUL MOSLEY, JANE HARRIGAN & JOHN TOYE, AID AND POWER: THE WORLD BANK AND POLICY-BASED LENDING (1991); KEVIN WATKINS, THE OXFAM POVERTY REPORT (1995).

26. Millennium Challenge Corporation, About MCC, <http://www.mcc.gov/about/index.php>.

countries' economic destinies and find creative ways to finance development other than reliance on foreign aid. What is the point of the continent's gaining political independence only to sacrifice its economic independence before the altar of the donor community? Africa's leaders must break free from their aid dependency by harnessing the continent's collective resources for the benefit of their people. As a critical step toward this end, African leaders must take pan-African unity seriously and make real and substantive efforts to harmonize policies.