



The place of aid in Africa's solutions to its problems

By Archbishop Njongo Ndungane

So much has been written about aid in the recent past, largely sparked off by Dr Moyo's book, *Dead Aid* and Wangari Mathai's *The Challenge for Africa*. Solly Benatar (*Why Development Aid Hasn't Eased Poverty, Cape Times, April 30*) and Paul Collier's commentary on *Dead Aid* in which the argument is that development aid should be withdrawn because it does not work and has compounded Africa's problems, are notable. Let us face it; under present circumstances aid resources are vital for human survival and the development of many people in Africa. Bad governance and poor administration of aid should not be mistaken for non-potency and therefore lead to blanket condemnation of the potentially beneficial aid. Here is why.

Firstly, despite receiving US\$38 billion in aid flows in 2008, Africa still faces a serious resource gap to bring about economic and social development, even though there are concerted efforts to mobilize resources domestically and from external sources in the form of private capital inflows and remittances; there remains a gap which needs to be supplemented through Aid. The ineffectiveness of Aid has been duly recognised and through the Paris Declaration on Aid Effectiveness concerted efforts are being made by African countries and its development partners to improve its effectiveness. The somewhat unfavorable history of aid could not be used as the basis to write off the potential of aid in closing the resource gap. History should be used as a lesson to learn from, and not a reason to design unmerited death plots.

Secondly, the recent near-collapse of the global financial architecture provides vital evidence that aid resources if well-targeted and properly administered hold the key to the survival and eventual development of a large number of poor people. The bail out and stimulus packages now invoked in the developed countries are an embellished version of the concept of aid where market failure enlists government response for providing significantly high levels of resources to stimulate consumption and production. Arguably, the mopping up of the so-called toxic assets is another form of debt relief. As the saying goes, what is good for the goose is good for the gander. The only difference is that traditionally aid has come in bits and pieces, often coming too little too late - around 0.34 of the GNI rather than 0.7% of the GDP as recommended by the UN, while the bailouts and stimulus packages are massive and targeted.

Thirdly, Africa has of recent experienced one of the longest consistent economic growth rates and it has started to make a dent in reducing poverty. Unfortunately

due to the financial crisis African economies are projected to slow down to approximately 2% in 2009 from the average of 6% for the last five years. This tragedy is not our own making, but we still have to live with it. Africa was able to attract US\$43 billion in private capital, and US\$40 billion in remittances in 2008 and aid only made up a part of this inflow to put the continent on a higher growth path. It is not difficult to imagine an Africa independent of foreign aid; in fact it is on the horizon. But that can only be achieved with higher economic growth, sustained concerted efforts in domestic resource mobilization, increased private capital inflows and remittances and arresting illicit capital flight; not by some ill-conceived arbitrary measures such as abrupt cutting off of aid.

Fourthly, bailout and stimulus packages are motivated by what the potential lack of action would have on unemployment. Yet on its part, aid is a life and death matter for most of its intended beneficiaries. People are dying of hunger and preventable and curable diseases, children are malnourished and never develop to their fullest potential, the environment is being degraded partly out of economic necessity. Therefore if the mere threat of mass unemployment provokes such a gigantic response, so should the mass calamities facing over 1.3 billion people globally; they also deserve bailout in the form of aid. The real problem is that we have gotten used to stunted children and starved people, to short life expectancy and premature death, and mass unemployment and underemployment that we have stopped seeing these as unacceptable status quo that needs urgent, massive and concerted attention. It is as if we have almost given up on the belief that we can find solutions, including making development aid work for the poor.

Fifthly, the debate on the demise or ineffectiveness of aid provokes serious questions about who really holds the key to redressing the injustices that exist globally. The issues being raised are nothing new. The tendency is to always wish that something new should happen in order for solutions to be reached. People like Kwameh Nkrumah, Mwalimu Nyerere, Samora Machel and more recently Melis Zenawi, Yoweri Museveni, among others have articulated the same arguments, about Africa needing trade not aid. The re-entry of China into Africa, lauded by Moyo is nothing new. China has been in Africa before and its relations with us have usually been extractive, so much so that every aid that comes from China to Africa is associated with mining or agriculture. As such, Moyo's argument that you ditch aid to go for trade with China could betray some naivety. China's extension of its tentacles is actually driven by the urgent need to satisfy the demands of its fast-growing middle class. In our monitoring work and in my pastoral ministry I have never come across the poor in Africa calling for the ditching of aid in preference for trade with China or anyone else. What the poor ask for is the wherewithal to implement their own initiatives and eke out a living.

Africa clearly has challenges that are seemingly gigantic but not invincible and all we need are constructive and effective strategies to tackle them. When it comes to consistent and collective action Africa becomes wanting. We have been

balkanized into what Wangari Mathai calls “fractured micro nations”. We form continental structures but deny them the power necessary to transact business on behalf of the continent through conduits like the African union. We are high on rhetoric but never walk the talk. We muzzle and demonize civil society except when politicians want to ride on its back for selfish political ends. The way forward is not necessarily the demise of aid but a better utilisation of the various resources including aid and narrowing the gap between the government and civil society so that Africa sorts out its priorities and pursues them in concert, with all stakeholders playing their roles more effectively.

It is generally agreed that Africa is not poor in resources but has a challenge in the way those resources are organized and deployed for the benefit of all her people. There is really no need for the 300 million Africans to be going hungry as is the case at present when there are large chunks of arable land and large quantities of water and rain that are not fully utilised. With or without aid, the continent should be able to feed its people. More should be done to promote homegrown solutions in addressing the basic problems such as low productivity in Agriculture. However, Africa’s development options have in the past been somewhat distorted. The global financial crisis is a blessing in disguise because inadvertently, it has returned “the ladder that had been kicked away” in terms of robust development strategies. Development policies and solutions such as protection from undue and destructive competition, unrestricted transfer of technology, targeted subsidies and general government intervention that helped rich countries onto a growth trajectory had been denied the developing countries -- the ladder had been kicked away as Dr. Ja Hoon-Chang dramatically puts it. The “return of the ladder” enables African leaders worthy of the name and technocrats to pursue bold and genuinely people-centred government interventions and promote homegrown practical solutions as its rendition of stimulus packages. It also builds the case for rethinking aid by Africans in order to make it more responsive to the people-centred agenda and to target it so that it better complements domestically generated resources and private investments. This would also allow independent and constructive monitoring that then benefits further refinement and improvement in the development delivery.

In conclusion, the debate on aid effectiveness should not be confused with aid necessity as well as potential benefits because if we do so we would be as good as throwing away the baby with the bath water. We must move the arguments forward towards building consensus on solutions. The aid debate also needs to be put into the context of the global financial crisis and use it to awaken us from slumber and from accepting that poverty cannot be deconstructed. There is need to change our mentality and attitudes from thinking that premature death is the norm; that dying from curable diseases is standard; that having uneducated young people and educated and unemployed youth is customary and that Africa is forever pitted against perpetual poverty. Aid resources have a place in the

construction of African solutions to Africa's problems and more energies should be directed at pin-pointing its right place which is not the grave.

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