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Full Length Research Paper

Foreign aid and development in Africa: What the literature says and what the reality is

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Evidence of ineffective foreign assistance is widespread in Africa. The debate on how aid can be effective and contribute to Africa's development is, however, still ongoing without any clear way forward. This paper adopts a deductive approach to explaining aid and development in Africa. There is a high volume of literature on the impact of foreign aid on development in Africa, yet not many of them recognize all the factors that contribute to aid (in) effectiveness. The focus is often on macro-economic indicators which do not fairly represent the realities of poverty and suffering in many African countries. We offer an analysis of the theories that have been propounded to explain the relationship between aid and (under) development in Africa. In this paper, we critically examine such findings and test their validity against the backdrop that socio-cultural factors have not been given adequate consideration.

Key words: Aid, development, culture, dependence, poverty, economic growth.

INTRODUCTION

The growing gap between the developed and developing countries has dominated international relations and diplomacy for a long time. This gap has led to constant capital inflow from the developed countries to those in the Third World including Africa, with the goal of helping them overcome their problems and reduce the gap. However, there is evidence that decades of foreign aid have done little in changing the destinies of many African states, most of which are currently experiencing low growth rates. This suggests to some extent that there is more to the African problem than just sending money there as this is not likely to turn things around. Estimates suggest the West has spent about $600 billion on foreign aid to Africa so far (Akonor, 2008). Yet underdevelopment is widespread, while at same time some states are considered to have collapsed (eg. Somalia).

Foreign aid is aimed at promoting development, but what is (under) development? Is it GDP growth rates or does it involve a visible change in the lives of a substantial portion of the population of a country? For this purpose, 'development' is mainly progress, be it economic, social or cultural, that serves the basic needs of both today and tomorrow. These needs include (Sen, 1999) five interconnected freedoms; namely, economic opportunities, political freedoms, social freedoms, transparency and protective security. Underdevelopment occurs when these basic needs and freedoms are denied or not equally accessible to all members of the populace. Undevelopment is not the absence of development (Rodney, 1973). It results from the uneven nature of human social, political and economic development. 'Development' to us means much more than economic growth as measured by improvement in GDP per capita. In like manner, a decline in GDP growth rate does not necessarily mean there is underdevelopment.

Two questions are pertinent: firstly, is there any clear link between foreign aid and (under) development in Africa? Secondly, has aid succeeded in making Africa better or has it undermined progress? There is no agreement on the appropriate answers to these questions we are posing. This paper argues that without a proper understanding of the culture of the people aid seeks to help, no effective impacts should be expected. Although we reckon the impact of external variables, we propose that a better appreciation of the internal dynamics

Abbreviations: FDI, Foreign Direct Investment; **GDP,** Gross Domestic Product; **GNP,** Gross National Product; **IMF,** International Monetary Fund; **MDGs,** Millennium Development Goals; **ODA,** Official Development Assistance; **OECD,** Organization for Economic Co-operation and Development; **SAPs,** Structural Adjustment Programs; **UNDP,** United Nations Development Program.

of the recipients of aid is more likely to ensure aid contributes to sustainable socio-economic development. In many cases, people have certain fundamental belief systems and practices that influence their perceptions of what development should entail. If these factors are ignored, one cannot have a holistic understanding of the dynamics of aid, politics and socio-economic development in Africa.

Our focus is to analyze (based on available literature) if there is a correlation between aid and (under) development in African countries. We shall address the complexity of evaluating whether an improvement in a country's growth rate or GDP per capita is attributable to aid inflow or not. Or, whether if there is a link between aid, poverty and bad policies, we can safely say aid is ineffective. Some call this intricacy the "chicken and egg" problem (Alesina and Dollar, 2000). For now, there is no clear correlation between aid and socio-economic development and debates on what contributes to aid effectiveness remain unresolved. The purpose of the paper is to elaborate such debates – showing that although the economic and political constraints have been adequately emphasized, cultural factors have not been considered. The paper is divided into five sections. The first four deal with the complexity of finding a correlation between aid and development in Africa, as well as how aid can be effective. The last section contains the cultural argument (what we call the 'reality') and the conclusion reiterates the main points in the paper.

Sources of failure of aid: Internal versus external

Apart from those who, based on empirical studies, have made definite arguments about the effectiveness of aid, there remains a contention between those who believe aid failure is a result of factors within the recipient country and those who argue it is attributable to external impedements such as the unfair global economic structure. Akonor (2008) argues "aid to Africa is a band-aid, not a long-term solution" since aid does not aim at transforming Africa's structurally dependent economies. He adds that if donors aim to make long-term sustainable impact, aid should target transcontinental projects such as highways, telecommunications and power plants.

There are others who still play solely the dependency card. In the past and even now, theorists such as Amin (1972), Peter Bauer and Andre Gunder Frank (1966). have blamed the global economic structure for the underdevelopment of the Third World. Frank concludes in an article in 1966 that underdevelopment is "generated by… the development of capitalism" and that the more a country is close to the centre, the more marginalized it is. Bauer (2000) argues development aid "promotes dependence on others" as it creates the impression that "emergence from poverty depends on external donations rather than on people's own efforts, motivation, arrangements and institutions." Prah (2002) admits Africa should take responsibility for its failings due to bad practices and dictatorships though he thinks the problem is caused by a mix of internal and external factors. This point is not recognized by Calderisi (2006) who argues that the African problem is inbred and thus cannot be blamed on globalization, unequal international, trade, colonialism, debt or slavery. The crux of the problem, according to him, resides in culture, corruption and the political correctness of donors who fail to tell African leaders where they are going wrong. He suggests new aid should be tough and focused on five 'serious' countries, namely, Uganda, Ghana, Mozambique, Tanzania and Mali. The 'seriousness' of these countries, according to Calderisi, is a result of their governments' efforts towards 'good governance' and fighting endemic corruption. We understand and actually accept that the unfair nature of the global economic structure affects development in the Third World and reduces the positive impact of foreign aid there. However for the purpose of this paper, we shall not focus too much on this argument since we believe blaming external forces alone for Africa's woes simplifies the problem, and make the reasons why many states are failing to make progress myopic.

The problem of aid dependence

It appears as though most African countries are so dependent on aid that without it almost half of their yearly budgetary commitments cannot be fulfilled. For example in 1992, aid is said to have accounted for 12.4% of gross national product (GNP), over 70% of gross domestic savings and investments in Sub-Saharan Africa and over 50% of all imports (Ampaw, 2000). Under the age-old saying that "you cannot bite the fingers that feed you," leaders of these countries are unable to speak out when fake and unwanted goods flood their markets. It seems aid is not meant to ensure recipients become self-reliant since if it is the case, powerful states can no longer brag about who is giving more than the other. The conclusion we can deduce here is that since aid is not a "joystick by which donors can manipulate macroeconomic or political outcomes" (Edgren, 2002).

To a large extent, Africa's development depends on "African private sector entrepreneurs, African civic activists and African political reformers… not on what ineffective, bureaucratic, unaccountable and poorly informed and motivated outsiders do" (Easterly, 2005). Besides, there is constant debt servicing where recipients routinely report to donors, service donor consultants and try to keep things "normal" (Kanbur, 2000), thus neglecting domestic issues and development. Loans put Africa in debt and it has to spend eternity in a merry-go-round affair to reschedule and negotiate "to keep gross inflows sufficient to fund debt servicing outflows" (Kanbur, 2000).

Karikari (2002) argues that development assistance has resulted in dependency as "it induces a lazy, slavish, dependent mentality and culture across society – from governments to villagers." This, according to him, undermines the peoples' faith in themselves and the fact that they can make it on their own. Other scholars also think development should be situated within the context of the country concerned. Prah (2002) for instance argues that "people can best develop from the foundations of their indigenous knowledge" which is embedded in the culture of the people, adding that imposing a notion of "modernity" on Africa will not yield desired results. This does not ignore what the people already know but rather integrates the new knowledge into it. He finds that it will be difficult for the African elites who are "surrogates for Western culture in Africa" to fashion indigenously oriented development plans.

Ampaw (2002) believes the modernization paradigm is "a historical construct, not fashioned by a critical analysis of Africa's present condition as a product of history, structural presuppositions and process." Ampaw says even a national economic policy choice that is driven by the logic of structural adjustment program and its neo-liberal underpinnings will not make Africa experience autonomous development. And he doubts if this paradigm that propagates the role of foreign capital invesment as catalyst to growth is really beneficial since the long-term dependence on aid puts the continent in a vulnerable position. Despite commitments by OECD countries to increase aid, Ampaw argues the trend of Official Development Assistance (ODA) has been falling since the beginning of the 1980s. He mentions that this fall has been confounded by the rise in ODA for "global housekeeping activities" such as managing the environment, controlling illicit drugs, and preventing infectious diseases such AIDS. Ampaw notes that these activities in the last few years have risen to about 40% of ODA. This suggests that monies that previously targeted poverty reduction in Africa are now being channeled to deal with these global issues. Yet donors still want everyone to believe aid is flowing at an increased rate.

Moyo (2009) argues that the notion that aid can alleviate poverty is a myth since "aid has been and continues to be, an unmitigated political, economic and humanitarian disaster" for most developing countries. She sees the vicious cycle of aid as one that chokes off investment, encourages dependency and facilitates corruption, adding that this cycle "perpetuates underdevelopment and guarantees economic failure" in poor regions. In her book, Moyo also touches on 'the paradox of plenty', insisting that aid instigates conflicts in Africa. If not, how come the same continent that receives the largest amount of aid is the most conflict ridden place in the world? For instance, the estimated costs of armed conflicts in Africa between 1990 and 2005 exceeded US$300 billion – an amount which is almost equal to overseas development assistance in the same period (UNDP, 2007).

This means that in places like Sudan, Congo, Angola, Rwanda, Burundi and Somalia, armed conflicts hinder efforts towards development – and that even when the floodgates of foreign aid are continually open, it will have no long-term effects. In this sense, countries that have depended on foreign aid are now facing the adverse consequences of their actions. Moyo therefore, suggests a low-aid market-based development financing model that encourages trade and investment (from both foreign and domestic middle class). This is her formula: 5% from aid, 30% from trade, 30% from FDI, 10% from capital markets and the remaining 25% from remittances and harnessed domestic savings.

Her point that aid is not working is cogent, no two ways about it. However, her thesis makes it seem aid is entirely redundant as it stalls progress. Meanwhile, the trade and FDI which she advocates have not been entirely beneficial to poor countries. Berry (2000) thinks an open market is not necessarily an answer to world poverty since some of the things society would have naturally opted for such as "strong social security network, high social expenditures, high minimum wages and job security" are "sacrificed in order to attain the needed level of competition" in the 'dog-eat-dog' nature of international trade. Culpeper (2004) clearly states that foreign direct investment has "little impact on poverty reduction and other fundamental objectives of development, or worse, it undermines those objectives."

Although we might say the complexity of the African problem requires the tactics of the Machiavellian Prince, we cannot decidedly side with Moyo's lukewarm attitude towards the role of democracy in development. To her, what low economies need is not multi-party democracy but a "benevolent dictator." We cannot definitely correlate democracy with progress in Africa; neither can we tell where these countries would have been without elements of democracy. They probably could have been worse off. China, for instance, is touted as the third leading world economy, yet with burgeoning records of inequality and gross human rights violations. It is a paradox of modernity with Chinese characteristics, maybe, but what is development without equity and freedom from suppression? One needs to be skeptical of a so-called 'benevolent dictator' because he is likely not the one to save the bottom billion (Collier, 2007) from the bottomless pit of poverty, disease, corruption, weak institutions and overall underdevelopment – even global marginalization. The issue is not just whether aid increases dependency, or that a dictator can do the job. What is required is a separation of the 'merely desirable' from the 'essentials' of democracy and also a way of making aid influence, not determine, the development of poor countries.

Factors that influence aid effectiveness

In an IMF seminar publication in 1995, Jaycox argues that although "the destiny of Africa lies in the hands of Africans," Africa will still need international support to overcome its macro-economic challenges. He mentions that a way international donors can help African countries build the capacity to take ownership of their development is embodied in the World Bank's six guiding principles, namely, selectivity, results orientation, client orientation, cost-effectiveness, financial integrity and partnership. Recipient countries, on the other hand, are expected to have certain things in place to make aid more effective: transparency, public expenditure reviews, public investment programs, donor support of government programs and medium fiscal programming (Christensen, 1995).

More than ten years after these suggestions and many more that have been thrown in from elsewhere, there is little evidence of effective aid performance in Africa. Is it that both donors and so-called "development partners" have not given due consideration to them or that they are only good on paper? What mutually beneficial "partnership" can a poor country have with a rich country? In the face of these concerns, it becomes a dilemma whether aid should be increased or reduced though it is perceived that with respect to the Millennium Development Goals (MDGs), the scaling-up of aid to Africa will be necessary (Sanjeev et al., 2006). It is expected that this in the long term will assist a country to identify key policies and measures that can help it absorb higher levels of aid and ensure its effective use. For such a long-term financial program to be effective amidst the growing uncertainty of the impact of aid on real growth rates, one has to assess aid expenditure and the policy environment into which it will be disbursed, an environment in which corruption is reduced.

Effective governance, including capable bureaucracies, has been suggested as key to Africa's development problems (Chakravarti, 2005). It is now a world-acclaimed mantra. This however seems contradictory with the neo-liberal prescription of removing the hand of the state from the economy. Although critics argue aid undermines domestic administrative capability, Goldsmith (2003) finds that in the "long-run public bureaucratic capability is primarily endogenous and unmoved much by aid." He simply does not have enough evidence to conclude that African states that have received less aid have an efficient administrative set up, though there is little to show that those with more aid inflows are doing better necessarily.

The 2005 Paris Declaration on Aid Effectiveness outlined that focus on country ownership, donor harmonization, alignment to recipients' national development strategies, managing for results and mutual accountability between donors and partner countries is the best way to "increase the impact aid has in reducing poverty and inequality, increasing growth, building capacity and acelerating achievement of the MDGs" (Wood et al., 2008). These five key principles are not particularly new in the aid effectiveness literature, only that the declaration is a consensual arrangement between givers and beneficiaries of aid and their perceptions of how it can be effective. At the 3rd High Level Forum on Aid Effectiveness in Accra in 2008, it was noted that although there is some progress toward the declaration, there are obstacles (mainly political) that stall such progress. To this, the synthesis report concludes that although the Paris Declaration can be helpful, "it is far from being seen as a panacea for many countries' main development concerns" (Wood et al., 2008). We find this conclusion astonishing as it reduces the declaration to one of those well-intentioned international statements that do not actually ensure long-lasting positive change.

Ayittey (2002) adopts a more internalist approach to understanding Africa's underdevelopment. He argues that for Africa to progress, the "vampire" or "pirate" state has to be done away with, citing the examples of vampire leaders such as Daniel Arap Moi (Kenya), Robert Mugabe (Zimbabwe), Nigeria's Abacha and J. J. Rawlings of Ghana. Many African leaders out of selfishness or perhaps wickedness amass the wealth of the nations they are made to lead and then look to foreigners for help. They lavish their apartments comfortably and buy luxurious cars while the majority of the populace suffer. To add insult to injury, government institutions in most cases lack the capacity to take hold of development goals.

On the donor side of the coin, Eyben (2006) argues "aid is a matter of relationships," and that aid can be more effective when donors develop relationship-building skills. Using complexity theory, she shows that "relationship management is as important for effective aid as money management." Eyben adds that thinking of aid as a catalyst means the donor can "get involved" without being affected by the aid relationship. This does not auger well for aid effectiveness as it makes the donor remain an outsider who is interfering. Apart from the political correctness of donors who fail to tell when recipients are going wrong, Calderisi (2006) believes internal rivalry and conflicting objectives of the World Bank, IMF and UNDP have led to some confusion in the policy advice they give to Africa. He therefore thinks a merger of these agencies will make aid more effective.

Merging the World Bank and IMF seems quite practical but same cannot be said about the UNDP since in the first place its criteria for measuring 'development' differ in some respects from that of the World Bank and IMF. However, this idea of a possible merger underlies some aspects of the literature that speak to donors being a hindrance to development. Browne (2006) argues aid does not match development need because its "size and direction is subjectively determined by donors" – institutions and agencies which must serve the interests of their paymasters in the ministries involved, mostly non-developmental interests such as commercial, geopolitical, strategic and historical. Browne believes development is a domestic affair and that developing countries should be more committed to it, as donors also commit more funds to global public goods that will serve a greater purpose.

Lancaster (1999) thinks Africa's developmental problem is mainly due to "the failure of the region to grow," including low rates of savings and investment, while Ayittey (2002) argues it resides in "bad leadership and the enabling role played by the West." Lancaster argues growth rates have been lower than the rate of population growth. This point notwithstanding, what do we say about the evidence Azarnert (2004) presents that proves foreign aid seems to have some positive effects on fertility and population growth in Africa? This means that even in cases where the population is low, the application of aid would significantly influence growth rates – without necessarily increasing annual levels of economic growth rates. With a population of only 1.9 million and an annual population growth rate of 1.2 per cent, Botswana has maintained one of the highest economic growth rates in the world, moving from a once poor country to a middle-income country with a per capita GDP of almost $15,800 in 2008. Although Botswana is richly endowed with mineral resources, we can make the case that it is not merely about numbers but numbers that count – a viable population that is able, innovative and self-reliant enough to make concerted efforts towards overall development. Lancaster's conclusion is that "aid is a double-edged sword" meaning that where the economic and political environment is right, it can support progress. In cases where the enabling environment is not present, aid will be wasted. There are many variables thrown into the African development equation, making it more difficult to ascertain which one(s) really explain the African dilemma. But we know, like Ayittey, that leadership really counts and that where the political, social and economic environment is ripe, aid might have some positive effects.

Correlation between foreign aid and economic development

Is there any evidence that aid facilitate growth? Even if it does, is it growth measured by GDP or one that is measured by levels of poverty and basic living standards? There is no agreement in the literature on this question. While Rostow (1990) sees foreign assistance – the "external intrusion by more advanced societies" – as a precondition for the take-off into economic success, Hayter (1971) argues it is a disguised form of imperialism and as such cannot result in any desired economic benefits. To her any benefit that could arise from aid would only be incidental, not planned. These two divergent schools of thought in the aid/development literature are still present to date.

A paper by Burnside and Dollar (1997) was emphatic that there is a correlation between aid and economic growth, but only when aid is applied in a good policy environment. The paper, using a sample of 56 countries and six four-year time periods from 1970 - 1973 until 1990 - 1993, shows that where aid coincided with good policies, its impact on growth was strong and positive.

Collier and Dollar (2001) also argue "aid is conditionally effective," with conditions including policy environment, governance, rates of corruption and conflicts. Despite the support the Burnside and Dollar stance has amassed (Dovern and Nunnemkamp, 2007; John and Sackey, 2008), there are other studies that show no significant correlation between aid and growth. In the first place, besides the point that the four-year ranges they used is too short to measure significant growth, if the focus is "good policies" then very poor countries will not be selected for aid since they will mostly not meet this criterion.

Thus, eradicating poverty will not be realized soon. On this same matter, Easterly et al. (2003) found different results when they added more data and also extended the year range from 1993 to 1997. Although they do not actually argue that aid is ineffective, they find that with the introduction of the new data, the positive relationship between aid and growth withers away.

Easterly (2003) has pursued this argument further, stating that "the idea that 'aid buys growth' is an integral part of the founding myth and ongoing mission of the aid bureaucracy." Another argument is that aid reduces the incentives to invest, especially when the recipient is assured that future poverty will call for more aid. This phenolmenon is known as the Samaritan's Dilemma (Gibson et al., 2005; The Economist, 1995). Aid can also reduce the recipient country's competitiveness (Rajan and Subramanian, 2005), culminating in the Dutch disease (a condition that reduces competiveness of the manufacturing sector due to overabundance of foreign assistance). The robustness of the many empirical studies have been tested but the fact remains that most scholars agree aid in real terms has not been effective as it has a "weak association with poverty, democracy and good policy" (Alesina and Dollar, 2000).

While Sachs (2005) sees more aid as increasing the possibility "to end extreme poverty by 2025", some recent literature ask a more reflective question: does foreign aid really work? (Riddell, 2007). Riddell presents a more balanced analysis of why aid has not lived up to performance by discussing the systemic impediments at the donor level (such as distortions caused by mixed interests, voluntarism in aid-giving and multiplicity of donors) and the issues of commitment, capacity, ownership and governance at the recipient end. He outlines a cluster of motives that have historically influenced aid allocation. They are (1) to address emergency needs; (2) for development – growth and poverty reduction goals; (3) to show solidarity; (4) to promote donor's commercial, political and strategic interests; (5) historical ties; (6) to reduce the ill effects of globalization; and (7) aid giving dependent on recipient's human rights record. Riddell concludes that although aid has made a difference, it could make a greater difference by having a "long-term, systemic or sustainable impact" on the lives of the poor when the roadblocks are removed.

This suggests that aid is not necessarily 'a good thing' but that it can be beneficial. If it is entirely a good thing, how come many countries in Africa still struggle with poverty? How come the same continent that is touted to receive the biggest chunk of aid money had an average growth rate of 3.8% between 1996 and 2000 and 4.75 in 2005? (OECD Observer, 2005). Finding a correlation between aid and (under) development remains a complex task but with the limited evidence of aid having had a good impact on Africa's development, we believe there is more to the debate than most scholars have recognized. To better explain Africa's developmental complexities, we think culture cannot be ignored.

Why culture counts

If we should follow the linear argument of 'modernity' and how a country has to progress from one poor, 'dark' and backward stage to a better one, we might see the African culture as irrelevant, something that should be done away with to take up the new culture of a 'modern life'. Rostow's classification of "traditional societies" in his Stages of Economic Growth means that Africa has to abandon its "traditional practices and assume Euro-centric cultural values, beliefs, and ideology" (Njoh, 2006). Other economists have generally swept culture under the carpet when dealing with aid as it is considered as both 'vague' and dynamic. How can a policy be fashioned on something that keeps changing? Despite this, there are certain dispositions of a group that do remain over a long period of time and that is why culture (which is their way of life) should be considered if the goal is to move to a better place. Culture is not anything vague if it is basically the beliefs, knowledge, customs, morals, habits and traditions of a people. It is not entirely a hindrance to development.

For instance, Ghana and South Korea in the early 1960s had comparable levels of growth, but thirty years down the line South Korea has become an industrial giant while Ghana still remains dependent on foreign aid – including aid from South Korea. Huntington (2000) believes although many factors might explain this, "culture has to be a large part of the explanation. South Koreans valued thrift, investment, hard work, education, organization and discipline. Ghanaians had different values." Landes (2000) insists "if we learn anything from the history of economic development, it is that culture makes almost all the difference". Landes's point in the end is that foreign aid can help but it also does hurt. However, history has taught us that "the most successful cures for poverty comes from within" (Landes, 2000). This is why he thinks culture makes a big difference. Sen (2004) suggests the issue is not simply whether culture matters, but rather how it matters. He admits that since "culture engulfs our lives, our desires, our frustrations, our ambitions and the freedoms that we seek", having for instance, "a high GNP per head but little music, arts, literature, etc., would not amount to a major develop-mental success" (Sen, 2004). Sen argues culture influences economic behavior, political participation, value formation and evolution, and it also gives people a sense of identity or association.

One clarification we can make here is that it is not that culture explains everything. However, if donors seek to ensure participatory development, then the culture of these participants should be given a closer look (Abraham and Platteau, 2004). We are also cautious as to how we apply cultural determinism to the whole of Africa as we look at the term in a much broader sense than just funerals, festivals or rituals. This notwith-standing, not all scholars subscribe to the culture-development thesis. Codjoe (2003) for example discounts Huntington's argument that Ghana's culture contributes to its underdevelopment and indicates that the answer rather lies in colonialism and the integration into the world capitalist system. Rodney (1973) believes colonialism had a negative impact on Africa's development as Africa lost the power to defend its interests, and control its internal matters. He also argues that the international capitalist system has been the "principal agency of underdevelopment of Africa over the last five centuries."

Harrison (2000), on the other hand, argues that as discussions of colonialism, dependency and racism lose credibility today in explaining poverty and authorita-rianism, scholars, journalists, policy makers and develop-ment practitioners are made to focus on "the role of cultural values and attitudes as facilitators of, or obsta-cles to, progress". Although the issue of the credibility of colonialism, dependency and racism is debatable, we share his conclusion that "integrating value and attitude change into development policies, planning and program-ming is … a promising way to assure … the world does not relive the poverty and injustice" (Harrison, 2000). Hyden (2006) has admitted that culture cannot be discounted by political scientists because "it is the foundation on which not only formal, but also informal institutions arise". In understanding African politics, the socio-cultural underpinnings remain essential.

Pomerantz (2004) argues that culture matters, and that whether one views social capital as a prerequisite to economic advancement or not, trust is an important 'social glue' that engenders better two-way-street rela-tionships between donors and recipients of aid. For her, it is not just a matter of giving the money and walking away, but making sure both donors and recipients choose the right path of development. Although Calderisi (2006) shifts the blame for underdevelopment to the diversity of the African culture, Pomerantz (2004) argues that donors have not made conscious efforts to understand the context within which aid is made to work. This point is not to discount money totally but rather to show that culture matters and that money cannot solely bring sustained development to Africa. Her understanding is that since donor aid has not achieved much, there should be a way to incorporate Africa's culture (history, politics and society) into the debate.

The ills of aid, according to Reusse (2002), include inertia, easy money, ignorance, complacency and the fact that an interventionist paradigm is imposed on recipients of aid regardless of their internal socio-cultural dynamics. He argues that for aid to work well, "it pays to acquire an understanding of the local culture before applying an interventionist paradigm because development efforts… must be situated within the cultural context." This also means that the people development aid targets should be essentially involved in the decision-making process. Simply put, the perspectives of the recipients should be incorporated into the 'development business'. This will limit the larger constraint of a physical and institutional distance between the decision-making processes of international agencies and their recipients (Satterthwaite, 2001).

Conclusion

It is difficult to conclude from the many debates above especially since there is no single magic wand (or stick) to command development to appear. Most of the so-called empirical studies focus on economic growth in the macro-economic sense without taking cognizance that development is much bigger than just statistically significant improvement in GDP per capita. The reality is that there could still be widespread poverty in the grassroots even when a country is perceived to have attained appreciable levels of macro-economic growth. Given the unclear and ambiguous nature of empirical literature on aid effectiveness, we cannot have a firm conclusion that aid has led to (under) development in Africa. However, we reiterate our argument that unless aid/development discussions incorporate socio-cultural factors, we cannot fully appreciate why foreign aid has failed to deliver 'development' in Africa. We propose a return to the culture-development discussions which have been overshadowed by macro-economic 'buzzwords' in the development literature. This is against the backdrop that inasmuch as GDP growth rates matter, policies and institutions work in some socio-cultural milieu which has mostly been ignored by donors: The focus is too often on money alone, to the detriment of aid performance.

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