Theoretical Debate on the Development Aid in Africa

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***Abstract*: Development aid flow to African countries started in 1960s when most African countries attained Independence from their colonial masters. The aim of giving development aid to African countries is to help them overcome development challenges. It was estimated that west developed countries has spent about $600 billion on development aid to African countries. Yet, there is little effect of development aid on socio-economic and political development in African countries. This led to ongoing debate on effectiveness of aid on development. The paper has traced the historical origin of development aid, and the theoretical justification of the need of giving aid to African countries. It also explained the theoretical debate among scholars who are in support of development aid as a mean of promoting economic development in African countries and those with the view that development aid failed to deliver development to African countries, instead it created dependency syndrome. The study reveals that corruption, aid conditionality, aid volatility, debt and unfair trade relations between the developed countries and African countries hindered the effective performance of development aid in African countries. The study also found out that African leaders attempted to address the failures of development aid in the continent, through Lagos action plans and Monrovia declaration of development agenda under the umbrella of organization of Africa Union (Africa Union), but the two documents failed to address the lack of political and economic growth in African countries. Therefore the study recommend that, the pattern of relationship between donor countries and African countries, have to be redesign, and the structural imbalance in the global trading system must be reform, and free trade should be replaced with fair trade. The study also suggests that African governments should reforms their political and economic institutions in order to address the problem of corruption and management of development aid in the continent.**

***Keywords*: Development Aid, Development, African Countries, Economic Growth, Donor.**

I. INTRODUCTION

Development aid to Africa gained prominence in 19th Century when developed nations started giving development aid to developing countries. This was the period which most of African countries attained political independence (Egben 2013:2). This resulted to the popular "Big Push" view of development in the 1950s pioneered by Rosenstein Rodan (1943 -1944), and later by Nurkse (1962). According to these theorist the growing gap between developed and developing countries was as a result of inadequate investment across sectors of the economy and infrastructure. Therefore, other argued that developing countries particularly African countries are trapped as the vicious circles of poverty as their development is constrained by low savings and inadequate foreign exchanges. As a result of this, African countries find it difficult to attract foreign investors and to borrow on International markets. Thus, development aid is considered as the appropriate means to ease these constraints by providing financial means to supplement domestic efforts. (Ramiarison 2010:13).

To get African countries out of the poverty trap, the early development economists in the 1950s and 1960s postitulated a useful per capital growth rate and calculated the "investment requirement "to meet this target- distance between the low domestic saving rate and the "investment requirement" was called the "Financing Gap" (Rostow 1960, Chenery and Strout 1966). The general goal of development aid is to give African countries a positive incentive for atmost national effort to boost its rate of growth to a point where a satisfaction rate of growth can be achieved on a self sustaining foundation (Randhawa 2012: 1-2). This led to constant flow of development aid from the developed countries to African countries. It was estimated that west-developed countries has spent about 600 billion on development aid to Africa so far (Andrews 2009:8). Yet, despite these huge figures, economic growth in the continent has remained virtually unchanged, as many African Countries are currently experiencing low growth rate in almost all development indicators (Oche 2020:2). However, the debate on whether development aid enhances development or retards development in African countries still remains a topic of discussion (Bjarnadattir 2017:26). Some scholars such as Hansen and Trap (2001) argue that aid ability to induce development can be determined by Implementation of good policies by the recipient countries, while others scholars argue that aid is obviously counter-productive. They are of the view that aid is not an effective means for development of African countries, that development aid creates dependency, corruption, and encourages dictatorial regimes in power (Garcia 2017:16). This paper therefore examined the origin and theoretical explanation of development aid to Africa, the major strands of the debate on the development aid effectiveness or lack of it, and the challenge of development aid funding in Africa and the struggle against dependency.

II. CONCEPTUAL CLARIFICATION

Development aid is the term generally used to refer to different types of assistance given by one nation to another inform of donations. Morganthau (1962) defined development aid as the transfer of finance, goods and services from one country to another. Development aid is a veritable tool for supporting education, health, technology, public infrastructure development, agriculture and rural development (Amassoma and Mbah 2014:107). Similarly, Bakare (2011) states that development aid is the way of increasing the capital available for business investment and economic growth needed to eradicate poverty and uplift the standard of living of the recipient countries. In addition, Ahrjo (2016) expatiates further that foreign direct investment (FDI) as one of the components of development aid, serves as a potential means of transfer of knowledge and technology, creation of job opportunities, increase productivity and entrepreneurship which in return lead to the eradication of poverty through economic growth.

According to Ukpong (2017), development aid can be in form of economic aid such as investment in the economy of the needy country, loans, infrastructural development, he expatiates further that development aid can also be in form of military aid like a supply of military hardware at subsidized rates; and supply of military-technical aid such as military presence to a country in conflict or war with another. Todaro (2010) categorized development aid into three namely; bilateral, multilateral, and private; bilateral development aid is the financial transfer from one country to another, it consists of 60% of development aid to developing nations. Bilateral aid can be categorized into four forms: development loan, which is repayable within long-term period, technical assistance including technological and managerial experts and transfer of technology, and military assistance, while multilateral aid is the capital outflow from international financial organizations like the World Bank, International Monetary Fund (IMF), trans-national corporations, and commercial banks to developing countries. Ukpong (2017) posits that multilateral aid carries 40% of the global development assistances developing nations. Easterly (2006) defines development aid as the unforced transfer of resources from one country to another with the objective of benefiting the country receiving the aid (governments of developed countries to the governments of underdeveloped countries).

Development Assistance Committee (DAC) of the Organization for Economic Cooperation and Development (OECD) defined development aid as financial flows, technical assistance and commodities that are (a) are given by the authorized department of the donor country, (b) with the main aim of promotions of economic development and welfare of recipient country, excluding assistance for military and another non- development purpose, (c) are given as a grants or concessional loans with a grant element equal to at least 25 percent of the total (ALI and Zeb, 2016:108). It is now clear that the main aim of various forms of development aid given to African countries by developed nations is to stimulate social and economic development of the African countries and also to meet the political, security, and the commercial interests of donors.

Trends in Post World War II donor funding

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The history of donor funding after the second world war can be traced to the European recovery programme (ERP). After the end of the war in 1945, the period marked with the emergence of various international donor agencies, such as the international monetary fund (IMF), world Bank (WB) and Marshall plan a U.S development aid programme to Europe during the period 1948-1951 (Tarnoff 2018:1:32).

After the war, the British in February1947, asked the U.S to take over their responsibilities in Greece and Turkey and on march 12, 1947, president Truman addressed the congress, calling for development aid support for both these two nations under the umbrella of helping them in their struggles against communism. He then broaden his foreign policy to what is now known as the Truman doctrine (Magid 2012:1-35).

> *"I believe that it must be the policy of the united states to support free people who are resisting attempted subjugation by armed minorities or by outside pressures. I believe that we must assist free peoples to work out their own destinies in their own way .I believe that our help should be primarily through economic stability and orderly political processes ….This is an investment in world freedom and world peace" (Truman 1947).*

After this speech, a formal aid plan was developed based on the Truman doctrine, under the office of the secretary of state united states of America and on June 5, 1947 George C. Marshall U.S unilateral aid to Europe in his speech at Harvard university, where he stated that:

> *"The truth of the matter is that Europe's requirements for the next three or four years of foreign food and other essential products – principally from America are so greater than her present ability to pay that she must have sub spatial additional help or face economic, social and political deterioration of a very grave character …….The remedy lies in restoring the confidence of the European people in the economic future of their own countries and of Europe as a whole…….. it is logical that the United States should assist in the return of normal economic health in the world, without which there can be no political stability and no assured peace" (Marshal,1947)*

The Marshall plan was signed on April 3, 1948 by president Truman and $13 billion assistance was granted to 16 European nations, including Britain, France, Belgium the Netherlands, western Germany and Norway (Bjarnadottir 2017:1-35) The aid affects the level of European agricultural and industrial production, balance of trade and increase in capital stock and foreign exchange reserve (Ramiarison 2010 :1-70).

The aid has contributed to the development and rehabilitation of infrastructures by provision of finance and technical assistance enhanced U.S .Europe relations, it has also contributed to political and economic stability in Europe, which help weaken the strength of domestic socialist political parties (Tarnoff 2018:1-32)

The tremendous success of the Marshall plan in transferring resources from united states to a war ravage Europe convinced many leaders of developed nations that, a similar assistance should be given to the newly independent countries in mostly Asia and African countries would likely result to development and poverty alleviation (Oche 2020:17).

At this period economic growth was one of the essential components of development theories, during this period industrialization was considered as a vital instrument of growth which would create job opportunities, increase demand for raw materials. Therefore, providing an incentives to other productive sectors to improve their production and supply of manufactured goods (Thorback2006:17-47).

One of the main reasons for development aid in this period was the transfer of capital investment and technical assistance to developing countries to empower them in achieving adequate economic growth and savings rate, Aid was viewed as essential to fill the gaps in the macro-economy of developing countries and supply a much needed surplus capital for economic development (Ali and Zeb 2016 :1-25) It was suggested in the works of Rostow, the stages of economic growth (1960) that the developing countries needed capital , investment and saving to catch up with the western industrialized countries .Absence of capital and investment was believed to be one of the reasons of the underdevelopment and foreign investment and aid were expected to seal this gap and would finally eradicate poverty and gain economic growth (Kuniber and Singer 1996:20).

It should also be noted that apart from the overt objectives, the aid donor countries are motivated by economic, political, ideological and strategic interests in providing aid to developing countries like Africa (Ali and Zeb 2016:107-125).

Aluko and Arowolo (2010) further emphasized that, provision of development aid to developing countries attained prominence during the cold war period, which pitched the U.S and Union of Soviet Socialist Republics (USSR) against each other in ideological supreme competition, from 1950’s to early 1990’s marking the official crumble of the Soviet Union as the leader of the communist power bloc.

To entice the newly independent countries to their ideological practices these power blocks offered incentives in the form of development aid to the developing countries, therefore, it can be argued that foreign aid has been used as an instrument by the leaders of the industrialized nations in to achieve their desire goals. This led to the institutionalization of provision of development aid more capaciously in the international politics (Williams 2013:1-28), consequently, in 1960s, countries like Japan, western Germany, the Netherlands and Scandinavian countries also entered the field of international aid as significant donors (Ali and Zeb 2016:101-125).

A Development Assistance Group (DAG) was established in 1960and later in 1961, became Development Assistance Committee (DAC) by donors countries as a consultancy body in regards to aid. Latter merged with other development aid institutions to form the Organization for Economic Cooperation and Development (OECD) (Nigonkuru 2016:79). Hence, in 1970s, at the United Nations General Assembly the rich countries of the world agreed to contribute 0.7% of their Gross National Income (GNI) as official international development aid annually (Wogu, Duruji, and Ibietan 2013:83-96).

Based on this, development aid of $3.1 trillion was flowed to developing countries between 1960s to 2007, with “Africa accounting for more than 1/3 of them” (Ramiarison 2010 :1-70). According to Easterly (2006) western developed countries have spent above 600 billion on development aid to Africa, however, despite these huge figures, economic development has remained almost the same.

Theoretical Debate on Development Aid Funding

Since the inception of development aid in developing countries in 1960s, the theoretical debates regarding aid effectiveness or ineffectiveness is still remain a subject of discussion.

Arthur Lewis (1954), Nurkse (1962) and Rostow (1960) argued that lack of development in developing countries is as a result of insufficient investment in the all sectors of the economy and infrastructure. They further argued that, the economic growth of developing countries is constrained by low savings and lack of foreign exchanges. Therefore, development aid is considered as the suitable means to remove these constraints by providing them resources to support domestic efforts.

Chenery and Strout (1966) in their “Two Gap model” which is an extension of Harrod (1939) and Domar (1946). The ``Two gap model” compares the gaps between saving and exchange rate to find out what are constrains of an economy.

The “Two Gap model” believe that domestic savings in poor developing countries are at their maximum level; development aid will serve as additional resources and will stimulate economic development and income. It is believed that all aid is invested, as a result it will lead to higher rate of capital accumulation and a huge part of the income will be saved.

Furthermore, economic development of these poor countries is believed to be hindered by absence of technological knowledge. This can be enhanced by development aid in the way of providing technical assistance. Also Nelson (1956) in his poverty trap model believed that growth is delayed by poverty traps caused by a number of factors such as low productive capacity, high population growth, low savings ratios, working together to keep the country in poverty because it cannot accumulate enough capital to become rich.

Therefore, development aid is considered as temporary relief injection of capital to help the economy get out of the poverty trap and to support growth. These two models are frequently used as the theoretical frameworks by the researchers on the relationship between development aid and economic growth of recipient countries (Quy 2016:53-58).

However, Harms and Lutz (2004) argued that the “Two gap model” believe that investment is the only element in boosting output, whereas there are other determinants of economic growth, such as education, research and development. They further argued that not all development aid is invested by the recipient country. It is not a must that all aid can go to investment, it can also be used for other purpose. A recipient country can decide to use part of the aid money for government expenditures and part for the investment .They also stated that , development aid is incentive for the corrupt governments to deliberately reduced their domestic investment attempts in order to get more aid money from the donors, and that, to alleviate poverty and achieve development is not only the infusion of aid for a country, but the role of good governance, accountability, rule of law and private capital is very important.

However, most of the empirical literature focus on panel data and not country specific , in which not all countries are in the same situations ,and having the same characteristics , therefore aid performance may differ .It is important to note that the impact of aid on development should not generalized .Despite the criticisms of the models in regard to aid effectiveness ,these prevalent models are still in practice in many developing countries and supported with some empirical and evidence by some scholars (Ramlarison 2010:13).

This led to the emergence of various theoretical and empirical studies that found a positive relationship between aid and growth (e.g Papanek 1973, Levy 1988) provoking a lively debate between researchers that found a positive relationship and those that did not .This led to the emergence of various theoretical and empirical studies that found a positive relationship and those that did not.

The proponents of development aid believed that aid would contribute to economic growth by augmenting savings, financing investments and adding to the capital stock. They assert that aid also assists in increasing productivity, particularly in the health and education programmes. They also further believed that transfer of knowledge and technology from rich countries to poor countries has a positive impact. Hansan and Trap (2004) stated that although development aid does not have the complete relationship with economic growth, it still shows the higher the aid flows are the quicker they facilitate economic growth of recipient countries. Stiglitz (2002) added that development aid, which may perform less in some cases, can surely stimulate growth in some recipient countries.

In contrast, several scholars are of the believed that development aids have negative impacts on the recipient countries. Griffin and Enos (1970) using simple correction technique on panel data, concludes that there is a negative relationship between development aid growth in 27 countries, Bauer (1972) revealed that aid is negative, advocating development aid should be eliminated .It is hazardous for recipient countries as it enhances the few bureaucrats in government, which lead to corruption ,and obstruct economic growth , Kanbur (2000) concurred that development aid do not have positive impacts on economic growth, that aid are usually overused by recipient governments, and its impact is not found to be present on economic growth as a result of corruption, weakness in administration, pressures from donor countries to recipient countries.

In addition Boone (1996) revealed that development aid do not induce economic growth of recipient countries for two reasons: one that poverty and hunger are not as a result of lack of capital and second it is not ideal for politicians to revise distortionary policies when they receive aid grants and this affect the domestic economy and leads to foreign dependency.

Similarly, Hatemi and Irandoust (2005) argued that, the negative relationship between aid and growth might be caused by unpredictable business cycles and induce state intervention. However, some scholars are of the view that development aid effectiveness or lack of it, is conditioned by existing institutional and policy environment in beneficiary countries (Ramiarison 2010:18). Burnside and Dollar (2000) took a more liberal approach in understanding the nexus between it and economic growth of a recipient countries they argue that the effectiveness of development aid in enhancing the economic growth is subject to the soundness of macroeconomic policies and prevailing institutions .In fact they stipulate that development aid promotes economic growth in recipient countries with good policies .In this situation , a country can be regarded to have good policy environment if there is evidence of low inflation rate ,low budget deficit and a system that encourages a relatively open trade policy. They further advocated that “making aid more systematically conditional on the quality of policies would likely increase its impact on developing country growth” (Burnside and Dollar, 2000:864).These work supports Harrod-Domar theoretical view which suggests that development aid increases domestic saving, then growth in return.

Development Aid Funding in Africa and the Struggle against Dependency

Since 1960s over $ 600 billion has been transferred to the African countries as development aid, with the aim to eradicate poverty, promote economic development and enhance the living standards of its citizens. Despite the large flows of aid, little has been achieved in form of growth and development in the African countries (Farah, Onder and Ayhan 2018:9). As a result of this, African countries continue to depend heavily on development aid for their economic growth and development. Thus, on account of this, the effectiveness of development aid in fighting poverty and promoting development in African countries is highly debatable.

The United Nations Development Programme (UNDP) Human Development Report of 2014 stated that 34 countries out of the 48 least developed countries (LDC) in the world are Africans. Also majority of people living in sub-Sahara Africa are in extreme poverty, they hardly meet up with their basic human needs. However, it can be argued that development aid failed in its performance in terms of poverty eradication and economic development of African countries.

Moyo (2009) argues aid has been and continues to be, an unmitigated political, economic and humanitarian disaster for most parts of the developing world. She cites the example of Africa mosquito net manufacturers who is put out of business by well-intentioned aid agencies giving out free nets. In nutshell, aid, it is the disease of which it believes to be the cure. Therefore, the idea of ending poverty through aid by Sachs (2005) make sense only in theory. Easterly (2006), Moyo (2009) attributed the poor performances of development aid in developing nations especially in Africa as a result of: corruption, dependency, colonialism, debts, Dutch disease, aid volatility, lack of commitment from donors and volatility politics of aid allocation. Corruption is one of the factors, suggested as responsible for the often disgusting effect of development aid performance in Africa countries. The effect of corruption is that a few individuals amass huge wealth, with which misappropriates resources and has negative macroeconomic effect. The high levels of systematic corruption reduce the benefit of development aid, which results to lower economic growth.

As well lower economic growth could be accountable to high corruption and vice- versa, particularly in countries where there is poor quality institutions,weak rule of law, absence of accountability ,which is the common features of almost all African countries (Mustafa, Kilishi and Akanbi 2015:98-108).Importantly, corruption limits the speed of development ,cut down the amount of public resources and deters private investments and savings, which further hinders the effective and efficient utilization of development aid.

In fact Lacaster (1999) has earlier stated that one of the reasons for aid ineffectiveness in Africa is due to aid fungibility, which according to Abuzeid (2009) is a mean of increasing the scope of corruption and rent –seeking syndrome. Lacaster (1999) assert that the African countries development activities were shipped to Swiss Bank and therefore, he posits aid is a double –edge Sword" (P.497).

Similarly Gyimah and Brempong (2002) argues that as far as most African countries are large recipients of development aid and they have weak and fragile institutions, there is every possibility that aid is going to be siphoned as a result of the high level of corruption in the continent. Therefore, the negative effects of corruption retard the benefits of development aid like growth, investment, poverty eradication and good governance in African countries and it is one of the major constraints to aid performance in the continent. Williamson (2009:17-33) argued that development aid felt due to the fact that it is poorly designed by the governments and agencies with little knowledge of recipients environment and recipients countries lack power to brings in the policy process that will lead to achievement of development target of aid. Thus, this lack of information or knowledge about the recipients' environments can affect the effectiveness of development aid. For aid to be effective – donors must be able to get the all-important information of the environment where aid is needed and to find out exactly what is needed and who needs the aid. The main reason for not be able to obtain the necessary information, is due to the fact that development aid is managed and organized by government and other bureaucratic agencies and these bureaucratic procedures and protocols hinder the ability to collect important information needed to achieve results. Easterly (2007) collaborated this when he states that:

> "*Maddening problem in foreign aid for all concerned is the huge administrative costs on both recipient and donor sides from duplication of donor efforts and their failure to coordinate their efforts with each other" (P.13*)

He further argues that, this lack of coordination in obtaining the necessary information have contributed to the failure of aid in developing countries. Therefore, for development aid to achieve its goals, the problem of lack of adequate knowledge on both donors and recipients have to be addressed.

Aid conditionality affect donor funding performance in African countries; Conditionality refers to macro-economic policies which an aid donor agency stipulates a government must undertake in order to qualify for international loans. The International Monetary Fund (IMF) and World Bank are Associated with these conditions .This suggest that countries seeking for funds are expected to implement market oriented macroeconomic policies such as price, trade and capital account liberalization, restrictions on public expenditure, devaluation, increases in taxes or public utility prices and wages control (Molsey, Harrigan and Toye 1991:66).The aims of these market oriented policies was to speed up the expansion of balance growth in international trades and to contribute to the promotions and maintenance of high levels of employment and real income and to the development of the productive resources of all members as main objectives of economic policy. However ,these policies led to the contraction in per capital income rising unemployment, rising urban poverty ,reduced government expenditure per head of the population ,rising malnutrition among children ,stagnant or falling level of real investment and deterioration in the balance of payments which affect most African countries industrial sector to emerged (Stewart 1987:29-46).The imposed market oriented policies by the donor countries of the West, IMF and World Bank ,they did not only failed to promote economic growth but rather compounded African countries problems.

In addition, "tied aid" is another form of conditionality aid that also affect the performance of development in African countries. The recipient countries are tied to purchasing goods and services from the donor countries or companies. It has been estimated that tying aid reduces its value by 15 to 30 percent (OECD 2008). Add to this practice of tying aid, donors are highly selective in choosing the countries they target for assistance, especially when they treat development aid as a subsidy for their domestic corporations producing exports.

Volatility of aid flows reduces aid performance in African countries dependent on development aid in financing their development; the African countries are also more vulnerable to exogenous shocks such as natural disasters, civil wars, oil price hike, and regime change. Therefore, unpredictability of aid flows puts more pressure on the ability of recipient countries to plan and use resources, and this can affect the performance of development aid in African countries. Similarly, Kharas (2008) notes that aid volatility exerts negative effects on output, development and welfare. He further states that at micro level, aid volatility can affect fiscal blueprint and the level and composition of investment.

Failure of some developed countries to meet up with their commitment is another challenge to donor funding in African countries. Through United Nations rich countries committed themselves of donating 0.7 percent of their gross national income (GNI) to aid. By 2007, only a handful of OECD countries hard reached this threshold. They were, Denmark, Luxembourg, Norway, Netherlands and Sweden. Noticably, G7 countries, the World largest economies, all substantially fell short of the UN goal. If these countries would meet up with the target, African would have a huge boost in its development aid, which would stimulate its economic growth (Kwakye 2010:2). Therefore, aid is insufficient to support meaningful development and eradication of poverty in African countries.

Debt and fair trade is another challenge facing donor funding in African countries. The issue of African countries debts has been famous since the debt crisis of the 1970s and 1980s.At this period African countries cried out that they cannot afford to service their debts any longer. As a result of their huge debts and their poor economic performance, servicing of their increasing debts which absorbs their budgetary and foreign exchange resources at the expense of funding education, health investing in economic infrastructure and helping to eradicate poverty (Heywood 2011:401). Furthermore, the quest for promoting economic growth has been hampered, as a result of the global financial crisis which made developed countries to reduce their aid budgets. These have affected the attempts to generate additional funds that can be used for development aid (ibid: 401).To identify these socio-economic problems and restart the process of development and poverty eradication, the World Bank (WB) and International Monetary Fund (IMF) took initiatives to structure the economic policies of African countries, thus came up with Stabilization policies and Structural Adjustment Programmes (SAP) which supposed to rescue the debtor countries by the way of making their budgetary contractionary. Rather, SAP policies compounded the problems of the debtors' countries by squeezing out every possible income from these poorly African economies in order to offset the bilateral and multilateral debts (Muhanji 2010:3).

In another effort to address the prevalent unyielding effects of debt burden on African countries, creditors countries came up with the idea of Heavily Indebted Poor Countries (HIPC) initiative in 1996, in which World Bank (WB) and International Monetary Fund (IMF) accepted to write off the debts of HIPC. Through this debt relief initiative some HIPC in Africa like Uganda and Nigeria were one of the 29 countries that enjoyed the debt relief in 2006 (Heywwood 2011:402). However, it has been argued that the initiative has further weakened pressure to increase development aid, as money given for debt relief is normally calculated within international development aid budgets (ibid: P403). This unmanageable debt conditions that African countries found themselves has been one of the challenges facing the lack of performance by donors to improve the socio-economic development of African countries. The unfair trade system in international community has affected the donors finding effectiveness to promote economic growth and enhance alleviation of poverty in African countries.

The structural disparities that exist within the global trading systematically favour the richest and most developed countries at the expense of the less developed and poorest countries of the globe. These are often attributed to inequalities on the terms of trade, where by primary goods, that are produced in the developing African countries are relatively cheap while manufactured goods that are produced from the developed countries are relatively expensive. This was as a result of the free trade policies which rob the people of developing African countries of their proper living standards and keeping them trapped in poverty. Therefore any efforts to stimulate development through the provision of development aid and debt relief and which ignore the global trading structural imbalance .Therefore, the efforts is doomed to failure (ibid:403) .In order to promote growth and development in African countries free trade should be replaced with fair trade whereby they will be involved in setting prices for goods produced in African countries that protect their wages and working conditions and a better deal for producers in African countries. However, this can be possible only when there is significant reform in the international trading system.

The dependency syndrome of African countries was as a result of some developed countries who exploit the resources of smaller countries to enhance their economy by establishing a centre –periphary relationship. The periphery countries are forced to provide natural resources, labour and markets for the advanced countries at a relatively cheap rate in exchange for capitals and loans. This progressively leads to a state of perpetual dependency through multifaceted relationships between the developed and undeveloped countries (Adah and Abasilim, 2015:278). These relationships made many African countries not to be labeled independent, because of the effective preservation of the dependency structure by such economic instruments as loans, aid, investments and trade conditions as set out by the IMF, the WB and international financial institutions. Amin (2011) calls these instruments "collective imperialism of the trial" this collective imperialism is expressed through the:

> *"Management of a world system by the common instruments of the trial at the economic level ,by the world trade organization (The colonial ministry of the Trial) the International Monetary Fund (the colonial collective monetary agency), the World Bank (The propaganda Ministry), the Organization for Economic Cooperation and Development (OECD) and the European Union Constituted to prevent Europe from extricating itself from liberalism), by the 67/G8, the armed forces of the united states and their subordinate instrument, NATO with the marginalization /domestication of the United Nations completing the picture" (Amin2011:62).*

Furthermore, Amin (1976) categorized African economies into three groups: Colonial trade, plantation economies and labour reserve economies. These three groups succeeded to point out the skewed nature of the relationship between the centre and the periphery. It also suggested that unless African countries break their links to the world capitalist economy, their state of underdevelopment is unlikely to change.

The Monrovia Declaration and the Lagos plan of action a response to the development failures in the African countries, up to the end of the 1970s, therefore as a result of this, African heads of states under the umbrella of the Organization of African Unity (Now African Union) in 1979, meet in Monvovia and Lagos and came up with African development agenda.

The Lagos plan of action for the economic development of African 1980-2000(OAU 1979). The document layered more emphasis on collective self-reliance and regional linkages through, self-sufficiency in food, a sound industrial base, development of transportation and communications to facilitate regional integration and increase intra –African trade (OAU, 1979).The African leaders concluded to adhere to the agreed strategy.

> *"We hold firmly to the view that these commitments will lead to the creation at the national, sub-regional and regional levels of a dynamic inter-dependent African economy band will thereby pave the way for the eventual establishment of an African common market leading to an African economic community" (OAU 1979).*

Both Monrovia Declaration and the Lagos Plan of Action were exhaustive and realistic enough to give hope for a better for African countries if strictly implement. But, the two documents suffered from certain constraints. None of them critically addressed the question of transforming essentially the political –economic and institutional structures that many African countries inherited after independence.

The Lagos plan of action remained nothing more than a declaration of Africa governments stated long –term objectives, with little effect on the policies of individual member countries (Nhema and Zinyama 2016:162). However, this maybe as a result of lack of social forces to push for its implementation and lack of proper monitoring and follow-up mechanism for its implementation, this may be the reason why governments of African countries did not feel compelled to do so (UN/ECA, 2011:1).

III. CONCLUSION

The paper has traced the historical origin of development aid to the development assistance given to European countries by America after the end of the Second World War, through European Recovery Programme by Marshall Plan in 1948. Development aid to African countries became relevance in 1960s when majority of the African countries attained political independence from their colonial masters. The success of the Marshall plan in rebuilding Europe after the Second World War convened the world leaders to extend development aid to African countries, with the strong belief that extending the development aid to African countries would ease the constraints of low savings and inadequate foreign exchanges, investment and infrastructures. This led to the constraint flow of development aid to African countries. It was estimated that developed nations has spent about $600 billion on development of African countries, but there is little or no development in African countries.

This led to the theoretical debate among scholars, some scholars are in support of development aid to African countries as a means of promoting economic growth in African countries, while other scholars are of the view that development aid failed to deliver development in Africa, instead it retrads or hinder African countries development. The study also reveals some factors that hinder the effective performance of development aid in African countries. The major factors are corruption, aid conditionality, aid volatility, debt and unfair trade relations, dependency syndrome, and failure of some developed countries to meet up with their own commitment. The study highlighted the efforts made by African leaders to address the failures of development aid in the continents, through Lagos actions plans and Monrovia declaration of development agenda under the umbrella of the Organization of African Union (OAU).

However the two documents did not address the question of political and economic growth in African countries, in order for development aid to promote growth and save African countries from aid dependency. African leaders should put in place incentives that will enable aid to promote growth and eliminate incentives that promote aid dependency. Therefore, the paper suggest that, the pattern of the relationship between donor countries, and the structural imbalance in the global trading system must be reform and free trade should be replaced with fair trade whereby the will be involved in fixing prices for goods produce in African countries. Also for development aid to promote economic growth and development, African countries have to address the issues of corruption and mismanagement of aid by government officials. In the light of this, the study suggests the reforms of government institutions in order to address the problem of corruption and mismanagement in the continent. Thus, the institutional reforms would pave the way for African countries to make good use of development aid for sustainable development in African countries.

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