Cultural Sociology of the Middle East, Asia, & Africa: An Encyclopedia

Foreign Aid: 1900 to Present: Africa

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Book Title: Cultural Sociology of the Middle East, Asia, & Africa: An Encyclopedia
Chapter Title: "Foreign Aid: 1900 to Present: Africa"
Pub. Date: 2012
Access Date: February 21, 2014
Publishing Company: SAGE Publications, Inc.
City: Thousand Oaks
Print ISBN: 9781412981767
Online ISBN: 9781452218458
DOI: http://dx.doi.org/10.4135/9781452218458.n361
Print pages: II286-II287

This PDF has been generated from SAGE knowledge. Please note that the pagination of the online version will vary from the pagination of the print book.

http://dx.doi.org/10.4135/9781452218458.n361
Africa is among the leading foreign aid recipients in the developing world. Foreign aid has been considered one of the major supports to African economies, which, for various reasons, are still in various developing phases.

Although the concept of foreign aid started in the 1960s when most of the African countries got their independence, it came out vigorously during the financial crisis of the 1970s and the early 1980s. The goal was to help most of the African countries balance their budgets. Foreign aid was introduced through various programs, but the famous ones were the structural adjustment programs that were managed by International Monetary Fund and the World Bank.

The supply of foreign aid to Africa has varied over time depending on the recipient. Foreign aid has been supplied in different forms ranging from cash money to services and goods, in the form of donations, grants, and loans. While donations represent all given resources (cash and services) that are charitable and gift in nature, grants represent all tax-exempted funds given in cash to individuals, groups, nongovernmental organizations (NGOs), community-based organizations (CBOs), faith-based organizations (FBOs), governments, or corporations, and are channeled through a specific project. Loans represent all finances that have been borrowed and must be returned within a specified time frame with agreed interest. While donations and grants are tax-exempted, loan money is obliged for taxation. In most cases, the recipients have no option or choice as to the kind of foreign aid received, as they are in need of any form of aid to fight poverty, diseases, illiteracy, and currently, corruption.

Government Accountability

People's participation in and management of the aid were intended to be key terms in the foreign aid distribution process. Most aid providers give aid with mechanisms to ensure that people targeted by the aid are involved in the process of development, and hold accountable the key recipients, such as NGOs and governments.

The process of giving or the conditions attached to the foreign aid have been questioned by various critics. The practice of receiving foreign aid and donor

participation in development projects has created a misconception of development as being substantial only when foreign aid is provided.

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Further Readings

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