ALTHOUGH the stated intention is to assist the poor economies, ostensibly most foreign aid benefits the donor countries. The modus operandi has been that the rich West provides financial assistance or loans to poor nations to engage Western consultants or institutions to carry out unsustainable and useless projects on the continent.

As a result, there is minimum benefit to the African country while the money is recycled back via Western institutions.

This is partly why there is very little to show for the US$400 billion in aid that has apparently been disbursed to the African continent since 1960. Economic growth and human development in Africa still lag behind the rest of the world. To a large extent this is because past aid flows were often spent to suit the geo-strategic interests of the givers.

Yes, there has been abuse, incompetence, and corruption by recipients, but these constitute a second order challenge. Today, Africa represents less than 2% of world trade.

While Asia and Latin America have advanced through integration into the global economy, Africa has yet to make globalisation work for its people.

The foreign aid strategy has been to convince emerging African economies to accept enormous loans for infrastructure development — loans that are much larger than needed — and to guarantee that the development projects were contracted to Western corporations like Halliburton and Bechtel.

Once these African countries are saddled with huge debts, the Western governments and the international aid agencies allied with them are able to control these economies and to ensure that oil, minerals and other natural resources were channelled to serve the interests of Western economies.

The perverted task has been to encourage African leaders to become part of a vast network that promotes Western commercial interests. In the end, those leaders become ensnared in a web of debt that ensures their loyalty. The rich countries can then draw on them whenever they desire — to satisfy their political, economic, or military needs.

In turn, they bolster their political positions by bringing industrial parks, power plants, and airports to their people through Western contractors. The owners of these Western engineering and construction companies become fabulously wealthy. The givers of aid benefit more than the receivers.

While fresh promises of doubling aid to Africa to US$50 billion a year are to be welcomed, this financial assistance alone will not be sufficient in transforming our continent. The consequences of aid dependence must be understood.

Countries that have used aid as temporary support while driving domestic and foreign investment have achieved lasting success. Aid should strengthen the bonds between governments and their own citizens, including business communities.

It should aim to build stronger domestic institutions and transfer skills to local leaders, managers and entrepreneurs. There has to be close alignment of aid with national priorities, working hand in glove with African institutions. This approach stresses the effectiveness of aid as transitory support, avoiding long-term dependence.

Aid and debt relief must be used as stimulants and catalysts for economic development and growth. Please do not give us fish. We would rather learn how to fish. This is how we can build sustainable African economies. Furthermore, there is need to remove external conditionalities and replace them with internal policy clarity.

This means that knowing ourselves what we need to do, and articulating this clearly, is more important than doing what the donors prescribe to us. There must be alignment and congruency between aid and domestic economic development plans.

What is really critical for sustainable socio-economic transformation is economic development through private capital. We need innovation-driven investment from citizens and foreigners.

Africa receives less than 10% of the US$500 billion in annual private capital flows to emerging markets. This global investment inflow is five times the amount of official development assistance to all emerging economies.

The challenge is how to increase the investment flows into our continent, and not how to attract more aid. We need both political and economic stability.

These are dependent on shared economic growth and political inclusiveness. This has to be through a regional strategy to ensure sustainability and also inspire confidence in those international investors who have a regional or continental approach to Africa.

The constraints and challenges facing different African countries are not necessarily universal to each economy, and they certainly do not affect all our countries equally. This is why there will never be a successful "one-size-fits-all" African economic solution to our continent’s development challenges. However, generic elements of the different country-specific economic models can be identified and lessons extracted and extrapolated from one country to the next.

The barriers that governments and the state bureaucracy put in the path of entrepreneurs and corporations need to be urgently removed. Individuals and companies create wealth, not governments. State actors should see their role as enablers of business, and not gatekeepers that control and hamper it. They should merely create the right policy environment.

We need to move away from a paradigm where the government does things for people or institutions. The objective should be to enable and facilitate individuals and institutions, which then advance their interests and those of the wider society.

Each African country must have a national economic vision and a substantive strategy for growth and development in pursuit of that vision. That national vision must be linked to both the regional and continental aspirations.

In designing and executing all these innovation-driven economic frameworks, there must be national, regional and continental inclusiveness leading to shared economic growth and prosperity. This is the only way to achieve sustainable economic prosperity on the African continent.

By Arthur Mutambara

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