

Problems and Prospects of Foreign Aid Programs in the Togolese Republic

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Abstract: *Donors, policymakers, and scholars have been debating the usefulness of foreign aid in fostering economic growth. On the one hand, foreign aid can encourage development and investment by bridging the savings and foreign exchange gaps. Foreign aid, on the other hand, may have a negative impact on growth and investment due to disincentives and morally hazardous issues associated with the strategic interactions between donors and recipients, particularly the Dutch Disease's negative impact on the tradable sector and the economy's competitiveness. In this article, we look at the notion of foreign aid, as well as the issues that come with it and its long-term prospects.*

Keyword: Humanitarian Aid, Humanity, Foreign Aid, Togo, Africa, Economy

INTRODUCTION

Since its independence, the Togolese Republic, popularly known as 'Togo,' has followed a pattern similar to that of other African countries. The country was once notorious for military coups, dictatorships, incompetence, fraud, injustice, tribalism, and nepotism. Togo, which is located on Africa's west coast, is flanked by Ghana, Benin Republic, as well as Burkina Faso and has a population of around 8.5 million people. Poverty is twice as prevalent in rural regions (58.8%) as it is in urban areas (26.5 %). Data from Worldbank (2021) show that this is attributable, in large part, to a 2.5% annual population growth rate that outpaces development progress, concentrated economic growth in contemporary industries, and restricted access to excellent services. Poverty is considerably greater (45.7%) in female-headed households than in male-headed households (45.2%). Women continue to be more vulnerable because they have less access to economic opportunities, education, health care, and other essential socioeconomic services.

Togo has been criticized for years for its human rights policy and weak administration. Togo's development assistance was terminated in 1992 owing to inadequate leadership and human rights violations. It was once known as a transit point for ivory obtained from slaughtered elephants and rhinos. Many consider this illegal action as an unpleasant way, as poverty is so severe in Togo that many have no other option (Borgen, 2016).

Togo is one of the world's poorest countries. It is rated 167th out of 189 nations in the current United Nations Human Development Index (HDI). The government has set the lofty aim of becoming a middle-income country by 2030 in its "Vision Togo 2030." It has made significant reform initiatives in recent years. Togo was included into the G20 Compact with Africa programme in 2018. The programme was established under Germany's G20 presidency in 2017. It aims to encourage private investment in Africa (BMZ, 2022).

The realities on the ground in Togo show that people suffer, for example, from a lack of access to safe drinking water. The issue is especially visible in rural regions, where hydro facilities are far and few, with the majority of them inoperable. The visitor visiting the Plateaux region quickly discovers that the three primary issues for the poorest communities are access to higher education, access to medical care, and access to safe drinking water. On top of that, there is the requirement to have access to funds for income-generating activities, which is made even more pressing by the effect of the food crisis.

Furthermore, in a report by the World Food Programme WFP (2019), Togo is designated as a Least Developed Country (LDC) and a Low Income Food Deficit Country (LIFDC), and it remains one of Sub-Saharan Africa's poorest countries. More over half of the population lives in poverty (under USD 1, 25 per day). Poverty is strongly connected to malnutrition; food insecurity at the household level is widespread across the country, but especially so in the north.

The government has prioritised school meals as a crucial safety net as well as a tool to retain children and boost enrolment in pre-school and primary schools in its social protection policies. Access to education remains a concern in Togo, particularly for females, with 7% of children not attending school and 23% failing to finish the elementary degree.

SOCIO-ECONOMIC CHALLENGES IN TOGO

Togo is one of Africa's smallest states. Despite being among the world's top producer of phosphates (used for fertilisers), the country is impoverished and reliant on foreign help. Poverty is primarily a rural occurrence in Togo, with two-thirds of rural people living

in extreme poverty in 2015. Nonetheless, poverty is still prevalent throughout the country. Lomé, the capital city, is home to more than half of the urban population, with a population of over two million people. More than half of them live in slums. In recent years, the population has more than quadrupled, and suburbs are spreading further north and southeast. This causes issues: insufficient waste disposal, sewage treatment, and water supply. Only 40% of the urban populace had access to better sanitation in 2015. As a due to climate change, Togo is increasingly challenged with severe weather, such as droughts and flooding following significant rains (Findley, 2018).

Wealth is unequally distributed: while the richest 20% own almost half of the country's total household income, individuals at the bottom of the social ladder sometimes struggle to subsist. Many years of political exclusion have exacerbated the country's population's living conditions. Furthermore, tens of thousands of people continue to lack access to housing, medical care, and education. Access to drinkable water remains a pipe dream for a large number of people living in rural regions. Less than one in every five Togolese has access to proper sanitation, which hastens the development of severe infectious illnesses. Despite being significantly higher than in many other African countries, life expectancy remains relatively low at 62 years. The HIV/AIDS pandemic is still one of Togo's most visible public health issues. HIV infection affects 3.2% of the population. Although availability to anti-retroviral medicine has increased substantially in recent years, far more remains to be accomplished to combat the illness. Despite recent attempts to boost literacy, just five out of ten Togolese are literate.

CHILDREN CRISIS IN TOGO

And according to United Nations, 32% of children aged 5 to 14 are involved in labour activities, with a large proportion of them working in agriculture. The majority of children from rural regions work on family farms, whilst those from urban areas work in small-scale trade or domestic service. Children can also be found working in rock quarries, where they must haul huge stones or extract sand for the construction of bricks. In some parts of the nation, commercial sex trafficking of underage, particularly young girls is rampant (Lal, 2008).

Togo is a well-known destination and transit hub for minors trafficked for forced labour. There have been reports of youngsters from Burkina Faso being taken to Togo for labour. Nonetheless, the government of Togo has been working with a number of international non-governmental organisations (NGOs) to develop awareness campaigns around child exploitation (Oxfam, 2008).

Togo has over 240,000 children who have lost one or both of their parents. AIDS has left 66,000 of them orphans. However, thousands more children across the country are at danger of losing parental care as a result of a severe economic structure and HIV/AIDS mortality.

FOREIGN AIDS

According to Williams (2021), a foreign aid is described as the international transfer of capital, products, or services from one country to another for the benefit of the receiving country or its people. Aid can be economic, military, or humanitarian in nature (e.g., aid given following natural disasters).

Foreign help can consist of the supply of cash resources or goods (for example, food or military equipment), as well as technical advice and training. Grants or concessional credits might be used to fund the project (e.g., export credits). Official development assistance (ODA), which is help given to promote development and eradicate poverty, is the most prevalent sort of foreign aid. The principal source of ODA which accounts for just a tiny part of help for certain countries is bilateral grants from one country to another, however some aid is in the form of loans, and other aid is funnelled through international organisations and nongovernmental groups (NGOs). The International Monetary Fund (IMF), the World Bank, and the United Nations Children's Fund (UNICEF) have all donated considerable sums of funding to governments and non-governmental organisations (NGOs) active in relief efforts.

Foreign assistance systems that originated with European colonisation have been linked to evolving economic and political interests, as well as a burgeoning humanitarian movement, during the last 100 years. Rich nations began transferring funds to impoverished countries in the nineteenth century, and by the 1920s and 1930s, countries such as Germany, France, and Britain were paying regular help to their colonies in Africa, Latin America, and Asia. Colonial powers utilised their money to create infrastructure like as ports, roads, and railroads, while wealthy American entrepreneurs contributed to development aid through the Ford and Rockefeller Foundations.

Even after the colonies attained independence, foreign aid continued to focus on economic development since nations were expected to catch up with the Western world (Phillips, 2013).

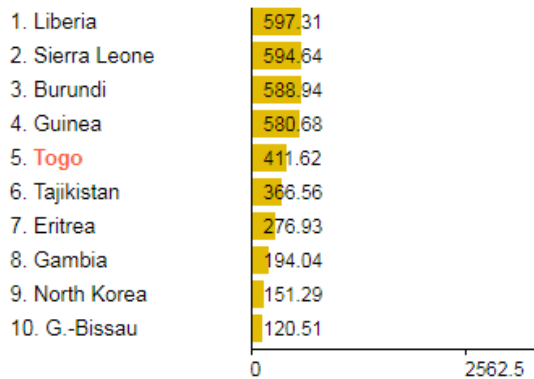
ISSUES WITH FOREIGN AIDS IN AFRICA

Although the primary goal of foreign assistance is institutional change, such as rule of law reform, the promotion of democratic governance, and economic growth, foreign aid may also constitute a threat to rule of law and democratic reforms. This is because providing foreign help to authoritarian regimes expands the pool of resources available for government officials and political elites to battle over for their own selfish and personal gain, which can be harmful since it delays the adoption of policy changes and stable policies.

Melesse (2021) strongly believes that many African countries are still largely reliant on international help. Several studies, however, have found that foreign aid has failed to achieve long-term economic development and poverty reduction. The facts clearly show that present foreign aid has failed to accomplish its poverty reduction aims in Africa. Today, Africa is home to more than 75% of the world's impoverished. In 1970, this percentage was 10%. According to some projections, it might reach 90% by 2030. Africa is the only continent in the world where public aid outflows private capital inflows by a significant margin. This is problematic since no country in the world has achieved significant progress by relying solely on aid.

The Togolese Republic has received its fair share of international help over the years. Data reveal that the average value for Togo from 1960 to 2019 was 130.94 million US dollars, with a low of 0.11 million US dollars in 1960 and a high of 542.38 million US dollars in 2011 (See Fig. 2). The most recent valuation is 411.62 million US dollars as of 2019. In contrast, the 2019 global average based on 131 nations is 840.02 million US dollars.

Foreign Aid Received in Low Income Countries 2019 (US Dollars)



Source: World Bank

Togo's Foreign Aid Data from 1960-2019 (US Dollars)



Source: (The Global Economy, 2019)

Bräutigam & Knack (2004) strongly believe that the conflicts, political instability, ballooning debt, civil wars, and coups d'états that have happened in Africa over the last five decades were caused by Western aid, which provided these countries with the financial resources to commit the aforementioned crimes.

Furthermore, larger amounts of foreign aid degrade governance as measured by rule of law indicators and corruption, because corrupt leaders see foreign aid as a weapon for power. As a result, persons who do not have a genuine desire to use the cash for change or development would want to maintain power in order to acquire control of the funds.

Political elites in many African nations have little or no interest in changing since large sums of money in the form of foreign aid supply them with several perks such as salary increases, fancy automobiles, and homes that would otherwise be unavailable or limited.

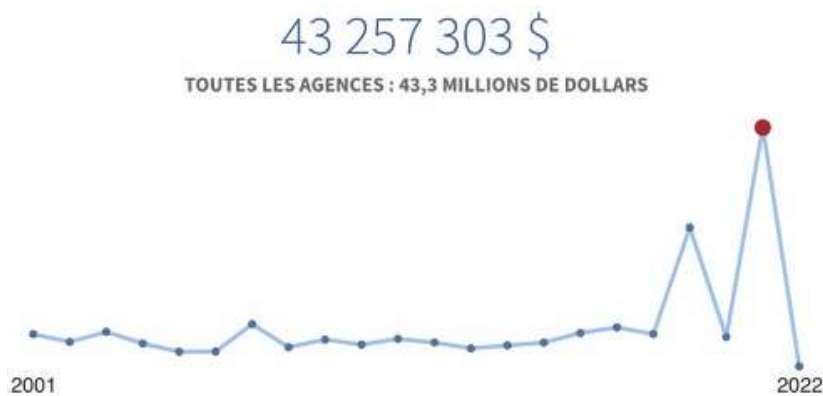
PROSPECTS OF FOREIGN AID IN TOGO

Africa is the world's largest beneficiary of foreign aid. Hundreds of billions of dollars are provided to Africa each year as foreign aid and development assistance, with the goal of alleviating hunger, ending poverty, fostering economic growth, democratic government, and the rule of law without risking the region's stability.

Foreign aid helps countries develop their institutions by providing educational and technical assistance targeted at strengthening legislative, executive, and judicial processes in order to improve governance effectiveness and efficiency.

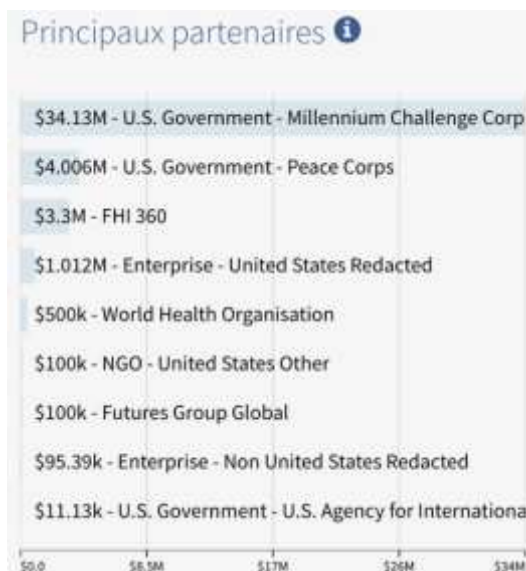
When given to the appropriate individuals and backed by solid institutions, foreign aid may help governments improve democracy and rule-of-law institutions in their country.

U.S. agencies had already pledged \$43 million (CFAF 24.7 billion) to Togo as of April 2, 2021, the most recent update of foreign aid statistics. This amount is much higher than the \$25 million (14 billion FCFA) committed in 2019, the African country's second most productive year since 2001.



Source: (Kakpo, 2022)

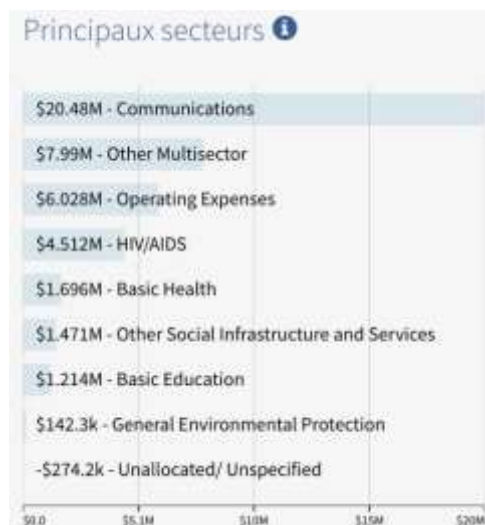
The final financial approvals of the Millennium Challenge Corporation (MCC) under the Threshold programme with the Togolese government fuelled U.S. commitments in 2021. The initiative, which began operating last year, has a \$34 million (CFAF 19.5 billion) budget that is dispersed among multiple sectors, including ICT and land.



Source: (Kakpo, 2022)

Unlike prior years, when US aid was concentrated on basic education and health, grants in 2021 were mostly directed to the ICT sector, particularly to fund public initiatives in telecommunications and administrative administration. The MCC has pledged more

over \$20 million (11 billion FCFA) in additional pledges to increase people's access to excellent and affordable services. Finally, the promises seek to increase private sector investment in the industry.



Source: (Kakpo, 2022)

In 2021, 27 percent of the \$43 million in pledges, some of which are spread over several years, has already been disbursed, or around \$12 million (CFAF 7 billion). According to Togo First, this is the biggest amount distributed that year.



Source: (Kakpo, 2022)

With more than \$115 million in pledges, Family Health International (FHI 360) was the top US development aid organisation in Togo, ahead of the United States Department of Agriculture (USDA).

Conclusion

To summarise the outcomes of this study, there are two significant implications. First, it demonstrates that foreign aid is not as useful to Togo as it is widely assumed. Togo has received various assistance supports from overseas for many years, and as a result, they are likely to have suffered as a result of their significant dependency on foreign help. Furthermore, the measures and structural changes that Togo implemented in accordance with donor criteria appear to have had little impact on the country's economic progress. Second, stronger policies do not always translate into better aid outcomes.

Even if aid recipients have stronger fiscal and monetary policies, aid can still be harmful if recipients regard foreign help as a temporary solution to debt repayment. If a government wishes to improve its assistance-economic growth link, it must rethink its aid infrastructure in terms of why and how, towards whom, under what terms, and in what form help will be supplied to beneficiaries.

It is also worth noting that the conclusions of this article are based on Togo's historical performance and do not suggest that aid will not be helpful to the Togolese country in the future. These findings suggest that in order for assistance to be effective, recipient

countries must reconsider how and where foreign help might be utilised to support economic growth, as well as the amount to which they will rely on it.

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