THE IMPACT OF FOREIGN AID ON ECONOMIC RURAL DEVELOPMENT IN ZIMBABWE: CASE OF LOWER GWERU.

BY

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2018
Approval Form

This serves to certify that they have supervised the student Praise I. Ziko’s dissertation entitled *The impact of foreign aid on economic rural development in Zimbabwe: The case of Lower Gweru.* submitted as partial fulfillment of requirements of the Bachelors of Science Honours Degree in Peace Studies offered by Midlands State University

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Declaration

I declare that, except where explicit reference is made to the contribution of others, this dissertation is the result of my own work and has not and will never be submitted to any other degree program at Midlands State University or any other institution.

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Dedication

This dissertation is dedicated to my family and friends. A special feeling of gratitude to the loving parents, Mr and Mrs Ziko whose words of encouragement and push of tenacity rang in the student’s ears. The author also dedicates this dissertation to her brothers Tinashe and Prince and sister Tawananyasha. All of you have been the best cheer leaders; your support cannot go unmentioned.
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Special thanks go to the chairperson of Politics and Public Management Mrs F Mutasa, the immediate supervisor for her expertise during the learning period at Midlands State University period for aiding the student in compiling and coming up with a meaningful project, her patience, capacity in molding the student and support. The effort in mentoring the student and carrying out the research cannot go unmentioned.

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Finally but not least, the author conveys sincere gratitude to God, the almighty and family for their unflinching and unwavering support. They have been and will always be the source of strength and foundations of wisdom and love whose value and influence in the student’s life is beyond words. Thank you, you made the turvy times easy and bearable.
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List of Abbreviations

AALTZ: All About Love Trust Zimbabwe
DAC: Development Assistance Committee
DFI: Development Fund International
FDI: Foreign Direct Investment
FPI: Foreign Portfolio Investment
GDP: Growth Domestic Product
MDGs: Millennium Development Goals
NGOs: Non Governmental Organizations
ODA: Official Development Assistance
OECD: Organization for Economic Cooperation and Development
USAID: United States Agency for International Development
Abstract

One of the most important and longstanding arguments in development literature is whether foreign aid promotes economic growth in recipient countries especially rural areas and it adds to the growing literature of foreign aid. Foreign aid aims to improve economic conditions and quality of life in developing countries. The literature on the efficacy of foreign aid to date has been inconclusive due to its debatable nature as to whether it promotes development or it aids to the destruction of economies. The aim of the study was to examine whether aid is essential for the growth of developing countries or it is a deceitful measure that is used to cripple economies of African countries. The research adopted qualitative data gathering technique through prearranged interviews and focus group discussion which is aimed at giving detailed explanation of information within their real life context. 12 respondents from the focus group discussion and the interviews managed to participate giving a synopsis of the impact of foreign aid to rural economic development in their communities. Findings indicated that aid is ineffective at promoting development using the comparison of three case studies across the globes which are Tanzania, Malawi and Pakistan to strengthen and obtain drastic results. The findings in the case studies showed that aid has got little or no effect on the development of developing countries due to the corruption of the elite governments in receiving countries so that they stay in power and the motives of donor countries to pursue the self interests of their countries. The study pointed out the advantages and disadvantages of foreign aid showing that Zimbabwe suffers from aid volatility, aid dependency and to mention just a few. The researcher managed to point out some recommendations for the government and policy makers after the findings to take into consideration which could be considered as helpful for the growth and development of the nation. Some of the recommendations are as follows: the government should utilize foreign aid in developmental activities to boost the economy; the conditions related with foreign aid should be clear and easy to implement and beneficial to both parties, the native people should be included in planning meetings for best results, the government must genuinely provide aid to its communities without manipulation and to mention a few.
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CHAPTER 1

1.0 INTRODUCTION

1.1 Introduction

Foreign aid, as a topic of political economy, has been really disputed in the universal development discussion and worldwide political affairs. Does assistance direct to expansion and growth of the weak countries or is it a mechanism used by contributor countries to uphold their native and foreign policy interests? The hypothesis and application of foreign aid imply that even if it can be constructive for the economic progress of weak and emergent countries in the early on stages; growth comes all the way through native hard work not through foreign support. In addition, there are severe opinionated and fiscal hazards of overseas aid development, reproduction and continuing dependence on donor aid. Thus, foreign aid may perhaps be advantageous but not fundamental for the improvement of recipient countries. While negotiating aid, the heir countries must be precautious of patron motives and their personal state and foreign policy benefits. According to Kumar (2015) the term foreign aid or external assistance of development aid refers to shift of wealth for example loans, technological aid from wealthy to underprivileged countries or from intercontinental agencies like IMF and World Bank. Development Assistance Committee (DAC) of the Organization for Economic Cooperation and Development (OECD) examine foreign aid as economic flows, scientific assistance, and property that are intended to promote fiscal growth and wellbeing as their main intention excluding aid for military or additional non-development purposes as stated by Radelet (2006). The research is intended to contain five chapters. The first chapter was introduction, secondly literature and theoretical framework, the third chapter was methodology, the forth one was presentation and analysis of data and lastly conclusions and recommendations about the research. The study, gave the general idea about the impact of foreign aid on rural trade and industry development and the enduring contest on its effectiveness. It encompassed the introduction, background, proclamation of the dilemma, justification, objectives and study questions, literature, theoretical and conceptual framework, methodology, data collection methods, ethical considerations, delimitations, anticipated limitations and an synopsis of the chapters.
1.2 Background of the Study

The history of donor aid goes back to 1948 with the introduction of the Marshall Plan. This aid was given to European countries that have participated in the World War 2 and needed currency to recover. It was responsible for the emergence of the Asian Tigers for example South Korea, Japan, Malaysia, Hong Kong and to mention just a few. The currency was not for consumption but for development and to countries that are able to repay the currency back. The role of foreign aid in the growth process of developing countries has been a topic of strong argument. Aid in developing countries like Africa has been seen as a failure as compared to in the East Asian countries which have experienced a decline in the number of the poor. Poverty reduction remains one of the biggest problems. A study led by McGillivray (2005) shows how assistance to African countries not just increases development but also do away with poverty. in addition, the author points out the central fact that constantly growing poverty, mainly in other countries on the rise bind the MDGs (Millennium Development Goals) main target of falling the percentage of people living in severe poverty to half the 1990 level by 2015 which are now the Sustainable Development Goals (SDGs).

Controversies about relief aid usefulness go decades back. Various experts accuse that relief has inflated regime structured regulations, prolonged awful legitimacy, adorned the influential in deprived countries, and it’s been worn out according to Radelet(2005). Others dispute that while aid has on occasion failed; it has supported poverty decrease and expansion in some countries and prohibited bad performance in others. By many values wealthy countries give more or less moderately, and much aid is closely fixed to the foreign policy objectives of the patron country rather than to the desires of the recipient country. An intercontinental nongovernmental scheme focused on aid related passageway and scrutiny estimates that one part of what the big five spends annually on arms would be adequate funding for aid to do its element in meeting the Millennium Development Goal of halving poverty by 2015. The principle of donor aid is to encourage people to plough small areas of land so that you get food to survive which is not sustainable for a long period of time so that they change the regime in the country of operation. Countries like Botswana, South Africa, Tanzania, Ghana and Uganda are regarded as successful stories in using donor aid while Zimbabwe, Nigeria, Libya and DRC are labeled failures. Changes in manufacture networks and bloated urbanization have altered the nature of rural areas.
Development programs in rural areas have been traditionally top-down from local authorities, NGOs, nationalized governments or intercontinental growth organizations. According to Ward et al (2009) the aid is not narrowed to issues of developing countries. Gradually tourism, manufacturing, and amusement have replaced resource mining and cultivation as overriding profitable drivers through the support of donor funds hence reducing rural development through foreign aid. Previous evidence by the World Bank in 1975, adopted by Chigbu (2012), proved that foreign aid to rural development actions were planned to promote the socio-economic expansion of rural communities. It is erroneous to think that USAID is a generous institute. U.S. foreign aid as of most countries is there to provide for the concerns of U.S. corporations and now transnational corporations. Small amounts of assistance go to serving inhabitants, mostly when there are times of devastation when they send tents, food and water to assist people whose lives have been damaged by earthquakes, tsunamis or something, although it is miniscule only lasting for an extremely short time. Due to the above matter, this has led to a spark in the researcher to dig deep into the issue of the impact of foreign aid to rural development in developing countries. Attempts have been made to make aid effective in developing countries through the shift from the lending of loans to grants but aid is continuing to affect people in the recipient countries.

1.3 Statement of the Problem

An assumption that aid has been effective in promoting economic growth has raised eyebrows amongst scholars and social scientists. The continent of Africa with acute poverty and underdevelopment since the introduction of political autonomy for more than five decades has been viewed as the problem of its own making. Africa’s battle on shortage is alleged as amounting to pleading and passivity leading to reforms that have made it inferior like foreign aid. Donor aid has commonly benefited the leaders empowering and prolonging corrupt governments hold on authority and establish continual underdevelopment. Aid has aided to avert hardships but failed to uphold a few significant economic developments. The pushiness of the terrible economic circumstances in Africa has grown to be the key motive for the insistent search for practical and long-lasting solutions to the continent’s development woes. The research was being carried out on the basis of the unhappiness of the situation brought by aid because even if aid is intermittently reinforced, the underdevelopment of Africa is accentuated by periodic economic recession. The impact of foreign aid to specific areas in developing countries such as
Zimbabwe has not been clear. NGOs are operating but nothing is changing or improving, some of them they are working with the motive of donors not the will to aid people and also beneficiaries are not participating in the process that is why the trend is persisting. The aim of the research was to investigate the gaps which are being left out that are the correlation connecting foreign aid and growth, the quest of aid providers in their continuous pursuit of funding developing countries and the role it is playing on rural areas.

1.4 Justification of the Study

This research attempted to integrate a case study for Zimbabwe. Different from general studies, a case-study was useful as it reduces tribulations of being bias according to Yin (2014). Not much attention was directed towards addressing issues of foreign aid to rural development. The study aided to enlighten the populace to projects and resort into sustainable means of survival so as to get read of the donor dependency syndrome in their developing areas. It is essential to cite that this research was not the first to study aid effectiveness in Zimbabwe. The results that were obtained from the study layed a base for future researchers interested in this field to examine the applicability of different approaches that may be employed in this area as a way to evaluate the impact of foreign aid in developing countries. In particular, the results are expected to aid promote and strengthen aid providers such as NGOs in developing a sustaining environment to the developing areas.

1.5 Research Objectives

1. Assess the necessity of foreign aid to rural development
2. Evaluate the roles played by foreign aid in economic rural development.
3. Explore the linkage between foreign aid and community development
4. Examine the quest of aid providers in the continuous pursuit of aiding developing countries.
5. To recommend strategic implications thereof to advance the efficiency of foreign aid.

1.6 Research Questions

1. Is foreign aid essential to rural development?
2. What roles does foreign aid play in fulfilling the development of rural economies?
3. Is there a relationship between foreign aid and social development?
4. Why do aid providers continue to aid developing countries?
5. How can foreign aid be made more efficient in Zimbabwe?

1.7 Data Presentation and Analysis Procedures

Data collected through focus group discussion was presented using narratives, tables, graphs and pie charts in relation to the purpose of the study. Data analysis commenced after the researcher’s arrival in Lower Gweru and was performed using Microsoft windows software. The researcher analyzed the data collected during the focused group discussion, so as to identify the major themes and discourses that emerged from the discussion as well as to acknowledge and represent the different perceptions, views and perspectives from the young people and families residing in rural areas who participated.

1.8 Delimitation of the Study

The study was conducted in Lower Gweru District, in the Midlands Province. The conceptual boundary was foreign aid rural development on both men and women in the area.

The study was structured into five chapters together with the present one. Chapter 1 is the introduction of the research, giving the synopsis of the impact of foreign aid on economic development and the continuing argument on aid efficacy. Chapter 2 dealt with the literature review, theoretical and conceptual issues, advantages and disadvantages as well as case studies. Chapter 3 presented an in depth discussion regarding the methodology and tools used intended for this study. Chapter 4 presented the empirical finding that is the presentation of data. The fifth chapter summarized the results of the findings. In this section, a number of policy suggestions were suggested with the intention to improve the usefulness of aid.
CHAPTER 2

2.0 LITERATURE REVIEW, THEORETICAL AND CONCEPTUAL FRAMEWORK

2.1 Introduction

With the intention of observing the input of foreign aid on economic development, certain academic issues must be analyzed aiding to explore the necessity, helpfulness and efficiency of foreign aid in the beneficiary countries. This chapter briefly shows the review of literature, hypothetical approaches for aid and the appropriate economic theories and development models of foreign aid. As mentioned, the shock of aid on economic rural development has been a topic of severe debate from both hypothetical and observed grounds.

2.2 Definitions of Foreign Aid

OECD (2004) defines aid as official development assistance (ODA) or capital in the scenario of global development finance given to the emergent economies for their support of economic development and wellbeing including charitable and emergency aid. There are two mechanisms of aid which are grants as well as loans. Grants are free funds for which no refund is required which are calculated in terms of interest and grace period of a loan. Conversely, grants and loans prearranged for military use are expelled from aid. It can also be distinct to financial, technological, or military aid given by one country to another for purposes of assistance and healing for economic stabilization or for security. The importance of foreign aid inflows conceive to aid beneficiary states to grow to be self-sustainable in the lengthy move. To add to the seeds of high fiscal growth, donor aid programs aid emerging countries to speed up their trade and industry increase in attaining the entry point where a pleasing speed of expansion can be accomplished on a self-sustainable source. In the contemporary period, universal attention on aid has established unique interest; in particular Official Development Assistance (ODA) which has imparted largely towards the Millennium Developmental Goals (MDGs). Over the preceding existence, net ODA have rewarded momentous changes in the structure of sum, types, basis and intention. Donor aid has been reasonably well thought-out as a constant foundation of foreign
trade income in contrast to the other sources of foreign funds such as Foreign Direct Investment (FDI) and Foreign Portfolio Investment (FPI).

2.3 Theoretical Framework

Modernization theory and dependency theory are the two mainly noticeable post-colonial interpretations and approaches to growth. The two distinct theories do not have similar outlooks on development, which makes their differences of most important. The fundamental disagreement for the analysis of these theories is that they share mutual reflections of the political, economic and social setting in which they were shaped.

2.3.1 Dependency Theory and its Relevance to the Study

Dependency theory is an assessment of modernization theory and the international commercial organization which as well addresses the question of lack and underdevelopment. The hypothesis is anxious about how third world countries are subject on industrial countries and relates the initiative of the Global North using the Global South through this dependency. Donor aid has emerged as a figure of dependency, supporting the argument on the significance of dependency theory. Donor aid has emerged as a distinction form of dependency on western countries. It emerged as a result of the growing displeasure with modernity theories that had propounded that economic growth in developed countries similarly going to lead to intense growth and development in poorer countries. The theory is premised on resources being extracted from poorer countries to develop wealthy nations. According to Kabonga(2017) the continuation of this situation has resulted in a situation where poverty has been exacerbated among the poorer nations, while the wealthy nations are becoming richer. The nucleus meaning of development was economic growth due to growth which saw or rather led to the development of underdeveloped economies. Although colonialism was soon eliminated when it became very costly to maintain troops in foreign nations, a new form of exploitation was adopted. The developed nations still intervene by sending troops as well as imposing boundaries which could be political or economical in nature to ensure their sustained control and dependence of these nations. They also control the prices of raw materials at very low rates and since most less developed countries rely on such exports, they acquire minimum profits to reasonable economic development. Such control is defined or rather referred to as neocolonialism where control and
dependence of the poor by the rich is constant although without the direct political as well as economical involvement. Poor countries remain in huge debts and are forced to clinch on the conditions that have been set by the rich nations that loaned them. The dependency theory seems to present an explanation of why some nations remain poor even after they have embraced the values of modern societies. In this study foreign aid has impoverished developing countries affecting their economy, crippling their agriculture sectors and promoting a syndrome of dependency to the extent that they cannot work on their own, they wait for donors to come and continue spoon feed them.

2.3.2 Modernization Theory and its Relevance in the Context of the Study

Modernization theory emerged in the 1950s and refers to a progressive growth from “traditional” or “underdeveloped” societies into what is considered a Western societies way of life. Infrastructural changes in the third world would include the development of dams and highways. Social changes such as rebuilding educational systems and political changes such as creating a well-organized government could also be implemented as solutions. As indicated by the companions of foreign aid, ODA is the important and adequate condition to quicker the improvement procedure of the creating and immature nations (UDCs) as it supplements local assets and supplements local reserve funds. They additionally bring administrative abilities, authoritative capacity, examine thoughts, advertise access and current innovation that expansion the efficiency of capital and advance indigenous specialized change, McAroy(2018).The problem with the theory in the context of the study shows that there is no guarantee that the investment made would lead to economic growth. Some investments could have been useless or unproductive. The need for other infrastructures like education, roads, rails and communication are also undermined. The theory has failed to ensure economic development as some countries remain in the initial stages of development though others continue to advance. The modernization theory is also criticized for being Eurocentric in its examination of the third world countries they are not considering the Afro centric view of development. It also fails to realize or rather take into account that countries cannot be industrialized at the same rate.
2.3.3 Conceptual Framework

The framework follows from the theoretical suppositions and research arguments on the impact of foreign aid on economic growth and poverty reduction as ultimate goals of foreign aid, as well as a key condition upon which aid effectiveness is presumed to depend upon. A conceptual framework is defined as an illustration or written product, one that explains, either graphically or in narrative, the main things to be studied the key factors, concepts, or variables and the presumed relationships among them. Donor interventions have been in the form of aid flows as well as policy advice to the recipient country, with the end likely being conditionality for access to financial aid. These aid flows and intervention policies are anticipated to enhance development in the recipient country. Therefore, aid effectiveness is meant to be aid having a positively significant impact on economic growth and poverty reduction as ultimate goals of foreign aid. During the initial periods of examinations on aid effectiveness, this concept had meant, aid having a significant effect in supplementing investment. In fact, aid’s impact on poverty reduction is now largely considered as the primary target of aid, particularly with poverty reduction being prioritized in global development targets. Economic growth should be the means to influence poverty reduction implying that it should likely to impact on poverty cutback through economic development. But as these factors have been widely researched, this study rather focuses on the quality of aid in the conceptual framework in an attempt to investigate the likelihood of this factor being detrimental or important to the effectiveness of foreign aid at the country level of focus.

2.4 Advantages and Disadvantages of Foreign Aid

2.4.1 Advantages

In connection to development, aid isn't constantly observed as ineffective however regardless we call for to examination where it has dependably indicated great outcomes. Lipton et al (1986) made it justifiable that, paying little respect to the data that it won't achieve expansion, it can aid poverty reduction. Where foreign aid appears to create much effect was the place it was associated to projects intended to achieve the Millennium Development Goals or maintaining state spending plans and when it was utilized for public assumption.
Hassan (2000) contended that aid isn't dangerous in itself to our African economies. It should just keep up existing progressing projects, enhance import, technological exchange and strengthen national currency, diminish swelling and lessen misery of the economy. Other than cutting down the augmentation of arrangement of social wealth organizations, it has to some degree the duty to make its arrangement more far reaching and across the board as a ton of provincial African zones still needs government's interruption to lift the services up. Particular from different researchers, he supposes aid should to some degree be planned to drive social governments as an advantage in individuals so that it will be more useful to our countries instead of reserve funds in regions where repayments are shared among a couple of cream of the yield. The aid that isn't destined to progress infrastructural requirements, to liven up the expectations for everyday comforts of the underprivileged provincial zones as yet living on minimum horticulture issue, the foreign aid which isn't paying attention to the issues of agribusiness today, aid which isn't proposed to diminish poverty by executing individuals focused projects, engaging the lives of the minimized people, support which won't immediate to macroeconomic progress would eventually prompt a problem on the grounds that the reason of our cover behind would not have been touched.

To put it plainly, Foreign Aid can just give in result when it is set to boost lives of the poor ones through arrangement of strengthening programs (both for women, unemployable youth and vulnerable). It must enable the government to make business which will support their current gauges and the rate of use. It can have aidful effect when it encourages innovation change, dedicate in examination and high education, assemble solid practical market and power of numerous types to frame empowering air for financial specialists. To some degree, foreign aid ought not to draw any contingency that will make the poor poorer and rich wealthier; it ought to be given and fundamentally be contracted when it is for the most part required.

2.4.2 Disadvantages

In almost all cases, the aid in type of budgetary safeguard has been viewed as a sort of financial mishandle and failing as it watches out for a specific degree devalue existing economy as in the IMF-related economic target constantly constrain the beneficiaries to acknowledge systems with disastrous impacts at a long run. In line of the credits passing out emergency, for example, government's surrender in social governments delivery, prevents taxpayer supported
organizations' development thus effective. Specialists are basically tightened on low maintenance construction without being in light of finance. There is dependably lacuna in its handiness since it doesn't come on the double. As per Gara (2015) delays in execution of tasks are because of aid's instability and carelessness. It fails to have an idealistic effect as can't be used for an extended period. It goes through a delayed procedural process where debasement, botch and misuses make the given aid very useless. The IMF-based aid saves the limit of individuals in general division by solidifying open part contracting and social governments are Non Governmental Organized while central social governments deliverance are placed in hands of private business elements and by so doing, do improve poverty and agony of the poor who can't have enough cash for social governments. This raises the counter state attitude when new political developments are directed by another financial agreement.

Table 1: disadvantages of foreign aid

<table>
<thead>
<tr>
<th>DISADVANTAGES</th>
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<tbody>
<tr>
<td>Increase in bureaucracy that is building of ineffective organizations using polished reports and frameworks leading to corruption and unaccountability.</td>
<td></td>
</tr>
<tr>
<td>Debt burden whereby foreign aid packages are pressed with harsh interest rates</td>
<td></td>
</tr>
<tr>
<td>Aid is anti democratic. Governments dis franchise people so that they reside in power</td>
<td></td>
</tr>
<tr>
<td>There is dependence growth. 3rd world governments and populations rely on donations instead of on themselves for improvement for example in Mali</td>
<td></td>
</tr>
<tr>
<td>Local farming and business bankruptcy for example US’s wheat disposal to India destroyed thousands of Indian farmers</td>
<td></td>
</tr>
<tr>
<td>Wealth creation and less trade is promoted by foreign aid. Aid sets back the development of business in Africa keeping it behind in terms of getting self confidence, experience and creating businesses</td>
<td></td>
</tr>
</tbody>
</table>
There is increased war. Donors ally with warmongers such that beneficiaries of warzone operations are the powerful and violent. Soldiers and militias are sustained by laying taxes or aid by stealing and diverting funds.

White elephants that is aid represents currency that has been held by force from taxpayers through taxation or increased government borrowing

Imperialism is used by governments and big aid agencies to make sure that governments that receive the currency adopt policies that favor interests of foreign corporations and banks.

Source: Gara K on Investment, Trade not Aid (2015)

2.5 Conclusion

From the above analysis, foreign aid can be seen as a first line of shield against state self-rule and growth against other reforms which may challenge the capability of the West, its banks and their transnational corporations, to extort riches from the Third World. Whether through corruption or blackmail, or both, the bureaucracies of developing countries know which side their bread is buttered on. Cutting off the stream of assistance would overall be far more advantageous because funds from rich countries have trapped many African nations in a set of corruption, slower economic growth and poverty. The threatening aid background has left African countries more debt-laden, more inflation-prone, weaker to the wavering currency markets and more unattractive to higher-quality projects. It also enlarged the risk of national divergence and chaos. Indeed, the African countries that received the most aid are Somalia, Liberia, Zimbabwe and Zaire and they have all slid into effectual disorder.

The in vogue understanding of global assistance programs is that these projects bring quick required catastrophe aid, or enhance the prosperity of individuals over the span of economic development to a minor degree. In any case, the cash reserved by Western governments’ for foreign spending plans must be returned to the pocket of the Western citizen, along these lines leaving less developed nations free from the unbearable impact of external aid enabling riches to be collected by those in the West who deliver products and projects and who are better ready to go into mutually principled exchange dealings with the Third World.
2.6 Case Studies

2.6.1 Tanzania

The developing spoken argument for the link between foreign aid and the economic growth has called ahead the need for this examination. As far back as the poor financial exhibitions qualified in the late 1970s to mid 1990s there were penetrating strategic changes in Tanzania and other African nations. Tanzania is among the main ten aid recipient nations of gross ODA inflows with 33% of its government consumption being financed by foreign aid. The nations get higher aid with the goal that it will decrease levels of poverty, funds shortfalls and boost their social and economic welfare. Numerous techniques were gotten to aid characterized segments and discharge economy approaches in like manner with the goal that the nation and other African nations grow effectively. These activities intended to ease deficiency, economic shortfalls and apportion them to accomplish macroeconomic consistent quality. Tanzania is significantly reliant on foreign aid to ensure that it can effectively advance economic growth working with the government and other matrimonial partners to strengthen improvement joint wander and adequacy of improvement cooperation these contains 17 two-sided and 5 multilateral improvement offices. Disregarding the reality that various joint and multiparty aid donors are on the edge to aid foreign aid in Tanzania, the economic extension speed of these nations is in reality low contrasted with other developing nations. There is tirelessness of poor level of aptitude, low profit per capita and lack levels. As per World Bank (2006) these nations are as yet arranged as genuinely obliged underprivileged nations. This condition raises vulnerabilities to whether foreign aid inflows in these nations are effective in blending economic growth and enhancing the standard of living. In any case, in spite of the expansive inflows of aid that is being gotten by Tanzania since 1970 that is over two decades, economic growth is clearly low, serious poverty levels, for example, in Mmakati wa Kuzuia(MKUKUTA) and Mmakati wa kupunguza Umasikini Zanzibar MKUZA II and spending deficiencies is as yet persevering over their economy. The growth rate of the country has been 7% by 2015

2.6.2 Literature Review on Tanzania’s Economic Development through Foreign Aid

Various authors have uncovered the serious vulnerability over foreign aid assistance. Malik (2008) recommended that for a long time foreign aid has not uncovered any advance in the
arrangement of living for the developing countries. In addition Njoupougnigni and Ndambendia (2011) proposed that the economic and social arrangement has been pointless in Sub Saharan countries. Hypothetical investigations created by Harrod and Domar focused on that foreign aid can add to significant capital development as consequences of economic growth. Upheld by Chenery and Srout (1966) they suggested that far off from sparing hole there are foreign exchange whole that defer the developing countries to exchange capital products hence they contend that foreign aid gives cash to developing countries to the importation of capital products. Griffin (1970) and Griffin and Enos(1970) suggested that foreign aid damage matrimonial sparing. Utilizing the Harold model of financial growth they demonstrated that the upgrade of foreign aid discourage household sparing in general resulting in inappropriate government effort in raising the residential collect base and incomes. A contention that foreign donors offer aid as indicated by their political yearning in developing countries demonstrates that foreign aid can't pledge economic growth in developing countries. A few writings( Turnovsky (2008), Pallage and Robe (2001), Burnside and Dollar (2000), and Nyoni(1998)) prescribed that macroeconomic strategies have various centrality to ensure that foreign aid support the economic growth. They contended that if the countries don't incorporate 'express intercessions' or "sound full scale approaches" foreign aid would contain a negative effect to the host countries. According to Nyoni (1998) foreign aid results to esteem the genuine substitute rate level in Tanzania increasing the cost of the local products (Dutch Disease) as results will mass out residential projects. The government needs to execute proper arrangements that will ensure that aid is coordinated to more profitable parts with the goal that the valuation for residential money will bring about aidful economic growth. This exploration basing on the economy of Tanzania unmistakably demonstrates that aid has a negative effect on the development of its nation to a bigger degree contrasted with the positive effects.

2.7 Malawi

Malawi is among the poorest countries with per capita GDP of $226 and similarly positions gravely on human-improvement at 174th out of 187 countries, UNDP (2014). Traditionally Malawi has been self sufficient in its staple food maize and during 1980s it exported substantial quantities to its drought stricken neighbors. Besides, Malawi is the fifth most intensely aid-dependent nation on the planet as indicated by World Bank (2013). IMF(2014) proposes that in
spite of getting more aid-inflows than most African countries, growth has been inconsistent while economic-figures look discouraging. Outstandingly, Roberts et al. (2013) contend that in Malawi aid is ineffectual on the grounds that aid distribution is exceptionally fungible and dependent on political and racial focusing on. The nation is among the world's generally aid dependent countries. Be that as it may, regardless of expanding aid-inflows economic execution has been conflicting since 1960s portrayed by excessive growth, high loan costs, massive obligations and high spending shortages, Fagernäs and Schurich (2004). In any case, not long after freedom until the point that 1970s Malawi accomplished outstanding growth averaging 7% because of magnificent financial arrangements in addition to great government of aid-inflows that climbed from 3% of GDP in 1960s to 15% by 1970 as indicated by OECD (2015). All things considered, economic-execution held up towards the finish of 1970s to mid 1980s because of worldwide oil-emergency, extreme dry season and exploitive approaches expressed by Fagernäs and Schurich (2004). Moreover, by 1990s ODA gigantically expanded averaging US$ 470 million from $64 million of every 1970s IMF (2001). Notwithstanding, this expansion was less particular in per-capita terms because of fast populace growth. Once more, it is essential to specify that amid this period a lot of ODA was reserved for Structural Adjustment Programs (SAPs) changes as opposed to growth (De and Becker, 2014). Opposite, Malawi like most African countries reacted gravely to SAPs changes especially huge degrading arrangement and privatization of state-endeavors, Chiumia and Simwaka (2012). Thus faultfinders contend that as opposed to bringing growth, SAPs credits expanded debt shade and poverty proposed by Mapulanga (2012). In reality, the period was a calamity subsequently by 1989 Malawi recorded its most reduced per-capita growth of -4%. Nonetheless, around 1993 donors purportedly utilized aid conditionalities to pressure government to embrace majority rule government, Morton (2010). No big surprise commentators contend that donors have as often as possible utilized aid to subject Malawi to donor interests with little spotlight on achieving growth as per Wroe (2012). Recently, per capita aid forcefully expanded, still economic-growth weakened aside from a brief period in the vicinity of 2000 and 2009 exceptional to economic train and high agrarian yield, Masina (2009). To condense, Malawi's economic-execution has been underneath normal according to capita growth has tumbled from 5% in the 1970s to -1% by 2012 and the growth rate has been 2.8% in 2015.
2.7.1 Aid and Macroeconomic Management

Malawi’s relationship with donors has been unsteady in the post democratic era due to assumed aid mismanagement; the latest being the famous ‘Cash-gate scandal’ involving millions of donor-funds stated by Blas (2013). Comparatively, economic performance and aid effectiveness have been more disappointing in the democratic period as contrasting to the autocratic era. Corruption and embezzlement of public funds including aid have escalated during the democratic era due to negligence in governance structures.

2.7.2 The Dutch Disease Effects and Foreign Aid

Studies by scholars show the existence of Dutch Disease effects in Malawi. Particularly, Shields (2001) who reported a negative-effect of aid on growth argues that aid-influx simply increases government spending and hence leads to detrimental inflationary effects because Malawi fails to disinfect aid into productive-sectors.

2.7.3 Aid, Trade and Manufacturing

Malawi derails in trade mainly because of its land lockedness, overdependence on tobacco for exports and globalization sound effects. Aid in Malawi has played a vital role in deterring trade and manufacturing though there are other factors that have massively affected trade in the country like the emergence of China and India that have affected the competitiveness of small economies according to Collier (2007). Manufacturing and trade have deteriorated while aid increased.

2.7.4 Investments, Savings and Aid

This clause analyzes the correlation between aid, savings and investments in Malawi as hypothetically aid affect growth via this channel. Malawi’s savings and investment rates are among the lowest in Africa. Tchereni et al. (2013) and Shields (2001) suggest that aid-inflows in Malawi discourage both savings and investments mainly due to Dutch disease effects. Outstandingly, Morton (2010) argues that it is impractical to conclude that aid promoted or deterred savings and investments in Malawi considering that other factors like institutions, policies, demographics, citizens’ culture and population-growth also affect savings and investments.
2.7.5 Aid Allocation, Fungibility and Diversion

Aid allocation is basic in aid effectiveness contemplates. It is, in this way, important to break down whether aid was ideally designated both at national and sub-national levels. Aid distribution was divided in 28 regions in Malawi and they recommend that locally aid-portion is to a great degree fungible and delicate to political and ethnic focusing on. To put it plainly, a region with same political or ethnic having a place with a serving president was probably going to get a greater piece of aid, Roberts et al (2013). On the other hand, De et al (2014) contend that aid circulation has been viable in Malawi especially in the social-segment refering to some change in human improvement pointers. Yet, poor aid distribution is a recipe for aid's inability to accomplish development as indicated by Easterly (2009). Moyo (2009) contends that foreign aid is dealt with as 'free cash'; thus, some African pioneers have proficiently occupied aid projects to non-organized areas in this manner making 'white elephant' projects. For example, in Malawi a previous pioneer as far as anyone knows migrated a college project worthy US$79million from China, miles from its arranged area to his home region at his private-cultivate, Nkhoma (2012). Such inclinations include to aid's displeasure development in most African nations.

2.8 Pakistan

South Asia assumes an essential part in the setting of worldwide development financial matters as it has encountered a huge economic growth over the most recent couple of decades. This area is considered as one of the speediest emanant locale (estimated as far as economic growth rate) on the planet. South Asia is home to half of the total poor masses on the planet. This is the minimum consolidated locale on the planet. Further, it has encountered world's biggest working age populace, biggest number of starving needy individuals. South Asia is the second poorest locale on the planet alongside Sub-Saharan Africa. All the nations depend on foreign aid to meet their local currency related necessities and desires. All the eight nations of the South Asian area are creating economies; contingent on foreign aid to supplement their deficient local capital and to meet their local requests. Because of increment in the per capita pay of South Asian locale, the inflows of the formative aid declined in the current years. Deficient measure of foreign aid inflows, propel the government of all the eight nations to look for a substitute wellspring of financing to aid their formative projects. Being a backwoods economy against psychological
warfare exercises, Pakistan has stayed one of the main beneficiaries of foreign aid in South Asian area since the emergency of Marshall Plan in 1948. Nearly half of this has been for military assistance. Notwithstanding encountering psychological warfare exercises, household vitality emergency, and characteristic catastrophes, Pakistan's economy gotten littler measure of foreign aid because of the worldwide nourishment, fuel and economic emergencies. The effect of foreign aid on financial development of Pakistan has been analyzed by concentrating on the four primary viewpoints: the connection amongst aid and other household income sources; effect of foreign aid on other foreign private capital; aid effectiveness; corruption and unpredictability nature of the aid programs. The fluctuating average growth rate of the country has been 3.8 %.

Foreign aid inflows to Pakistan have indicated hazards which made it an undependable hotspot for financing the development procedure. The aggressive effects of fear based oppression and ecological calamities have proportionally brought about immense misfortune for the higher growth process. Two central point, for example, higher offer of ODA sum gone for the upkeep of national security (prompt inefficient use) and the shakiness idea of the aid program horribly influenced the formative objectives of the foreign aid program in Pakistan. Pakistan has been depending on the foreign aid to aid its growth programs since autonomy and the aid still has a bigger extent in the foreign capital inflows to Pakistan. Several economists have tried to find out the role of foreign aid in economic development of Pakistan for example Shabbir and Mahmood (1992) who found the negative impact of foreign capital on the national savings in Pakistan for the same period. Mahmood (1997) found that country may caught in a sever debt problems due to macroeconomic mismanagement, mis-utilization of aid and improper policies. Khan (1993) concluded that foreign aid has played an extremely important role in influencing the speed of development, especially investments and imports to a larger extent depending upon the amount of foreign aid. However, this dependency on foreign aid, on the other hand, has led to the emergence of developing debt load.

*Figure 1:* growth rates of the above recipient countries in Africa and South Asian regions
The chapter looked at the different literatures from different scholars who wrote about the effectiveness of foreign aid on economic growth and development supported by the advantages and disadvantages of aid. The two theories that were used in this study that is the dependency theory and the modernization theory concluded that aid is there to cripple the economies of developing countries. Tanzania, Malawi and Pakistan were countries that were used to cement the research gap and they all concluded that even though aid is aimed at reducing poverty it is rather exacerbating the situation in recipient countries.

Source: OECD Data analysis
CHAPTER 3

3.0 METHODOLOGY

3.1 Introduction

As it is shown in the heading, this section included the research methodology as part of the author’s research strategy, the research method, the research approach, and the methods of data collection, the selection of the sample, the research process, type of data analysis, the ethical considerations and the research limitations to achieve the predetermined goals for the study. After considering the objectives of the study that is the impact being given by foreign aid in the development of Lower Gweru, the study questions, the restrictions and the scope, the examiner felt the suitability for adopting qualitative gathering technique using the questionnaire as the instrument and supported by qualitative data obtained through structured interviews and a focus group discussion which provide more data and accurate evaluation.

3.2 Methodology

This is a process which was used to collect information and data in conducting a research including present and historical information. It is a systematic plan for conducting a research with the use of qualitative and quantitative research methods.

3.3 Research Design

Burns and Grove (2003) define a research design as a road map for carrying on a study where the researcher has got maximum control over factors that may affect the validity of the findings. It is basically a map or approach of determining the investigation according to Henn et al (2006) that may incorporate the total procedure of research from interpreting a difficulty to composing research questions, and on to information arrangement, examination, clarification and information compilation showing which research techniques are proper, Creswell (2007).

3.4 Case Study Research Design

The researcher adopted a case study design. Yin (1984) defines a case study research method as an empirical inquiry that investigates a contemporary phenomenon within its real-life context
which provides better insights into the detailed behaviors of the subjects of interest. The researcher used the qualitative approach that was aimed at giving detailed description of observations including context of events.

3.5 **Qualitative Data: Interviews and Focus Group Discussions**

Since this investigation was adopting qualitative data gathering technique, data was obtained through prearranged interviews and focus group discussions, Lindlof and Taylor (2011). Qualitative research methods grant elasticity and questions may possibly be adopted as they went along and had become gradually more significant modes of obtaining information and opinions in social sciences and practical fields such as social work, community development and government stated by Marshall and Rossman (2006).

3.6 **Ethical Considerations**

Moral procedures such as informed and voluntary consent, secrecy of information shared, anonymity of interviewees, no harm done to the interviewees and mutual exchange of rights were observed. Various organizations were consulted on the ethical considerations and cultural norms during the study's duration. Informed consent was obtained from all participants prior to any participation in interviews of questionnaires. Due to the sensitivity of the study written consent was also obtained from organizations and organization’s supervision will be required on some of its beneficiaries (young people and families). The researcher informed the participants that their names will not be included in the study regardless of whether or not they gave permission to be identified by name and that non-unique identifiers like age, gender will be recorded with their responses. Anonymity and confidentiality of participation was discussed with the participant and the interpreter if present before data collection and the information is going to be used for academic purposes only. Do not harm approach to research was important given the humanitarian context of the present study.

3.7 **Population and Sampling**

Study populace is the cluster to which an investigator wants the outcome of the study to be specific. It is also a set of all situations of interest covering the geographical area, Gay and Diehl (1992). In the grass root communities there can be conditions at the point when interviews must
be scratched off notwithstanding when the researcher had just landed at the place of meetings or discourses. Target population refers to the entire group of individuals or objects to which the researcher is interested in. Within the District of Lower Gweru, there are a number of significant organizations who work or interact directly with families and young people who receive direct or indirect foreign aid. Some of the organizations include All About Love Trust Zimbabwe, Development Fund International, AFRICAID, European Union, ZNNP+, Ministry of Health and DFI and to mention just a few.

3.8 Determination of Sample Size

A sample is a subset of the population being studied to become the base for estimation of facts, circumstances or outcome concerning the bigger group according to Kumar (1996). To ensure that the different supposed impacts of foreign aid have been fairly presented by the families and young people, the researcher employed purposive sampling technique where the researcher selected the sample based on purpose of the research under study. A purposive sample is a sample selected in a deliberate and non-random fashion to achieve a certain goal. In a focus group, for example, you may want to consciously seek out respondents at both ends of a spectrum (as well as some in the middle) to insure that all viewpoints are adequately represented. You might also preferentially recruit participants who have the best knowledge and experience in an area. In the focus group discussion the researcher engaged participants from AFRICAID and AALTZ since they are the ones who have the knowledge and experience of implementing aid in rural areas. The advantages of using a qualitative design were that it generates detailed, valid and unbiased data.

3.9 Data Collection Method (Secondary and Primary)

Data collection is the way toward social event data on factors of enthusiasm for a built up orderly design that empowers one to answer expressed research questions, test theory and assess results. As explained, the study implemented qualitative data gathering technique. A focus group technique was used to collect data allowing for a discussion between people with common backgrounds to communicate on their experiences and attitudes towards a particular topic in order to come up with first hand information since the beneficiaries survive from foreign aid. A questionnaire as the main instrument was adopted to address the research questions in the form
of interviews with the purpose of gathering detailed information. The structured interview through a fixed questionnaire consisted of 11 questions that were used to gather primary information with the grass root population.

3.10 Questionnaire Development.

The questionnaire was the main research instrument in this study, with the aim of bringing out as much related information as possible from the respondents on the impact of foreign aid to the development of the Lower Gweru rural community. It sufficiently contained inquiries to have the capacity to meet the goals yet not all that numerous as to be off-putting to respondents utilizing pilot concentrate to guarantee that respondents comprehended the directions, questions, phrasings utilized, and elucidation on morals.

3.11 Anticipated Limitations

The researcher faced a number of limitations on the issue of foreign aid especially in rural areas because it is sensitive, hence interaction difficulties with beneficiaries disclosing their economic or social status thinking that they were potential projects would benefit from and issues of regime change. Lack of cooperation from other long existing organizations, as the study evaluated their role in distributing foreign aid to rural communities of Lower Gweru. However, since the research was conducted with the aid of All About Love Trust Zimbabwe whence other beneficiaries have benefited from the organization’s programs it was easy to locate them. The researcher had to translate the focus group guide questions to vernacular to those who could not interpret it.

3.12 Summary

This section was organized to incorporate methodology, research design, population and sample size assurance, data collection method, the improvement of a survey and summary. Elucidations of the issues unified to research methodology were painted that incorporated the decision of research methodology and data collection methods.
CHAPTER 4

4.0 PRESENTATION AND ANALYSIS OF DATA

4.1 Introduction

This chapter discussed the findings that were obtained in the empirical analysis, using the methodology that was discussed in chapter three above and their results which were carried out will be looked into. The chief results indicated that foreign aid has got nothing to do with development, yet other results showed that it brings about development. Evidently, donor aid is not accomplishing its key assignment of alleviating destructive conditions in emerging countries so that development can be achieved. Aid did not come into sight to be the way out to the expansion crisis representing that it may be injurious to the African people, resulting in lesser levels of development. From the interviews and focus group discussion people gave different definitions of foreign aid and the overall definition from their understanding is that aid is external aid from well wishers to aid those in need positively. There was 100% participation from the focus group discussion.

Table 2: percentage number of interviews carried out (out of 20)

<table>
<thead>
<tr>
<th>Area of operation</th>
<th>Anticipated number of interviews</th>
<th>Actual number of interviews</th>
<th>Percentage %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sikombingo goat project</td>
<td>6</td>
<td>4</td>
<td>20%</td>
</tr>
<tr>
<td>Makepesi irrigation</td>
<td>6</td>
<td>3</td>
<td>15%</td>
</tr>
<tr>
<td>AALTZ</td>
<td>5</td>
<td>4</td>
<td>20%</td>
</tr>
<tr>
<td>AFRICAID</td>
<td>3</td>
<td>1</td>
<td>5%</td>
</tr>
</tbody>
</table>

Source: Field Data

4.2 Findings from the Respondents. Source: Field data

The researcher managed to interview 12 respondents out of 20 due to different time schedules with other 8 respondents. Respondents from the focus group discussion and interviews managed to outline a number of issues that they are facing due to the provision of aid in their areas of
residents for example inequality in the upkeep of the current arrangement of political and economic power, political dependence of the lower class, lack of inclusion in the project planning meetings and to mention just a few. Some of the projects being run by Non Governmental Organizations in lower Gweru like goat, school fees and pads projects are still running for roughly 5 years and the irrigation scheme project is now a long run project that traces back to a period of a decade.

Rural-urban inequity which is on the rise remained a salient feature. Consumption expenditures showed that the poor households spend two-thirds of their overall earnings on basic food items, and can spend only a small amount to fulfill other needs-those related to clothing, education, health, shelter, utilities etc. Children end up dropping out of school because there is no money to cater for their school fees. This is a serious matter that is causing early child marriages in Lower Gweru. Some families are privileged because their children are being sent to school by AALTZ but they (the organization) are not able to aid the whole community.

The objective of the study looked at the roles played by foreign aid in rural economies. To address this objective foreign aid is enhancing the position of the upper social classes who benefit from the maintenance of the existing system of political and economic power. They take advantage of the funds that they are given by donors to improve the livelihood of the people for promotion of their personal agendas for example in the political sphere they give people goods for consumption and agriculture commodities as a way of manipulating them so that they can be voted for and people become dependent to the party. The role of foreign aid has enclosed in the increase of political dependence of the underclass.

In accordance with the theoretical analysis of the literature the notion of foreign aid donors sometimes seen as father surrogates is similar to the dependency theory where they have become the only active agents of development who then must supply the resources, the government, the imagination to plan, and the motivation to make it all work. That is why rural development efforts in Lower Gweru have had little success in achieving their objectives. Using the researcher’s findings as an example the goat project being funded by Development Fund International (DFI) in the Sikombingo community, it has not been successful because people eat and sometimes they sell the goats. Some of the goats are stolen therefore the project has been
short term. The interviewees who have been confronted due to this issue stated that out of an estimation of 15 houses that have been inclusive in this project, not even one household has been able to sustain the project up to date. Both the people and the community has not benefited from the project. People are waiting for donors to come and give them other goats and currency so that they can rear. This idea of being funded by foreign donors is creating a dependency syndrome whereby people have become reluctant to the extent that they cannot work on their own they wait for someone to come and do it for them. According to respondents the projects  especially the goat project is said to have destroyed the livelihood of people because people no longer work on their own they have become dependent and guardians have resorted to staying at home rather than looking for other alternatives to improve their livelihood and the wellbeing of children so that they go to school.

*Figure 2: the % outcomes of the goat project*

Another factor that was pointed by the beneficiaries from the interviews and the focus group discussion in Lower Gweru causing the failure of aid in rural development projects is that they are conditioned by different drivers where high offices draft programs with a smaller amount or no real research to confirm what is extremely required by recipients since they are not associated with arranging enhancement. They simply draft projects without including the profiting
community in policy making meetings. The usual changes in rural development approach have indeed aided bring more aid into the country. Not much has been practiced concerning the social recruitment and economic growth of those who undergo utter deficiency and painful socio-political repression. But as donor aid does offer considerable assistance to conquer the economic limitation, which in general form the key growth restraint, the rapidity of country's growth must have been fairly better than what it is. Although foreign aid has contributed to the construction of some roads, communication systems, irrigation, power, and higher learning have all been benefited by external aid according to the Modernization theory where there is progressive growth from traditional to western way of life. In reality there is barely any expansion project entirely supported by domestic capital. It is true that if there was no foreign aid the country would not have developed these projects for many years. The low production reports in the agriculture sector have also straight socioeconomic inference for food shortage and reduced for every capita food expenditure.

However there are other interviewees who supported that aid brings about development especially in the focus group discussion. The main achievement of aid was educational. In lower Gweru there are high rates of deaths and this result in children being left with their grandparents who cannot take care of them. Survival before was dismal and hard because they couldn’t pay school fees for them or even buy essentials for girls because they cannot go to the irrigations to work for their survival so then aid is playing a vital role for them because their grand children’s education is being taken care of, they are given food so that they cannot starve. Aid to children and their guardians and even the community it is life changing because they are no longer expelled from school. From their experience before and after aid the living standards have improved. There were noticeable changes in the community because the rate of literacy has increased. Respondents said that aid providers were giving aid to aid not on the grounds of benefits but one of the respondents said that they need something in return that is they want their interests to be served. The contribution of aid towards personal development was said to be positive because people especially from the irrigation are working on their own selling produce for their families’ survival.
4.3 Responses from the Non Governmental Organizations

The researcher’s findings from the director of AFRICAID postulated that aid fails to have a positive impact as it can’t be used for a long term investment as it bypass through a long technical procedure where bribery, misconduct and misuses make the particular aid somewhat worthless as shown in chapter 2 as increasing debt in developing countries. “It can just soothe worsening poverty not to advance the situation, simply because it can take a long duration before the impact can be felt” alleged AFRICAID director. He said that aid can only resolve vacant tribulations and fail to excavate deep problems and embark upon the local issues. Its positivity can be good only where relief is meant to instigate a real problem the society is facing. In terms of ownership of projects people pointed out that they don’t have ownership, they have to report everything to the aid providers.

The researcher managed to interview the director from All About Love Trust Zimbabwe on the issue of aid. His understanding of foreign aid is the assistance that comes from outside the country. The positive effect of foreign aid that he managed to note was that it is a relief that comes when there is a crisis giving people a head start where they can start from. “The negative effect of it was that people become dependent leading to laziness to the point that they cannot work on their own rather they wait for someone to remove them where they are”, said the director. He also mentioned that most of the aid comes in with strings attached be it political or religious for example the Zimbabwean case we are towards elections and in rural areas donors are giving aid affiliated to a certain party. As an organization when they give assistance in rural areas they first do a pilot study including home visits then they give the most vulnerable ones so that it won’t be biased. Even the goat project being done by DFI through assessing they give those who don’t own any goats. Some of the hindrances that they face when they go into the communities to implement aid are that headmen under the ruling party they think that the NGOs are of the opposition party in favor of votes through giving out aid to people so they refuse to accept them into their communities. This issue also shows that those in power shut or block doors for those who need aid (mainly it is political). These organizations’ role in fostering aid is to be mediators or facilitators between the needy and the donor. The results of aid is that children are going back to school, child marriages are reducing even though it is to a lesser extent but people in the community are now valuing the importance of education.
Figure 3: the percentage of participants who don’t support aid and those who are in support of aid.

![Percentage of participants for and against foreign aid](image)

Source: Field data

4.4 Motives of Foreign Aid to Developing Countries.

Foreign aid flows in recipient countries is guided by three motives which are humanitarian, economic self interest, and political self interest according to Bandyopadhyay and Vermann (2013). This shows that aid is provided to aid the needy in developing countries and to maintain relations. However aid given to developing countries is masked with hidden agendas. The aid providers come as wolves in sheep clothing providing aid as if they care but they are only pursuing their national and donor interests.

**Humanitarian (Moral or Ethical):** incorporates settlement for point of reference discreditable acts, potholed allocation of extensive regular property and the moral dedication to aid the underprivileged to enhance their standards of living.

**Economic self-interest:** it is a method for creating markets for the products of the patron nations by means, for example, to get raw materials, disposing the remaining items and to make profit.
**Political or strategic self-interest**: it is a method for enhancing well disposed relations with the beneficiary nations, lessening the danger of war and to have a discretionary political inclusion in the worldwide circle. The donors will likewise be seeking after their interests strategically. The following figure 1.3 shows the three major motives behind the foreign aid inflows:

![Diagram of motives behind foreign aid inflows]

**Figure 4: Motives behind Foreign Aid inflows**

*Source: Bandyopadhyay and Vermann (2013) on Donor Motives for Foreign Aid*

NGOs fail to eliminate poverty because their selection of location strategy of activities, period and choice of action rely on donors’ geopolitical priorities. Their involvement tends to ally with political, economic and social plan of the donors. Scholars argue that aid is effective when used for a long period of time but looking at the Zimbabwean scenario aid has failed whether long or short term. These donors apply short-term projects and cease to embark upon deep rooted causes of troubles and this make NGOs incompetent of creating considerable impact.

Concisely, opinions concerning foreign aid hindrance call for a particular attention. It is alleged that aid assists to introduce improper expertise; deceive the domestic income allocation and advance incompetent and shady governments in developing countries. International aid truly cause decrease in economic growth, and that guide is being owed to open consumption, which lessen the rank of household reserve funds. It is causing a turn down in assess income, since the convergence of effortless guide was going about as a hindrance for government to aid charge
gathering efforts. Decisively however with some uncertainty, aid has humble or no effect on extension and improvement. The contingency joined to aid in tending to the economic emergency of a nation seen as disastrous to exposed matters because of its heinous methods.
CHAPTER 5

5.0 CONCLUSIONS AND RECOMMENDATIONS

5.1 Conclusions

The Zimbabwean economy has been an aid subordinate economy for over 10 years now. Many have expressed that foreign aid is the response to poverty in the eminent globe. They contend that if adequate aid streams are chosen towards development expansion, the succession of poverty can be upturned. The advocates of aid included in the former section demonstrated that aid has not possessed the capacity to demonstrate the desirable result yet other research debate that aid can increase economic development, support education, and boost wellbeing, heightening the view of life for those in developing nations. The observed information outlined that foreign aid has been worthless at promoting development in Lower Gweru, Zimbabwe. This examination demonstrated that foreign aid isn't the determination to approved development. It has not been revealed to enhance development, even though when postponed for one-year and two-year time spans.

The sound impacts of the nation's emergency have seen huge measures of foreign aid inflows for the reason of cutting edge financial growth and prosperity of the beneficiary economies. The prime guideline of the removed aid projects to the new nations is to accelerate their economic development up to a section arrange where a satisfying pace of development can be refined on an independent establishment. Be that as it may, aid has abandoned to collect its proposed requests. Despite the fact that aid is positioned at quickening the economies of the recipients, they are being outdated by its negative consequences for development. What's more, aid weakness, absence of organization among aid offices, elementary ineffectualness, inadequate full scale economic standards, aid substitution, unsteady organization, income and absence of directness are the huge components counting towards the unproductive activity of the donor aid motivation. The investigation has presumed that the noteworthiness of foreign aid plan has been dilapidating gradually in accumulation of the years, yet not a single developing nation is worried about ending its dependence on aid. In this change, it was uncovered that regardless of the sort of foreign aid, its result in the poverty reduction is constantly debated. They prevent to recommend a durable outcome to basic common economic scrape. The financial needs of developing nations
are gigantic to the point that hidden foreign wander can just to some degree illuminate this difficulty.

5.2 Recommendations

Utilizing the previous writing review argued in this investigation and observed findings the researcher proposed the ensuing suggestions which could be considered as valuable in detailing and realize growth strategies to lift the convenience of foreign aid programs and the business of individuals. The government of Zimbabwe should focus on its domestic resources and its proficient use along with the continuation of trade reform measures. Suppose it requires foreign aid to bear its developmental needs then it should make precise arrangements about the prolific use of the foreign aid. In the light of the experience of Zimbabwe, we suggest that the Zimbabwean administration should spend foreign aid in those developmental activities such as health, education and infrastructure, where the private investors are unwilling to invest. Likewise encouraging the private investors to invest can provide employment age bracket activities such as infrastructure and irrigation.

The terms and conditions allied with the foreign aid program should be transparent without any veiled motive, straightforward to understand and easy to execute and should be more constructive to the recipient economies. Foreign aid program must be an evenly favorable process to both the parties involved in the contract based on their nexus with each other. So it is important to reflect on these factors both at the time of receiving and operation of foreign aid amount. The foreign aid document should be formulated and implemented in such productive and developmental projects which help in maximizing the wellbeing of all the populace in the form of creating huge amount of employment opportunities because development is possible under certain conditions.

For places with little arable land, improvement can be tied to targeted aid projects as well. Aid can be besieged to agricultural initiatives that tutor farmers on the most efficient ways to utilize land. The establishment of greenhouses and substitute crop techniques could advance conditions for countries with small percentages of arable land. These would increase innovation and promote modernization in the vicinity. In addition, these initiatives would create new industries and jobs vital to human development.
The utility of foreign aid will transpire when tight to be used in the government’s short and long term public investment (infrastructure) and human capital (health and education) which is likely to form enabling environment for industries, foreign investors so that results can be yielded straight in the productive investment projects, making it possible for the boost of the weight of local currency. Education is another factor that if investment is done to it, it can reduce poverty, spur economic development, and promote global security.

Researchers contended that, aid isn't evil in itself to our African economies. It must support of already existing projects, increase import, technology transfer and fortify national currency, lower inflation rate and minimize devaluation of the economy. To a specific degree cutting down the expansion of provision of social welfare services government ought to rather have the commitment to make its provision more inclusive and extensive as many rural African zones still needs government’s intervention to raise the leaving standards up.

It is not wise to give a child marks if he or she did not work hard towards that. The same applies to donors; they shouldn’t give Africa fish without teaching her how to fish on her own. Africa needs techniques and ideas on how to develop on her own with their aid of course. Developing countries need guidance on how to sustain projects for the betterment of their economies because the time for being dependent on their aid is over we need to depend on our own, to reboot our own industries, to start our businesses with their investment policies and be able to sustain them for a long period of time. It is also time for our governments to be transparent and be accountable on all the currencies from donors and they should direct or channel it specifically to where its attention is needed. The government must be genuine when providing aid in rural areas and not as a mechanism to manipulate people so that they become powerful or to buy votes. When they plan projects in rural areas they should involve the people in that certain sphere of life so that projects become successful and that the people will give them ideas of things that can prosper in their community so that the impact of aid can be felt and the development of a state is successful.
Reference List


OECD (2017) Aid at Glance Charts. Updated on 22 December 2017


APPENDICES

Appendix A
Introductory Letter

My name is Praise Ireen Ziko, a student from Midlands State University studying BSC Honours in Peace Studies. The research is mainly focusing on the negative and positive impacts of foreign aid in the development of rural economy in Lower Gweru. The responses are going to be used for academic purposes only and respondents’ information will be confidential. Please assist me by filling in the questionnaire.
Appendix B

Interview Guideline

1. In your view what does foreign aid mean?
2. Have you or any of your close family members benefited from donor aid?
3. What are the positive and negative impacts of foreign aid?
   a) Positive effects
   b) Negative effects
4. What are the conditions considered when providing aid to the communities?
5. What are the hindrances faced in implementing foreign aid in communities?
6. What is the role of AALTZ in fostering rural economic development in communities they serve?
7. What is the impact of aid given by AALTZ to the community?
Appendix C

Interview Questions

(Please fill in the gaps below at tick where appropriate)

1. What is your understanding of foreign or donor aid?
   Please explain.....................................................................................................................
   .................................................................................................................................
   .................................................................................................................................
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2. Can you compare the type of living that you had or how did you survive before aid came and after you are being aided by AALTZ?
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3. Is donor aid beneficial or harmful to the development of your community? How?
   YES                              NO
   Please explain..............................
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4. Are the aid providers giving aid to aid you or they need something in return?
   YES                              NO
   Please explain..............................
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5. Is donor aid delivering its mandate of assisting the community’s development?
   YES                              NO
If yes please explain............................................................................................................................
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6. Are you making use of the aid that you are given for community development?
   YES    NO
   Please explain............................................................................................................................
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7. Are the projects improving or destroying the livelihood of people in the community?
   YES    NO
   Please explain............................................................................................................................
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8. Do you have ownership of the projects or you still need the aid of donors when they fail to meet the target or when they collapse?
   YES    NO
   Please explain............................................................................................................................
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9. Have there be any changes since the coming of aid to this community?
   YES    NO
   Please explain............................................................................................................................
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10. What is the contribution of foreign aid towards personal and community development?

Please explain........................................................................................................................................
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11. Is donor aid aiding for a short period or for a long period of time?

YES

NO

Please explain........................................................................................................................................
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Appendix D

Focus Group Discussion Guide

1. What is your understanding of foreign aid?
2. Can you compare the type of livelihood that you had before and after aid was given to you?
3. Have you or any of your close family members benefited from donor aid?
4. Is it beneficial or harmful to your community’s development? How?
5. What are the noticeable positive and negative impacts of aid?
6. Are donors aiding with a hidden agenda or they are there only to aid?
7. Is aid delivering its mandate of assisting the community?
8. Are you making use of the aid given to you for community development?
9. What conditions do donors consider before they give you aid?
10. Did you have projects ownership or you are just scapegoats?
11. Are there noticeable changes since the coming of aid?
12. Is it aiding for a short or long period of time?
Appendix E

Interview Consent Form

RESEARCH PROJECT

Name of Researcher: PRAISE IREEN ZIKO
Contact Information: 0775661609 | pzeeco@gmail.com

MIDLANDS STATE UNIVERSITY
FACULTY OF SOCIAL SCIENCES
DEPARTMENT OF POLITICS AND PUBLIC MANAGEMENT
PEACESTUDIES
P/BAG 100
ZVISHAVANE

Nature of the Research: Foreign Aid’s effects on economic rural development in Zimbabwe: the Case of Lower Gweru

Participant’s involvement: the research is an invitation to participants who are going to take part in this research because I feel that your experience as a responsible citizen can contribute much to our understanding and knowledge of local development practices enhanced by foreign aid.

YOUR PARTICIPATION IN THIS RESEARCH IS ENTIRELY VOLUNTARY. IT IS YOUR CHOICE WHETHER TO PARTICIPATE OR NOT.

I agree to participate in this research project. I have read this consent form and the information it contains and have had the opportunity to ask questions.

I agree to my responses being used for academic purposes and research on condition my privacy is respected, subject to the following:

i. I understand that my personal name will remain unidentified in materials formed or circulated by the researcher.

ii. I understand that I am under no compulsion to take part in this research project.

iii. I understand that I have a right to pull out from this project at any stage.

Signature of participant: ............................................................................................

Signature of researcher: .................................................. Date..........................
Appendix F

Marking Guide

MIDLANDS STATE UNIVERSITY

FACULTY OF SOCIAL SCIENCES

DEPARTMENT OF POLITICS AND PUBLIC MANAGEMENT

PEACE STUDIES

GUIDELINE FOR MARKING DISSERTATION

<table>
<thead>
<tr>
<th>ITEM UNDER OBSERVATION</th>
<th>COMMENTS</th>
<th>SCORE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Title [10 marks]</td>
<td>• Is the title clear and precise?</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Does the title expose the problem under investigation?</td>
<td></td>
</tr>
<tr>
<td>Abstract/Introduction [10 marks]</td>
<td>• Does the abstract successfully bridge the gap between the title and subject?</td>
<td></td>
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<tr>
<td></td>
<td>• Does the student demonstrate knowledgeable about the nature, problem and purpose of study?</td>
<td></td>
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<tr>
<td></td>
<td>• Have the objectives of the study been clearly stated?</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• How relevant is the literature reviewed and theories used?</td>
<td></td>
</tr>
<tr>
<td>Content [50 marks]</td>
<td>• Are the chapters well laid out and coherent?</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Does the work show the use of relevant research</td>
<td></td>
</tr>
<tr>
<td>Methods</td>
<td>Conclusion/ Recommendation [10 marks]</td>
<td>Reference [10 marks]</td>
</tr>
<tr>
<td>---------</td>
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</tr>
</tbody>
</table>
| • Is the evidence authentic?  
• Is there evidence of research?  | • Has the work been resented?  
• Does the conclusion answer the objectives?  | • Have the references been accurately presented?  
• Has the referencing style been consistent?  | • Is there continuity in the style of writing?  
• Is there correct use of English in terms of consistency?  |

**TOTAL SCORE (100 MARKS)**

Signature of the Supervisor………………………………………………………Comment on Submission……………………………………………

Signature of the Marker………………………………………………………Date………………………………………………………………..

Signature of the Moderator………………………………………………..Date………………………………………………………………..