CHAPTER IV

NEED FOR DEVELOPMENT AID

The Gross National Products and contribution of agricultural, industrial and service sectors would help in making an assessment of the situation regarding the need for deficit financing and aid from outside. It depends upon the planned growth rate aimed at in the process of planning. Many of the third world countries are in need of foreign aid to increase rate of growth and African countries are no exception. These countries have marked poverty, very high rates of population growth, low growth rate of gross domestic products, low rate of industrialization, extremely high dependence on agriculture, high rate of unemployment and uneven income distribution.

Basically, the nature of the development of these countries is very low. Adding to this the colonial powers have exploited the wealth of these countries and caused a weak and languished economy in the East Central Africa. So, the present condition of the underdevelopment of various sectors of these countries is the legacy of the colonial rule. These countries were liberalized from the imperial clutches after the 1960s. Therefore, the newly born countries in the Third World society could not achieve the
self-sufficient production in all sectors. 1 So, foreign aid is necessitated to supplement the domestic resources and also to meet the foreign exchange requirements of a developing economy. The development programmes of the developing countries require heavy involvement outlay, which cannot be sustained by the level of their domestic savings. 2 Otherwise, the financial conditions of the borrowing countries can lead to heavy debt burden.

The poor economic condition of the East Central Africa after independence could not achieve to provide self-sufficient infrastructure for the countries' development. Those countries could not control the rapid development of population which growth rate is the highest in the world. Here, there are two main factors. One is that these countries do not have self-sufficient products and second is that the growth rate of population is very high. Therefore, the necessity for development aid to these newly acquired sovereignty countries is mainly based on two problems. Firstly, the poor economic condition and technical resources, and secondly, the over-increasing consumption demands of the rapidly growing population. 3

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The meagre income of Kenya, Tanzania, Uganda, Burundi and Rwanda is based on the facts that most of the land is not cultivated for agricultural products. It is either forested or used as pasture for herds and flocks; only small plots are cleared for cultivation. And the progress of the industrial sector is at low level.

In the East Central Africa, some part of the arable land was extended for agriculture but there was no technical innovation to raise more yields per acre. Because of traditional methods, naturally, the agricultural production will be less in quantity. The underdevelopment of agriculture sector is the vital problem of those countries since it is main occupation for the livelihood. And also there are some obstacles from the government side, in the process of agricultural activities i.e. giving licences to plant coffee, pyrethrum and transport facilities in the trade. It is noticed that the governments could not give proper attention in time for the development in transport facilities. So, the people themselves provided transport and traders took the goods to the market places.


problem of development in any sector will have so many reasons. But the main factors are the quantity of land and the actions of the government and the people.

The social development as a whole will depend on the economic development of the concerned country. The underdeveloped countries in this way are large and small, old and new, rich and poor in physical resources. They differ in terms of customs, traditions, religions, sense of unity and character of leadership. Some countries have already commenced on the road to development, while many others have not done so yet. Having these qualities and characters, the loss incurred by the developed countries have been in terms of their ideology. The reason whatsoever, the production of the agriculture (food and cash crop) is inadequate to the people in East Central Africa. The national resources of these countries are unfortunately also very limited. So, the trade with other countries is also minimum. From the trade point of view, the transaction of material exchange or on barter basis will be within the limit. The problem of transport in the case of Burundi, Rwanda and Uganda is severe, as these countries are landlocked nations. They have to depend on their neighbouring

coastal countries, viz. Kenya and Tanzania for the import of emergency assistance and also for their normal trade imports and exports. Due to inadequate facility on the parts of Kenya and Tanzania, consequently the transport problem is further aggravated.

Another severe problem concerning the production of cash crops is the low return values and heavy taxation. The farmers are not in a position to receive the reasonable price of their products. The products of industrial crops in the developing East Central African countries are seriously handicapped by (a) the low price which the farmers receive, (b) heavy taxation of agricultural exports, (c) the production of fledgling industrial and (d) the inefficiency of marketing agencies. Despite all these problems from the beginning, the recent depression in 1984 was virtual death blow to the East Central African countries' economy and their peoples in various aspects.

In the "Conference on Africa's Current Economic Crisis and the Prospects for 1985", Adebayo Adeboje, the executive secretary of the economic commission for Africa and special representative of the UN Secretary General on the African Economic Crisis, has dis-classed the following adverse factors:

The year 1984 will go down in history as Africa's worst year in the economic domain since the great depression. The Africa of 1984 was invariably associated in the minds of the public with drought and desertification, famine and hunger, diseases and deaths for both human beings and livestock and a massive displacement of population from drought affected regions in search of food, water and pasture. Africa was in 1984 the very sick child of the international economy.  

The rapid growth rate of population, the deficiency of agricultural, industrial and natural resources products, the inadequacy facilities in health, education and employment, non-availability of proper food and fuelwood, lack of trade and transport facilities have caused to move these East Central African countries to appeal for foreign aid for their development.

The political conditions of the East Central African countries also have created some obstacles which sabotage the countries' progress. Mainly there are two obstacles in the East Central Africa. One is sub-groups in the society - family, tribe, language, and religion - and second is national boundaries drawn by the colonial powers.


10 Thorp, n. 6, pp. 26-27.
Sub-Groups in the Society

In the East Central African countries, the concept of national loyalty is yet to be developed, especially in the case of Burundi, Rwanda and Uganda. In these three countries the family, the tribe, the language, religious group and region will take precedence over the "nation". In this context, the group of people is important than the nation. So, it can lead to the national disturbance, resulting in chaos and disintegration of the political units.

National Boundaries Drawn by the Colonial Powers

This second obstacle is the legacy of the colonial rule. It is here that the national boundaries were usually drawn in colonial times from simple maps without any effort to build on a moral rational basis. Due to this incorrect demarcation of the borders, there are problems to take advantage of modern methods of production where the watershed is available. The third obstacle, it can be added, is that one powerful force uses to overthrow the other. There are frequent occasions in Uganda to overthrow the ruling military regime. It can lead to the deterioration of country’s economical condition and at the same time the welfare of the country will be the worst.
Therefore, the social, political, economical and geographical problems of the East Central Africa forced them to go around the developed countries to get the development aid as and when necessary.\textsuperscript{11} The nature of necessity of any country will create such a situation that they have to seek some kind of assistance from a developed country to come out from the defective situation.\textsuperscript{12}

In the case of Kenya, Tanzania, Uganda, Burundi and Rwanda, the production of agriculture, industry and natural resources and the consumption of the concerned people, the capabilities and the debt burden of these countries are main factors to get foreign assistance in various types.

Among these five countries, except Kenya all the countries do not have enough food production to meet the requirement of the country's population. Including Kenya, these countries do not have facility to preserve the food production.\textsuperscript{13} Even though the production is less in every sector, their military expenditure is not reduced (see Table 4.1)

\begin{itemize}
\item \textsuperscript{12} Dunstan M. Wai, Interdependence in a World of Unequals (Boulder: Westview Press, 1982), p. 45.
\item \textsuperscript{13} Yuri Osipov and Yuri Cherkason, "Africa's Difficult Path to Progress", Social Sciences, vol. 18, no. 1, 1987, p. 185.
\end{itemize}
### Table 4.1

**Military Expenditure in Constant Price Figures**

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Kenya</td>
<td>71.2</td>
<td>76.5</td>
<td>77.0</td>
<td>110</td>
<td>251</td>
<td>325</td>
<td>354</td>
<td>288</td>
<td>279</td>
<td>282</td>
</tr>
<tr>
<td>Tanzania</td>
<td>102</td>
<td>134</td>
<td>126</td>
<td>132</td>
<td>300</td>
<td>558</td>
<td>440</td>
<td>206</td>
<td>(277)</td>
<td>(248)</td>
</tr>
<tr>
<td>Uganda</td>
<td>409</td>
<td>315</td>
<td>315</td>
<td>279</td>
<td>147</td>
<td>158</td>
<td>209</td>
<td>399</td>
<td>730</td>
<td>554</td>
</tr>
<tr>
<td>Burundi</td>
<td>10.2</td>
<td>11.9</td>
<td>10.6</td>
<td>12.6</td>
<td>25.8</td>
<td>(25.5)</td>
<td>(21.9)</td>
<td>(27.8)</td>
<td>(26.8)</td>
<td>(31.0)</td>
</tr>
<tr>
<td>Rwanda</td>
<td>17.0</td>
<td>13.6</td>
<td>12.4</td>
<td>14.2</td>
<td>23.3</td>
<td>17.2</td>
<td>19.7</td>
<td>21.8</td>
<td>25.3</td>
<td>23.6</td>
</tr>
</tbody>
</table>

**Note:** From cols. 1 to 4: Figures are in US $ m. at 1978 prices and 1978 exchange rates. From cols. 5 to 10: Figures are in US $ m at 1987 prices and 1987 exchange rates. Figures in parentheses are SIPRI Estimates.

**Source:**
Kenya

Kenya's total income of all resources from agriculture, industries and business is 105.7 per cent. Out of these resources, their expenditure towards payment of interest and principal amount of debts is (-) 3.7 per cent, the expenditure on import of goods like foodgrain, fertilizer and other industrial equipment is 34.6 per cent. The expenditure on export of coffee, tea etc. cash crops to various foreign countries is 28.9 per cent. The expenditure towards private sector is 62.1 per cent and the general consumption of government i.e. for the purpose of public works is 18.8 per cent. The expenditure of gross domestic investment is 23.8 per cent. Therefore, the entire expenditure of Kenya is 169.2 per cent, but its total resource percentage is 105.7. 14

Tanzania

Tanzania's total resources per cent is 110.0, but the total expenditure per cent is 181.4 excluding the expenditure of factor payments to abroad (net). Among the East African countries Tanzania's expenditure is double the rate of its Gross National Products of 99 per cent. It

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shows that the financial condition of Tanzania is full of burdens. 15

Uganda

In the case of Uganda, its Gross National Products is 99.9 per cent and the total expenditure is 109.7 per cent excluding the factor payments abroad (net) (-) 0.1 per cent. Uganda's total resources is 100.2 per cent.

The financial stability of Central African countries i.e. Burundi and Rwanda is also very weak. Burundi's total resources is 108.3 per cent and its total expenditure is 138.9 per cent; Rwanda's total resource is 110.4 per cent and that total expenditure is 150.8 per cent. Here the Rwanda's expenditure is more than the Brundi's. The resources and the expenditure will show the balance of the financial position of the concerned country. When the expenditure is more, obviously, the country has to seek the loans, or grants from the developed countries, which condition will lead to the path of debt burden. The following table shows the debt position of the East Central African countries.

15 Ibid., p. 175.
### Table 4.2

**Debts Position of East Central Africa**

(Million of U.S. dollars)

<table>
<thead>
<tr>
<th>Year</th>
<th>Kenya</th>
<th>Tanzania</th>
<th>Uganda</th>
<th>Burundi</th>
<th>Rwanda</th>
</tr>
</thead>
<tbody>
<tr>
<td>1973-74</td>
<td>569.5</td>
<td>621.5</td>
<td>211.9</td>
<td>9.4</td>
<td>12.3</td>
</tr>
<tr>
<td>1975-76</td>
<td>764.0</td>
<td>907.5</td>
<td>239.6</td>
<td>21.3</td>
<td>47.7</td>
</tr>
<tr>
<td>1976-77</td>
<td>1382.2</td>
<td>1141.4</td>
<td>362.7</td>
<td>70.4</td>
<td>98.4</td>
</tr>
<tr>
<td>1978</td>
<td>1809.4</td>
<td>1193.4</td>
<td>503.8</td>
<td>111.1</td>
<td>124.0</td>
</tr>
<tr>
<td>1979</td>
<td>2215.9</td>
<td>1383.3</td>
<td>602.8</td>
<td>142.0</td>
<td>155.8</td>
</tr>
<tr>
<td>1980</td>
<td>2315.4</td>
<td>1497.2</td>
<td>539.7</td>
<td>157.4</td>
<td>170.7</td>
</tr>
<tr>
<td>1981</td>
<td>2423.0</td>
<td>1646.7</td>
<td>601.5</td>
<td>201.8</td>
<td>189.3</td>
</tr>
<tr>
<td>1982</td>
<td>2383.7</td>
<td>1819.6</td>
<td>623.2</td>
<td>284.0</td>
<td>219.7</td>
</tr>
</tbody>
</table>


According to the table cited above, the expenditure of the East Central Africa is more than the resources from all the sectors. Hence, the excess expenditure will force the countries to give some loans or grants. The overall financial position of these countries is in deficit. Therefore, to develop the immediate and necessary sectors, the development aid or foreign assistance is necessitated.
Rationale for Foreign Aid

Since the East Central African countries are underdeveloped countries and the means from all sides of its own cannot solve the development problems successfully, these countries certainly will go for external assistance in various types. The underdeveloped East Central African countries are getting development aid or foreign assistance from various developed countries and organization with the objectives of the development of economic, social and political aspects.

The development or the underdevelopment of any country will depend on its Gross National Products. The countries which are below the per capita of $200 are the underdeveloped countries. Therefore, the underdeveloped countries naturally will seek the foreign aid for their development in every deficit sector. Foreign aid does not mean, it should be the condition of economic assistance. This fact is from the history of the developed countries and also it can progress without government to government aid. The underdeveloped countries can get the foreign aid not only in the form of economical assistance but also assistance of technical activities and food aid and

17 Ibid., p. 47.
agricultural exports.

In fact, the international flow of assistance for development is not new. Historically it took place largely through private ventures, missionary activities and migration.¹⁸ The intention of assistance from the developed countries in the form of kind or cash to the underdeveloped countries was indicating the motivation of concerned donor countries. Now the new method of foreign assistance from government to government is existing with the commercial motivation or otherwise.

The transfer of resources from the developed countries to the less developed countries takes place either through trade or aid or investment.¹⁹ The channel of foreign assistance or transfer of resources can certainly explain the motivation of the transfer of resources or the foreign assistance. The underdeveloped countries can get the foreign aid with the objectives to develop socio-economic and political aspects. But the recipient countries may not fulfil their motivation merely by getting the aid. Since the per capita of the underdeveloped countries is

¹⁸ Thorp, n. 6, p. 3.

¹⁹ Baidya, n. 3, p. 8.
less than $200, they may not set right their problems simply by getting foreign skills, resources and investments. The foreign aid is a seldom a reward and almost never provides an adequate assistance. 20

The foreign assistance will not produce gratitude for a long time. It could not effect every country in the same way even if it were offered in a standard form. Aid will not benefit the same political elements or economic sectors in different countries. But when the indigenous production is not in a position to meet the necessary requirements, the recipient countries have to request for foreign assistance. Then only, with the help of foreign skills, resources and investment, the underdeveloped countries can develop the scientific-technical revolution to use their natural resources in more rational way to avoid a wasteful bubbling of economic capacity and utilize the manifold advantages of regional division of labour efficiently. In this connection, the objective from the side of recipient countries is necessitated to have the economic co-operation among the underdeveloped countries, in the process of economic decolonization. 21 And also they have to try to reach the minimum level in the international trade. Then there will


be possibility for their objectives achieved by getting
the development aid.

Economic Development Aspects

The East Central African nations' per capita income
is very low. The development of a sector indicates the
Gross National Production in that particular sector. Some-
times to determine the development position, these countries
depend on the consumption rather than on Gross National
Product. The total production in various sectors of
these countries is not sufficient for its people. It shows
that there is no development in the particular sector
mainly in the agricultural and industrial
sectors. According to the consumption of electricity, there
is progress in development of industry. The socio-economic
development depends on the utilization of the natural
resources, agriculture, industry and international trade.
The East Central African countries had inadequate facilities
in every aspect for their development. To fill the gap of
development in these sectors, these countries need the
foreign aid for the development of economical status which
includes improvement of level of living, savings, industrial
sector, and the development in utilizing the natural
resources.

22 Marian Radetzki, Aid and Development (New York:
In the economic development the level of living is more important. The people in the East Central Africa are facing the problems of food, diseases and high child mortality due to acute shortage of medical and para-medical facilities to provide needed health care.\textsuperscript{23} In the East Central Africa, there is high rate of illiteracy, especially in science and technology. There are shortages of schools, teachers and there is no minimum requirement of communication and transport facilities. Having faced with all these problems, their standard of living is very low and it requires rapid improvement. In terms of the income and saving of the East Central Africa, the poverty is the most outstanding characteristic of these countries. Their income indicate that their economic growth and the income is the source of savings. Here, the important point is that the income is very low and generally there is nothing left over to save. So the status of the low income group countries of this region is acting as one of the obstacles in the development of international circle. The East Central African countries are poor, because they do not develop and they do not develop because they are poor.\textsuperscript{24} This concept can be seen in the diagram as under:

\textsuperscript{23} Stockwell and Laidlaw, n. 11, p. 27.

\textsuperscript{24} Ibid. P.33
Income and Savings

Diagramatic Illustration of the "Vicious Circle of Poverty"

Low Income

- Low Productivity
  - Low Level of Investment
- Low Rate of Saving
  - Shortage of Investment Capital

The second point of economic development aspect is industrial development. In the East Central Africa the labour force is very less in the industrial sector, whereas the agricultural sector is consisting of large labour force. The low level of industrialization character of these countries is indicating its poor production. If the industrial sector dominates the other sectors in Gross Domestic Product and Gross National Product, the concerned country can take rapid development. Once the industrial sector is depressed or handicapped, the scale of the improvement of the country will go down.

The natural resources also can include in the industrial sector. Without science and technology, the
fruits of the natural resources cannot be enjoyed by the people. The natural resources including land and agriculture is very important for industrialization. Unless the agriculture sector and mineral resources are converted into industries, the progress in the development of these countries cannot be seen. In view of the development of economic aspect, the East Central African people have to develop the land and capital investment to get the qualitative resources.

Social and Political Aspects

The social development aspect is one of the objectives of the East Central Africa to get aid from abroad. It has already been discussed regarding the standard of living of these people. This aspect will also come under the social development. The facilities of education, medical care and foodgrain are included in the societal circle. The improvement of new methods in agricultural sector is the main segment of the societal circle. The most important portion of this aspect is the land. To get more latest technology to irrigate the land and more production in the agriculture, the East Central African people are needed for the concerned aid. They have to reduce the rate of unemployment problem by improving the status of more industries. They have to maintain the standard of shelter, nutrition and at least minimum requirements. These countries could
not achieve their minimum requirements. Consequently the people's dependency is on agriculture and hence on the availability of water, the economies of the East Central African nations are susceptible to weather conditions.\textsuperscript{25} The development of the political aspects is mainly indicating that the activities of these governments are meant for protection of the subjects and their welfare.

By signing agreements with the developed countries to get some assistance to give training to native people in various aspects, these native states have to take the appropriate decision. To have cultural exchange with other countries, the native states have to make bilateral relations. These are the external political development activities. The internal political developmental activities are that the governments have to take the constructive steps to develop the welfare projects in their countries and increase the news media. The governments have to give the opportunity to the common man to participate in the political decision at different levels and maintain the national integration.\textsuperscript{26}

Therefore, the East Central African countries' objectives to get development aid are to improve the standard of their economic, social, political and cultural

\begin{footnotes}

26 Radetzki, n. 22, p. 44.
\end{footnotes}
Donor Countries and Their Perception

The donor countries have some interests to give financial assistance in the form of aid to the developing countries. In this connection the development aid from the donor countries to the recipient countries will depend on foreign policy and the second point is to promote the growth rate of economic development. Therefore, the major themes on the purpose of foreign aid expressed are: one is highly pragmatic, realistic and the second is idealistic. The donor countries had the instrument of foreign policy in supplying the aid in various types to scale the inter-relations as well as the economic development.

By keeping intact the bilateral relations and getting economical benefits, the foreign aid giving nations are playing an important role in the East Central African countries. The donor countries' policy towards aid, loans and grants will indicate that they have the objectives to encourage the economical development in developing countries. They do express that they will assist the underdeveloped countries till the stage of self-sustaining growth. The aid giving countries to the East Central African nations

have the diplomacy which consists the activities involving the use of natural and human resources for the achievement of the ends of the foreign policy of a state eventually designed to attain national objectives. The donor countries have been traditionally explaining the nature of their foreign policy, that it is in terms of national security, international order, balance of power and now have been conceptually classified under the broad ends of national self-extension, national self-preservation and national self-abnegation. 28

Self extension covers all policy objectives expressing a demand for values not already enjoyed and thus for a change in status quo. Self preservation is meant to stand for all demands pointing towards the maintenance, protection or defence of existing distribution of values, usually called the status quo. Self-abnegation covers all goods transcending, if not sacrificing, the national interests such as international peace, solidarity and order rather than national security.

From the growth rate of economic development point of view, the donor countries can promote the international stability by getting interest of the aid and at

the same time the developed countries can increase amount for investment which in turn will get more and more financial benefits. They have the opportunity to innovate the new types of assistance and can encourage the indigenous production in the flow of the development aid to the least developed countries. In due course, the system of administration of the donor countries also needs change. The process leads to a variety of reforms in tax and fiscal policy and land tenure.\(^{29}\) It is that both internal stability and economic development may require changes in the political and administrative system in the host country and its basic economic policies. The benefits of increased productivity must be well enough distributed to offer incentives to innovators and producers.

Therefore, with the introduction of new policy and methods in the development aid in the form of financial assistance, the people of recipient countries may see the advantages in their day-to-day lives which can create spirit to call for new social welfare policy and governmental attitudes. The objective of donor countries in this context is also included in the political strategy. The obligation of donor countries in terms of political activities can take place at the cost of the recipient

\(^{29}\) Montgomery, n. 20, p. 62.
countries' administration in global politics. In this connection, the western countries can always try to keep the East Central African nations away from the communist bloc to exert their policies and principles in such a way that no other bloc should dominate them. In view of the Western powers desire that the East Central African nations may not turn towards the communist bloc for aid, the western aid keeps its recipient countries away from the Eastern bloc. 30

Therefore, the objective of donor countries can create the economic stability in their countries and political influence over the recipient countries and moreover the growth rate of per capita will increase. In this way, the donor countries can show their status in the global society.

Capabilities and Competition among the Aid Giving Nations

The aid giving nations from the West Europe side and communist and Soviet blocs are mainly involved in the East Central Africa to supply the development aid with various types of motivations and objectives. 31

30 Ward and Bauer, n. 16, p. 74.

donor countries to the East Central Africa are the Organization for Economic Co-operation and Development (OECD), Communist bloc and Soviet bloc (CMEA) and Organization for Petroleum Exporting Countries (OPEC). These countries have their own principles and methods to supply their concerned aid to the East Central Africa.

These industrialized and developed countries had self-sufficient resources to supply the aid to the East Central Africa. The donor countries of West and Europe regions are with valuable minerals, well developed agriculture sectors, the unique strategic location on the international sea ways with well-integrated inland navigation system. Naturally, these conditions are very positive to have capacity in giving the aid to the East Central African nations. The Communist bloc and Soviet bloc have also the capacity in supplying the aid to these countries in various forms and the Organization for Petroleum Exporting Countries are also participating in the programme of development aid in the case of the East Central Africa. The development aid from these triangle sides is in different objectives and motives from country to country.


In the process of supplying the aid to these East Central African regions, the industrialized countries have the intention to compete each other's capacity. In this context the western region nations and the Communist bloc especially the USA and the USSR had an important and competitive role to play in the Third World countries. The Soviets in sub-Saharan Africa today are encountering experiences similar to those of their West European predecessors. The activities or the attitudes of these two Super Powers in the Underdeveloped countries have created the atmosphere of rivalry which is related to the Cold War. \(^3^4\) The USSR's most of the aid is based on economic benefits, hence the Soviet Union's aid programme is in many respects of normal commercial activities, \(^3^5\) whereas the USA's aid relate to political reasons and policies. If it is referred to within the Communist bloc viz. USSR and China, these two countries are also competing each other. One notable aspect about much of the aid to Africa is the competitive rivalry between the USSR and China. Each one views with the other to see which can provide the maximum aid. It can be seen in case of Kenya. It has been heightened by intrigue over military aid and the establishment

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China apparently started off the bidding with the promise of $18-28 million in aid. The Russian said that they would specify the exact amount of their loan when the preliminary feasibility surveys had been completed.

In the case of France, it was adopting the vigorous policy of economic regeneration to compete with its neighbour countries. In this connection, it is very important to note that it supplied the arms to the Third World countries in 1984 of worth $5,645 million, which dominated the supply of USA, USSR, Britain and Brazil. Basing on this factor, France is competing with the other European and Western countries in supplying the aid or transferring the arms in the Third World countries. Among the European countries, UK's work is for the development governments and societies with which Britain can achieve compatibility whatever their economic beliefs, types, views or activities. When compared to the aid of US, the aid of France and UK is considered as less cold war motivated. Most of the relations of

37 Behari, n. 32, p. 130.
39 Arnold, n. 34, p. 11.
France and UK with the East Central African nations or the Third World countries are dealing with socio economic problems, whereas the USA's observations with the policies and principles of politics. The other main aid supply countries to the East Central Africa viz. Japan, Germany (FR) and Belgium, OPEC countries are working out their commercial activities.

Conclusion

The income of East Central Africa is very low. Due to underdevelopment, these countries are saving the income at low rate. Naturally, they cannot afford to invest more capital for more production in agricultural and industrial sectors. The East Central African nations have to develop their standard of living by improving the production in the main occupational sectors.

In this connection, they need the development aid or foreign assistance to fill the gap of development. To give the development aid in various forms to East Central Africa, the donor countries have competition among themselves to maintain their status. The donor countries' motivation in supplying the aid or giving the assistance to East Central Africa is different from donor to donor.