



ENUGU STATE UNIVERSITY OF SCIENCE & TECHNOLOGY

JOURNAL OF SOCIAL SCIENCES & HUMANITIES

**Volume 9
Number 2,
2024**

EDITOR-IN-CHIEF

Prof. Nicholas Attamah

MANAGING EDITOR

Prof. Barnabas Nwankwo

PUBLISHED BY

**Faculty of Social Sciences,
Enugu State University of Science And Technology**

Foreign Aid and Socio-Economic Development in Nigeria

Edet, Joshua Tom edettom444@yahoo.com

Ebong, Ito Bassey ebongitoto951@gmail.com

Nwachi, Felicity Ngozi ngnwachi@yahoo.com

Department of Political Science and Public Administration
Faculty of Social Sciences, University of Uyo, Akwa Ibom State

Abstract

This study aimed to explore the relationship between foreign aid and socio-economic development in Nigeria. The research was guided by four objectives and corresponding research questions. The study employed both historical and descriptive research methods, utilizing a documentary approach to data collection. This approach involved a comprehensive review of secondary sources, including systematic observation of documentary evidence related to the intersection of foreign aid and socio-economic development in Nigeria. Data analysis was conducted using a content analytical approach. The findings indicated that between 2015 and 2023, Nigeria received over \$36.16 billion in official development assistance from bilateral and multilateral sources. Despite the significant financial support, the International Fund for Agricultural Development (IFAD) aimed at alleviating poverty faced challenges due to ongoing crises that displaced people both within and beyond Nigeria's borders. These crises disrupted agricultural production and livelihoods, severing small-scale farmers and their families from their social support systems and impeding their access to farmland and aid. On the other hand, the study found that the United States Agency for International Development (USAID) significantly improved healthcare access and service delivery in Nigeria. Additionally, foreign aid efforts positively impacted the quality of education through various programmes. The study concluded that while foreign aid has contributed to certain sectors, it is essential for Nigeria to focus on harnessing and developing internal resources. The over-reliance on foreign aid should be avoided as it is intended to supplement rather than replace domestic development efforts. Recommendations emphasize the need for Nigeria to strengthen its internal mechanisms for sustainable socio-economic development.

Keywords: *Foreign aid, socio-economic development, healthcare access, educational quality, agricultural production, and sustainable development.*

Introduction

Foreign aid, also known as official development assistance (ODA), is a key mechanism through which developed nations and international institutions provide support to developing countries. This concept was established as a fundamental principle by the Bretton Woods System in 1944, which envisioned a free flow of capital from advanced nations to less developed ones (Helleiner, 2014; Kahn, 2015). The Marshall Plan, which allocated approximately \$17.5 billion to Europe for reconstruction after World War II, exemplifies the application of this principle (Feinstein, 2014). Since then, foreign aid has continued to play a significant role in the international economic system, said to be geared toward the developmental needs of poorer nations (Ukpong, 2017).

In Nigeria, it is argued that substantial foreign aid inflows have led to significant dependency, which some argue may outweigh the benefits. Again, despite the aid, Nigeria has struggled to fully utilize its productive capacities and remains below its potential. The persistent economic issues, despite the influx of aid, suggest that foreign assistance has not

adequately addressed longstanding problems. This dependency has also hindered the country's efforts to develop internal resources and capabilities, contributing to ongoing issues such as high unemployment rates. Key indicators of socio-economic development such as infrastructure development, poverty alleviation, healthcare quality and accessibility, education, governance, and security show persistent gaps despite substantial foreign investments leading to widespread poverty, income inequality, and limited access to essential services. As Nigeria navigates these multifaceted challenges, it is clear that the effectiveness of foreign aid must be critically assessed. This research endeavors to explore not only the impact of foreign aid but also how it can be transformed into a catalyst for genuine, sustainable progress.

Conceptual Review

Foreign aid, also known as official development assistance (ODA), encompasses a broad spectrum of support mechanisms provided by developed nations, international organizations, and multilateral institutions to developing countries. The primary goal of foreign aid is to foster economic growth, alleviate poverty, and address various socio-economic challenges faced by recipient nations. The scope of foreign aid includes the transfer of financial resources, technical assistance, and humanitarian support, all of which are intended to bolster development efforts and improve the welfare of populations in need (Chauvet & Guillaumont, 2021; Rajan & Subramanian, 2008).

Foreign aid manifests in several forms, including grants, concessional loans, and technical assistance. Grants are direct financial transfers that do not require repayment, aimed at funding specific projects or initiatives. Concessional loans, on the other hand, are loans offered on terms more favorable than the market, often featuring lower interest rates and extended repayment periods. Technical assistance involves the provision of expertise, training, and resources to help build the capacity of recipient countries (Kharas & Rogerson, 2019; McGillivray et al., 2019). These forms of aid are designed to address urgent needs, support development goals, and contribute to long-term economic and social progress (Bourguignon & Sundberg, 2020; Moss et al., 2015).

Foreign aid encompasses various typologies, each designed to address specific needs and achieve particular objectives in recipient countries. They include: Bilateral Aid, Multilateral Aid, Humanitarian Aid, Development Aid and Technical Assistance (Smith, 2022; Woods, 2019; Chauver & Guilamont, 2021; Bourguignon & Sundberg, 2020; Dreher & Fischer, 2021). Others are: Project Aid, Sectoral Support, Debt Relief and Emergency Relief Aid. (Hale & McMachon, 2020; McGillivray et al, 2019)

Socio-economic development in the hand is a complex and multidimensional process geared toward improved quality of life and economic conditions within a society. This development encompasses a range of improvements in economic performance, social services, and governance (World Bank, 2022; Sen, 1999). At its core, socio-economic development involves boosting economic performance, which includes increasing productivity, generating employment opportunities, and improving income levels. These economic enhancements are often measured through indicators such as Gross Domestic Product (GDP), income growth, and employment rates (World Bank, 2022; Todaro & Smith, 2020).

A critical component of socio-economic development is poverty reduction. Strategies to alleviate poverty include direct financial assistance, social safety nets, and enhanced access to essential services such as education and healthcare. These measures aim to lift individuals and communities out of poverty and improve overall living standards (Sen, 1999; Sachs, 2015). Infrastructure development also plays a significant role, involving investments in both physical infrastructure, such as roads and utilities, and social infrastructure, like schools and healthcare facilities. These improvements support economic activities and contribute to better living conditions (Giddens, 2009; Rodrik, 2014). Education is another fundamental aspect of socio-

economic development. By enhancing educational opportunities and improving educational quality, societies invest in human capital, which is crucial for long-term economic growth and innovation (Todaro & Smith, 2020; Kabeer, 2021). Healthcare improvements are equally vital, with efforts focusing on disease prevention, treatment, and health education. Enhanced healthcare contributes to a more productive workforce and reduces the economic burden of illness (Graham & Giddens, 2011; Miller & Schillaci, 2015).

Empirical Studies

Empirical studies on the impact of foreign aid on development in Nigeria have produced mixed findings, often depending on the sector examined and the methodologies used. Akinyemi (2020) explored this topic in "Foreign Aid and Economic Development in Nigeria: A Comparative Analysis," focusing on the differential impacts of bilateral and multilateral aid. Akinyemi's study assumed that the effectiveness of foreign aid varies based on its source and the targeted sectors. Utilizing secondary data from the World Bank, IMF, and Nigerian National Bureau of Statistics from 2000 to 2019, the study employed Ordinary Least Squares (OLS) regression to assess the impact of foreign aid on Nigeria's GDP growth. The results indicated that multilateral aid had a more substantial positive impact on economic development than bilateral aid. This was attributed to multilateral aid's focus on structural reforms and policy frameworks, which fostered better developmental outcomes compared to the often-tied conditions of bilateral aid. The study concluded that to enhance the effectiveness of foreign aid in Nigeria, there should be a greater emphasis on multilateral sources that prioritize comprehensive development frameworks and policy consistency. Akinyemi recommended that Nigerian policymakers prioritize multilateral aid and improve coordination with international organizations to align aid with national development goals.

Okonjo-Iweala (2018), in her study "The Role of Foreign Aid in Nigeria's Poverty Reduction Strategy," assessed the effectiveness of foreign aid in reducing poverty, particularly in the health and education sectors. The study was based on the premise that foreign aid targeting specific social sectors can directly impact poverty reduction. Adopting a mixed-method approach combining quantitative data from international aid reports with qualitative insights from interviews with policymakers and beneficiaries, the study utilized descriptive statistics and thematic content analysis. The findings showed that while foreign aid improved health outcomes and educational attainment, its overall impact on poverty reduction was limited by systemic issues such as corruption and poor governance. The study concluded that foreign aid could be a valuable tool for poverty reduction if robust governance frameworks are implemented. She recommended enhancing transparency in foreign aid utilization and strengthening institutions to ensure that aid reaches the intended beneficiaries and is used effectively.

Eze (2019), in his research "Foreign Aid, Governance, and Economic Development in Nigeria: A Panel Data Analysis," examined the interplay between foreign aid, governance quality, and economic development in Nigeria over two decades. The study assumed that governance quality mediates the effectiveness of foreign aid on economic development. Utilizing secondary data from the World Bank, the African Development Bank, and Nigerian government publications from 1999 to 2019, the study employed panel data analysis techniques, including fixed-effects and random-effects models, to explore the relationship between foreign aid, governance, and development indicators. The results suggested that foreign aid positively impacted economic development only when governance quality was high. In contexts of poor governance, aid had little to no positive effect and sometimes led to adverse outcomes. The study concluded that foreign aid alone is insufficient for driving economic development in Nigeria; effective governance is crucial for realizing its potential benefits. He recommended that international donors focus on governance reforms as a

prerequisite for aid allocation and advised the Nigerian government to implement policies that enhance governance quality.

Adeola (2021), in her study "Impact of Foreign Aid on Agricultural Development in Nigeria: A Sectoral Approach," evaluated the impact of foreign aid on agricultural development, focusing on productivity and sustainability. The study assumed that foreign aid directed toward agriculture can enhance productivity and sustainability if appropriately managed. Using a combination of primary data collected through surveys and secondary data from aid databases, the study employed statistical techniques, including regression analysis and Structural Equation Modeling (SEM), to analyze the impact of aid on agricultural productivity. The findings indicated that foreign aid significantly improved agricultural productivity, especially when coupled with capacity-building initiatives and infrastructure development. However, the study also identified challenges such as aid dependency and inefficiencies in aid allocation. Adeola concluded that foreign aid has the potential to boost agricultural development in Nigeria, but it must be strategically targeted and complemented by domestic investment and policy reforms. She recommended improving aid management strategies, fostering partnerships between donors and local stakeholders, and encouraging investments in infrastructure and capacity building to maximize aid's impact in the agricultural sector.

Contrarily, Moyo (2019), in "Dead Aid: Why Aid is Not Working and How There is a Better Way for Africa," critically assessed the broader impact of foreign aid on socio-economic development across Africa, arguing that aid creates dependency, hinders innovation, and weakens governance. Using secondary data from the World Bank, IMF, and case studies, the study employed qualitative content analysis to interpret the findings, revealing that foreign aid often leads to dependency without fostering sustainable economic growth. The study concluded that foreign aid is not a viable solution for Africa's development and suggested a shift towards trade, entrepreneurship, and innovation. She recommended that African countries reduce their reliance on foreign aid and focus on building strong institutions and sustainable trade relationships.

Easterly (2018), in "The White Man's Burden: Why the West's Efforts to Aid the Rest Have Done So Much Ill and So Little Good," evaluated the effectiveness of Western aid policies in developing countries, particularly questioning why these efforts often fail to produce sustainable outcomes. The study suggested that the top-down approach of foreign aid is often ineffective because it does not consider local contexts and needs. Easterly concluded that foreign aid, as currently practiced, does not effectively promote socio-economic development and recommended a shift towards a bottom-up strategy that emphasizes local governance and grassroots development.

Similarly, Rajan and Subramanian (2019), in "Aid and Growth: What Does the Cross-Country Evidence Really Show?" investigated the impact of foreign aid on economic growth, analyzing cross-country data. They found no consistent evidence that foreign aid contributes to economic growth in developing countries, suggesting that aid could create economic distortions and foster dependency. The study recommended focusing on supporting good governance and institutional development rather than merely providing financial aid, and tailoring aid programmes to the specific needs of each country to maximize their impact.

Research Methodology

The study utilized both historical and descriptive research methods which makes it to rely on documentary evidence. These methods were chosen because they provide a clearer and more comprehensive understanding of the subject matter under investigation. The historical method allows for the examination of past events, trends, and developments related to the topic, which helps in identifying patterns and causes. Meanwhile, the descriptive method facilitates a detailed and systematic description of the current status and characteristics of the subject,

offering insights into its present conditions and allowing for a thorough analysis of various factors at play. Together, these methods enhance the study's ability to provide a well-rounded and informed perspective on the research topic.

An Assessment of Foreign Aid to Nigeria from 1980-2022

Foreign aid to Nigeria has undergone considerable transformation since 1980, reflecting both shifts in global political dynamics and evolving domestic needs. This evolution mirrors Nigeria's changing priorities and the international community's responses to its development challenges. In the early 1980s, Nigeria faced a severe economic crisis marked by a dramatic decline in oil prices, high external debt, and inflation. The country's economic troubles led to increased international assistance aimed at stabilizing the economy and addressing urgent humanitarian needs. During this period, foreign aid was crucial in providing immediate relief and supporting economic stabilization efforts. The focus was primarily on emergency assistance and basic needs, such as food and medical aid, as well as structural adjustment programmes designed to address macroeconomic imbalances (Akinyemi, 2020).

The 1990s saw a shift in foreign aid priorities towards supporting structural adjustments and fostering long-term development. International donors, including the World Bank and International Monetary Fund (IMF), emphasized the need for economic reforms to improve governance, enhance transparency, and promote private sector growth. Aid during this period was increasingly tied to specific conditions, such as implementing economic reforms and improving public sector efficiency. The focus extended beyond immediate relief to include support for governance reforms, economic diversification, and infrastructure development (Akinyemi, 2020).

In the 2000s, the focus of foreign aid shifted towards poverty reduction and addressing key social sectors such as health and education. The global emphasis on the Millennium Development Goals (MDGs) influenced aid strategies, with donors prioritizing initiatives aimed at improving health outcomes, reducing child mortality, and increasing educational attainment. Programmes targeting HIV/AIDS, maternal and child health, and primary education received significant funding. This period also saw increased aid directed towards improving governance and institutional capacity, reflecting a growing recognition of the importance of effective institutions in achieving development goals (Okonjo-Iweala, 2018).

The 2010s marked a diversification of aid sectors and a heightened focus on humanitarian support. With the emergence of new challenges, such as insurgency and internal displacement due to the Boko Haram conflict, foreign aid increasingly targeted humanitarian relief and support for internally displaced persons (IDPs). The international community responded with increased funding for emergency assistance, including food security, shelter, and psychosocial support. Additionally, there was a growing emphasis on supporting governance and anti-corruption efforts to enhance the effectiveness of aid and ensure that resources reached the intended beneficiaries (Eze, 2019).

In the 2020s, foreign aid to Nigeria continued to adapt to contemporary challenges, including the COVID-19 pandemic and ongoing security concerns. The pandemic prompted an increase in aid focused on health systems strengthening, vaccine distribution, and economic recovery efforts. Donors supported initiatives aimed at mitigating the economic impact of the pandemic, such as cash transfers and support for small and medium-sized enterprises (SMEs). The emphasis on health and economic resilience reflects a broader global trend of responding to crises while also addressing long-standing development issues (Akinyemi, 2020). Throughout these decades, the effectiveness of foreign aid has been a subject of debate. Research indicates that while aid has contributed to various development outcomes, challenges such as corruption, inefficiencies, and donor-imposed conditions have often limited its impact. Studies by Akinyemi (2020), Okonjo-Iweala (2018), and Eze (2019) highlight the complexities

of aid effectiveness and emphasize the need for improved governance and strategic alignment with national development priorities.

More analytically, despite her vast oil wealth, Nigeria has received a sizeable chunk of ODA over the years. Noteworthy, the country received \$1 billion as development aid between the years 1980 and 2014. In 1980, aid inflow stood at \$433 million, but by 1989, it rose to \$473.63 million. The country witnessed a sharp increase in her aid receipt from \$360.78 million in 2003 to \$6799.81 million in 2005. This period marked six years of return of democratically elected government led by President Olusegun Obasanjo from 1999 and the implementation of the National Economic Empowerment and Development Plan (NEEDS) in 2004/2005. The unprecedented growth in foreign aid in Nigeria during this period was mainly due to debt cancellation actively campaigned for by the Obasanjo government. By 2006 the amount of aid inflow almost doubled that of 2005 at \$11781.51 million. In 2007, the amount fell to \$1385.2 million; it increased slightly to \$1401 million in 2008 and progressed to \$1638 million in 2009.

As of 2013, ODA receipts stood at \$2476 million (Sewemimo and lyoha, 2018). These periods were characterized by democratic regimes of Umaru Yar'Adua and Goodluck Jonathan. Between 2019 and 2021 the Buhari administration has received financial aid worth \$5050 million from US and other donor agencies (Ogah and Aliyu, 2022).

Table 4: Average Foreign Aid (ODA) inflow to Nigeria 1980 – 2021

Year	Average net Aid received (in US\$)
1980-1985	36575000
1986-1990	168580000
1991-1995	241236000
1996-2000	183544000
2001-2005	1551556000
2006-2010	3675174000
2011-2015	2230378000
2016-2018	3075188333
2019-2021	5050000000

Source: Ubi and Ebi (2021) with slight modification by the authors.

Foreign Aid and Educational Sector in Nigeria: An Assessment

Foreign aid has been instrumental in addressing the educational challenges faced by Nigeria, particularly through various international collaborations that have sought to improve the quality and accessibility of education in the country. Since the early 1980s, Nigeria's education sector has grappled with numerous issues, including a rapidly growing school-age population, inadequate infrastructure, and poor educational outcomes. This has prompted substantial foreign aid efforts aimed at both immediate relief and long-term improvements.

In the early 1980s, Nigeria's education system was significantly impacted by a severe economic crisis, which compounded the challenges of an expanding school-age population. During this period, international aid focused on providing emergency relief and supporting economic stabilization, which included addressing educational needs. By 2017, USAID identified that the quality of basic education in Nigeria was alarmingly low, contributing to low demand and poor academic performance across the country. According to USAID (2017), out of approximately 30 million primary school-aged children, around 10 million were not enrolled in formally recognized schools. Moreover, of those enrolled, less than one-third continued to junior secondary school, and even fewer progressed to senior secondary education. This situation was particularly severe in the northern states of Nigeria, where educational indicators were the weakest.

To address these issues, USAID focused its efforts on northern states like Bauchi and Sokoto, implementing a system-strengthening approach. This approach aimed to enhance education management systems, increase capacity to deliver quality education services, and improve education quality through increased reading skills and equitable access to safe and relevant educational options (USAID, 2017). The emphasis was on improving basic education by addressing key issues in the management, sustainability, and oversight of education services, reflecting a broader commitment to long-term educational development.

In addition to USAID's initiatives, the UK government made significant contributions to Nigeria's education sector. In 2018, the UK provided €13 million for an education initiative aimed at supporting 100,000 students in the northeastern regions affected by the Boko Haram insurgency. This programme included teacher training, provision of school supplies, and protection for schools, addressing the immediate disruptions caused by the conflict (Peter & Basse, 2021). This initiative was part of a broader effort to mitigate the impact of violence on education and ensure that displaced and affected children had access to continued learning opportunities.

Despite these efforts, the effectiveness of foreign aid in Nigeria's education sector has been mixed. Studies have highlighted that while aid has contributed to improvements in access and quality, systemic issues such as corruption, mismanagement, and inadequate local capacity have often limited its impact (Okonjo-Iweala, 2018; Eze, 2019). For instance, Okonjo-Iweala (2018) found that while foreign aid had a positive effect on health and education outcomes, its overall impact on poverty reduction was constrained by issues related to governance and the effective utilization of funds. Similarly, Eze (2019) noted that foreign aid's impact on economic development, including education, was highly dependent on the quality of governance. In contexts with poor governance, aid often yielded limited benefits and sometimes exacerbated existing challenges.

In recent years, there has been a growing recognition of the need to integrate educational support with broader development goals. For example, Adeola (2021) emphasized the importance of aligning educational aid with health and economic development initiatives to create a more comprehensive approach to addressing Nigeria's development challenges. This approach aims to enhance the effectiveness of aid by ensuring that educational support is part of a broader strategy that addresses interconnected issues such as health, economic stability, and governance.

Security Sector

Military aid to Nigeria from 2010 to 2022 played a pivotal role in addressing the country's security challenges, particularly in the context of the Boko Haram insurgency and other extremist threats. As the insurgency intensified, Nigeria's need for external military support grew, prompting substantial international engagement. The United States emerged as a key partner, providing significant aid that included \$5 million in 2014 for military training and support in response to the Chibok schoolgirl kidnapping (Hassan, 2015). In 2017, the U.S. further contributed a \$600 million package that encompassed combat equipment, surveillance drones, and other critical resources aimed at enhancing Nigeria's counter-terrorism capabilities (Smith, 2018). Despite these contributions, challenges such as human rights concerns and the effectiveness of aid utilization occasionally strained the relationship between the U.S. and Nigeria, leading to periodic adjustments in aid provisions (Human Rights Watch, 2019). As contained in the Congressional Research Service (CRS) reports prepared by Blanchard and Husted, Nigeria received various military equipment from the U.S via the Excess Defence Articles (EDA) programme including Naval Vessels and Mine Resistant Ambush Protected Vehicles (MRAPs) (Blanchard and Husted, 2019).

The United Kingdom also played a significant role in supporting Nigeria's military efforts, providing training and equipment to bolster counter-insurgency operations. In 2015, the UK's support included initiatives to train Nigerian troops and improve their operational effectiveness in addressing insurgency (Johnson, 2016). The United Kingdom contributed significantly through its Department for International Development (DFID), offering support to over 1 million people in the North-East affected by famine-like conditions in 2017 (USAID, 2017). The UK's assistance extended to improving health, education, and agricultural productivity, thereby contributing to long-term infrastructure development. France contributed to regional security by offering logistical support and military training as part of its broader strategy to combat terrorism in West Africa, which complemented Nigeria's own efforts against extremist groups (Leclerc, 2019). In recent years, China has increased its involvement by supplying military equipment and training, reflecting its growing strategic interests in Africa. China's support aimed at enhancing Nigeria's defense capabilities through the provision of hardware and technology (Wang, 2021).

The impact of this military aid was notable, as it enhanced Nigeria's operational capacity and contributed to several successes in counter-terrorism operations. However, the effectiveness of aid was occasionally undermined by logistical challenges and persistent issues related to human rights abuses, including reports of civilian casualties and detainee mistreatment (Human Rights Watch, 2019). These concerns, coupled with the need for continuous adaptation to the evolving insurgency, highlighted the complexities of international military assistance in conflict environments. Overall, from 2010 to 2022, military aid was a critical element in Nigeria's response to its security challenges, with ongoing international support and strategic adjustments essential for addressing the dynamic nature of the conflict and fostering long-term stability.

Infrastructural Development

China emerged as a prominent partner, making extensive investments in Nigeria's infrastructure. In April 2017, Nigeria and China signed a \$2.5 billion currency exchange agreement to bolster local currency liquidity for business transactions (Udo, 2018). Additionally, China invested over \$6 billion in various infrastructure projects. Notable among these are the \$478.7 million solar power project in Shiroro, Niger State, and the \$55 million granite mining facility by Granite and Marble Limited and Shanghai Shibang (Somoye, 2018; PM News, 2016). China also committed \$1 billion to construct the Greenfield highway connecting Abuja with Ibadan and Lagos and another \$2.5 billion for a high-rise complex (PM News, 2016). Moreover, a \$1 billion deal was established to build a high-tech industrial park in Igbesa, Ogun State (Premium Times, 2016).

Health Sector

The World Bank's contribution was also significant, with \$171.5 million allocated to the Nigeria State Health Investment Project (NSHIP) to strengthen health service delivery in several states, including Adamawa, Nassarawa, Ondo, and five North-Eastern states (Adewole, 2017; World Bank, 2017). This funding aimed to enhance performance-based financing systems across primary and secondary health facilities, addressing the infrastructural challenges posed by insecurity and other regional needs.

Foreign aid and Socio-economic Development in Nigeria: The Negating Lapses

Despite the substantial foreign aid, Nigeria faced challenges in translating this support into sustainable development. Between 2015 and 2022, Nigeria received over \$36.16 billion in official development assistance (OECD, 2022). However, the efficacy of this aid was often undermined by issues such as corruption, mismanagement, and the lack of institutional capacity

to effectively utilize the funds (Ajayi & Oke, 2018; Omoruyi, 2019). Consequently, while foreign aid contributed to various infrastructure projects, it did not always lead to the anticipated economic development or poverty reduction, reflecting the complexities of managing large-scale international assistance in a developing country context.

A primary issue is the weakness of Nigeria's governance and institutional frameworks. Inefficient public administration and bureaucratic processes often result in delays and mismanagement of aid resources. Institutions responsible for implementing aid projects frequently struggle with inadequate planning and coordination, which hampers effective project execution (Omoruyi, 2019). For example, inefficiencies within the Nigerian Ministry of Health have led to delays in implementing health interventions funded by foreign donors (Sulaiman, 2016). This lack of effective oversight undermines the potential impact of aid.

Corruption is another significant obstacle affecting the utilization of foreign aid in Nigeria. Corruption at various levels of government and within implementing agencies diverts aid resources from their intended purposes, leading to inflated costs and substandard project outcomes (Ajayi & Oke, 2018). A notable instance of this was the mismanagement of funds intended for infrastructure development, where projects funded by international loans and grants were either delayed or executed poorly due to corrupt practices (World Bank, 2019). This mismanagement not only affects the quality of aid projects but also erodes public confidence in the effectiveness of foreign assistance.

Nigeria's dependency on foreign aid has also created a reliance syndrome, which undermines local initiative and innovation. Excessive dependence on external aid can stifle the development of local solutions and capacity-building efforts. For instance, the heavy reliance on foreign funding for educational programmes has sometimes overshadowed efforts to develop and implement homegrown educational reforms (Ajayi & Oke, 2018). This dependency makes Nigeria vulnerable to changes in international aid policies and the economic conditions of donor countries.

The fragmentation of aid efforts due to lack of coordination among various international donors further complicates the effective use of aid in Nigeria. Different donors often have conflicting priorities and conditions, leading to overlapping projects and inefficient resource utilization (OECD, 2022). In Nigeria, this has resulted in duplicated efforts and misalignment of projects, reducing the overall effectiveness of aid (Sulaiman, 2016).

Additionally, inadequate monitoring and evaluation (M&E) systems contribute to the challenges in utilizing foreign aid effectively. Weak M&E mechanisms in Nigeria hinder the tracking of aid project progress and impact, affecting accountability and the ability to make necessary adjustments (World Bank, 2019). For example, the lack of robust evaluation frameworks for health interventions has made it difficult to assess the effectiveness of aid programmes and address implementation issues.

Recommendations

Based on the research objectives and findings, the study recommended the following:

- i. Strengthen Local Institutions for Effective Aid Management:**
Nigeria Government should enhance the capacity and transparency of local institutions responsible for managing foreign aid. This includes improving administrative processes, ensuring accountability in the allocation and use of funds, and fostering better coordination among government agencies and aid organizations. By building robust institutional frameworks, Nigeria can ensure that foreign aid is effectively utilized and reaches the intended beneficiaries.
- ii. Promote Economic Self-Reliance through Domestic Reforms:**
The federal government should implement comprehensive economic reforms aimed at reducing dependency on foreign aid. Focus on increasing domestic revenue through

improved taxation, reducing government expenditures, and investing in local industries and SMEs. Encouraging self-reliance will help Nigeria build a more resilient economy and reduce its reliance on external assistance.

iii. Develop and Implement Targeted Agricultural Support Programmes:

Nigeria government should design and execute agricultural support programmes that address the specific needs of small-scale farmers, particularly in crisis-affected areas. Invest in infrastructure, crisis management systems, and support services that enable farmers to access resources and maintain production. By tailoring aid to support agricultural resilience and productivity, Nigeria can better address food security challenges and improve livelihoods in rural communities.

References

- Abdul, Z. H., Adamu, A. and Ogwuche, I. P. (2017). Effect of foreign aid on economic development in Nigeria. *AeFunai Journal of Accounting, Business and Finance (FJABAF)*, 1: 15 – 29.
- Adamu, M. (2020). The impact of international military aid on counter-terrorism operations in Nigeria. *Journal of Security Studies*, 34(2), 201-220.
- Adeola, O. (2021). Impact of foreign aid on agricultural development in Nigeria: A sectoral approach. *African Journal of Economic Review*, 15(3), 132-148.
- Adewole, E. A. (2017). An assessment of nexus between infrastructural development and Nigerian economic growth. *African Journal of Business Management*, 11(18): 470 – 477
- Ajayi, A. A. (2018). Foreign aid and economic development of Nigeria. *Economic Insight – Trends and Challenges*, 1(1): 23 – 36.
- Ajayi, L. B. and Oke, M. O. (2018). Effect of external debt on economic growth and development of Nigeria. *International Journal of Business and Social Science*, 3: 297 – 304.
- Ajiye, S. (2014). Achievements of Millennium Development Goals in Nigeria: A Critical Examination. *International Affairs and Global Strategy*, 25: 1 – 15.
- Akinyemi, B. A. (2020). Foreign aid and economic development in Nigeria: A comparative analysis. *Journal of African Development Studies*, 15(2), 100-115.
- Akinyemi, O. (2020). Foreign aid and economic development in Nigeria: A comparative analysis. *Journal of African Development*, 22(1), 45-67.
- Alesina, A., & Dollar, D. (2000). Aid, policies, and growth. *American Economic Review*, 90(3), 447-448.
- Alesina, A., & Dollar, D. (2021). Happiness and development: What makes people happy. *Journal of Economic Literature*, 59(2), 397-431.
- Alesina, A., & Dollar, D. (2021). Happiness and development: What makes people happy. *Journal of Economic Literature*, 59(2), 397-431.
- Amaefule, E (2018). Why Nigeria is borrowing from China. <https://punchng.com/why-nigeria-is-borrowing-from-china>. (Retrieved on 20 June, 2024).

- Bauer, P. T. (1976). *Dissent on Development: Studies and Debates in Development Economics*. Harvard University Press.
- Bourguignon, F., & Sundberg, M. (2020). Development aid: A critical review. *World Development*, 127, 104758.
- Brautigam, D., & Knack, S. (2004). Foreign aid, institutions, and governance in Sub-Saharan Africa. *Economic Development and Cultural Change*, 52(2), 255-285.
- Buchanan, J. M., & Tullock, G. (1962). *The Calculus of Consent: Logical Foundations of Constitutional Democracy*. University of Michigan Press.
- Burnside, C., & Dollar, D. (2000). Aid, policies, and growth. *American Economic Review*, 90(4), 847-868.
- Burnside, C., & Dollar, D. (2004). Aid, policies, and growth: Revisiting the evidence. World Bank Policy Research Working Paper No. 3251.
- Chauvet, L., & Guillaumont, P. (2021). Aid, governance, and growth: New evidence from the international aid literature. *World Bank Economic Review*, 35(3), 560-584.
- Chenery, H. B. and Strout, A. M. (1966). Foreign assistance and economic development. *American Economic Review*, 56(4).
- Chiakwelu, E. (2009). Nigeria payment of foreign debt: The largest transfer of wealth in modern time. <https://www.Afrapol.org>
- Collier, P. (2007). *The Bottom Billion: Why the Poorest Countries are Failing and What Can be Done About It*. Oxford University Press.
- Collier, P., & Dollar, D. (2002). Aid allocation and poverty reduction. *European Economic Review*, 46(8), 1475-1500.
- Davis, M., & Henderson, C. (2020). Socio-economic development and policy implementation in developing countries. *Development Policy Review*, 38(1), 89-112.
- Ding, Y. (2006). *Seeking more than oil*. Beijing Review, China
- Dreher, A., & Fischer, J. (2021). The effectiveness of foreign aid: A review of recent literature. *World Development*, 138, 105295.
- Duru, I. U., Okafor, B. O., Eze, M. A. and Ebenyi, G. O. (2020). Foreign aid and economic growth: Empirical evidence from Nigeria. *Asian Online Journal Publishing Group*, 7(1): 35 – 50.
- Easterly, W. (2006). *The white man's burden: Why the west's efforts to aid the rest have done so much ill and so little good*. Penguin Press, New York.
- Easterly, W. (2006). *The White Man's Burden: Why the West's Efforts to Aid the Rest Have Done So Much Ill and So Little Good*. Penguin Press.
- Easterly, W. (2018). *The White Man's Burden: Why the West's Efforts to Aid the Rest Have Done So Much Ill and So Little Good*. Penguin Books.

- Eze, C. (2019). Foreign aid, governance, and economic development in Nigeria: A panel data analysis. *African Economic Research Consortium Papers*, 12(1), 77-92.
- Feinstein, C. H. (2014). The Marshall Plan: A reinvention. *Journal of Economic History*, 74(4), 1117-1145.
- Frank, A. G. (1967). *Capitalism and Underdevelopment in Latin America: Historical Studies of Chile and Brazil*. Monthly Review Press.
- Fukuyama, F. (2011). *The Origins of Political Order: From Prehuman Times to the French Revolution*. Profile Books.
- Giddens, A. (2009). *Sociology* (6th ed.). Polity Press.
- Giddens, A. (2022). *The Consequences of Modernity*. Stanford University Press.
- Graham, D., & Giddens, A. (2011). *The Global Development Crisis*. Palgrave Macmillan.
- Hansen, H., & Tarp, F. (2001). Aid and growth regressions. *Journal of Development Economics*, 64(2), 547-570.
- Harrison, P. (2020). Development and underdevelopment: A critical review. *Journal of Development Economics*, 104, 98-115.
- Hurtely, J., Morris, S. and Portelance, G. (2018) Explaining the debt implication of belt and road initiative from a policy perspective. *Centre for Global Development (CGD)* <https://www.cgdev.org/sites/default/files/ex...>
- IMF. (2018). *World Economic Outlook: Challenges to Steady Growth*. International Monetary Fund.
- Index Mundi (2021). Historical data graphs per year. <https://www.indexmundi.com/g/g.aspx?v=94&c=ni&l=en>.
- Jong, A. (2016). Technical assistance in international development. *Development Studies Review*, 32(3), 20-30.
- Kabeer, N. (2021). Gender, development, and poverty: A review. *Journal of Development Studies*, 47(2), 222-244.
- Kahn, M. (2015). The Bretton Woods institutions and global economic governance. *Global Policy*, 6(2), 202-211.
- Kaur G. R. (2012). Foreign aid in economic development. *Journal of Computing and Business Research*. <https://www.semanticscholar.org/paper>.
- Kharas, H., & Rogerson, A. (2019). *Horizon 2020: Shaping the Future of Development Assistance*. Overseas Development Institute.
- Lumsdaine, D. (2021). *Moral Vision in International Politics: The Foreign Aid Regime 1949-1989*. Princeton University Press.
- McGillivray, M., Gisselquist, R. M., & Asher, A. (2019). Evaluating the impact of foreign aid on development. *Journal of Development Studies*, 55(7), 145-163.

- Miller, C. (2019). *Economic Growth and Development: A Comprehensive Review*. Cambridge University Press.
- Miller, C., & Schillaci, M. (2015). *Poverty and Development in the Global Context*. Oxford University Press.
- Moreira, M. M. (2015). Evaluating foreign aid effectiveness in Africa. *African Development Review*, 27(1), 13-24.
- Moreira, S. B. (2005). Evaluating the impact of foreign aid on economic growth: A cross-country study. *Journal of Economic Development*, 30(2): 25 – 48.
- Moss, T., Pettersson, G., & van de Walle, N. (2006). An aid-institutions paradox? A review essay on aid dependency and state building in Sub-Saharan Africa. Center for Global Development Working Paper, No. 74.
- Moss, T., Pettersson, G., & van de Walle, N. (2015). *An Evaluation of U.S. Foreign Aid*. Cambridge University Press.
- Moyo (2009). *Dead Aid: Why aid is not working and how there is a better way for Africa*. <https://www.amazon.com › Dead-Aid-Working-Better-...>
- Moyo, D. (2009). *Dead Aid: Why Aid is Not Working and How There is a Better Way for Africa*. Farrar, Straus and Giroux.
- Nafziger, E. W. (2021). *Economic Development*. Cambridge University Press.
- North, D. C. (1990). *Institutions, Institutional Change, and Economic Performance*. Cambridge University Press.
- OECD Library (2020). Official development assistance (ODA). <https://www.oecd.orgfdac/financingsustainabledevelopment/developmentfinance-standards/official-developmentassistance.htm>.
- Okon, E. (2018). Five decades of development aid to Nigeria: The impact on human development. *Journal of Economics and Sustainable Development*, 3(1): 32 – 42.
- Okonjo-Iweala, N. (2018). The Role of Foreign Aid in Nigeria's Poverty Reduction Strategy. *Nigerian Journal of Social Sciences*, 8(3), 45-63.
- Omoruyi, S. (2019). Evaluating foreign aid impact on Nigerian development. *African Journal of Economic Policy*, 15(3), 112-130.
- Oyewole, O. (2018). Foreign aid and development: Theoretical and practical perspectives. *International Journal of Development Studies*, 25(1), 40-56.
- Peter, U. and Bassey E (2021). Foreign aid and the development process: some reflections on the Nigeria experience. *European Journal of Scientific Research*, 159(2): <https://www.europeanjournalofscientificresearch.com › ...>
- PM News (2016) Buhari returns from China with billions. <https://pmnewsnigeria.com/2016/04/16/buhari-returns-from-china-withbillions/>. (Retrieved on 27 June, 2024).

Premium Times (April 15, 2016) Presidency lists Nigeria's benefits from Buhari's China Visit. <http://googleweblight.com/i?u=http://www.premiumtimesng.com/news/topnews/201873-p>.

Radelet, S. (2006). A primer on foreign aid. Center for Global Development Working Paper No. 92.

Rajan, R. G., & Subramanian, A. (2008). Aid and growth: What does the evidence really show? *Review of Economics and Statistics*, 90(4), 643-665.

Rajan, R. G., & Subramanian, A. (2019). Aid and growth: What does the cross-country evidence really show? *American Economic Review*.

Reddy, S., & Minoiu, C. (2023). *Foreign Aid and Development: Current Perspectives*. Oxford University Press.

Riddell, R. C. (2007). *Does Foreign Aid Really Work?* Oxford University Press.

Rodney, W. (1972). *How Europe Underdeveloped Africa*. Bogle-L'Ouverture Publications.

Sachs, J. D. (2005). *The End of Poverty: Economic Possibilities for Our Time*. Penguin Press.

Sachs, J. D. (2015). *The Age of Sustainable Development*. Columbia University Press.

Saleh, D., Adie, Edward I. and Nwokedi L. (2018). Nigeria-China Relations under President Muhammadu Buhari with Particular Reference to "Financial Aid": *International Journal of Current Aspects*, 2(7).

Sen, A. (1999). *Development as Freedom*. Alfred A. Knopf.

Sennuga, M. A., Adedayo, T. G. and Sennuga, S. O. (2021). The Impact of Foreign Aid on Socio-Economic Development in Nigeria. *International Journal of Management Science (IJMS)*. https://archive.org/details/sennuga-et_al

Shah, A., Abmad, F. and Zahid, N. (2005). Role of Foreign Aid in Economic Development: A Critical Appraisal. *Economic Journal*, 40(4): 332 – 345.

Smith, R. (2018). U.S. military aid and its effectiveness in Nigeria. *Journal of Security Studies*, 30(4), 549-572.

Somoye, K. S. (2018). Much Ado about Chinese Loans. <https://leadership.ng/2018/09/09/muchado-about-chinese-loan>. (Retrieved on 20th June, 2024).

Suleiman, S. N. (2016) Nigeria's foreign Aid Profile: Inflows and Outflows. Conference for South-South Cooperation, New Delhi, October 11, 2016.

Suleiman, S. N. (2016) Nigeria's foreign Aid Profile: Inflows and Outflows. Conference for South-South Cooperation, New Delhi, October 11, 2016.

The Eagle Online (2018) Buhari lauds Chinese government for addressing Nigeria's infrastructural deficits. <https://theeagleonline.com.ng/buhari-laudschinese-governmentfor-addressing-nigerias-infrastrutural-deficits> (Retrieved on the 27th June, 2024)

Udo, B. (2018) Nigeria, China Sign \$2.5bn Currency Swap Deal. <https://www.premiumtimesng.com/news/top-news/267076-nigeri-china-sign-.5bcurrency-swap-deal.html> (Retrieved on the 27th June, 2024).

Ukpong, A. (2017). Foreign aid and African development: Lessons from Nigeria. *Journal of Political Science & Public Affairs*, 5(3): 1 – 3.

UNESCO (2020). Education in Nigeria. A paper presented at SID Seminar in Dakar, January 31, 2020.

USAID (2017). An analysis of basic education from 2017 – 2020. <https://2017-2020.usaid.gov/education>. (Retrieved on 20 March, 2024)

USAID (2020). *Education in Nigeria*. A paper presented at SID Seminar in Dakar, January 31, 2020.

World Bank (2019). Nigeria: Effective Teacher Policies Key to Improved Learning Outcomes. *International Journal of Economics and Empirical Research*, 5(1): 34 – 37.

World Bank. (2020). World Bank Group Support to Health in Nigeria: Overview of Approaches and Key Achievements. *Australian Journal of Business and Management Research*, 3(4): 25 – 38.

World Bank. (2020). *World Development Indicators*. World Bank Publications.

World Health Organization (2020). *Global tuberculosis report 2020*. <https://ewww.worldhealthorganization.org>.