

Foreign Aid And Nigeria's Economic Development In A Globalized World (2010 – 2016)

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Abstract: *In this paper, we understudied foreign aid to Nigeria during Jonathan's Era (2010-2016). The study was necessitated by the need to interrogate the seemingly incorrigible economic retrogression of the country vis-a-vis the quantum of financial cum economic and development assistance from donor agencies, lending institutions and development partners over time for economic development. This study explored foreign aid as it relates to economic development in an era of globalization using Complex Interdependency Theory as the framework to analyze the interwoven variables in the aid coordination. The major proponents of this theory are Robert O. Keohane and Joseph S. Nye. This Theory dwells fundamentally on mutual dependency, sensibility and vulnerability of countries and transnational actors. On this process, the paper employed content analysis to analyze data sourced mainly from secondary data generation. Our finding is that Nigeria has received leviathan sum in development assistance which presupposes attaining a great height in its economic developmental strides which unfortunately she has not. The so called foreign aid not being an act of generosity, the aid conditions arm twist the leaders into submission to the western interest thereby forsaken their Country's. Against this backdrop, the paper recommends inter-alia that for Nigeria to develop her economy and sustain its development quest, it shall ensure effective aid coordination and strict compliance to aid management framework.*

Keywords: Foreign Aid, Economic Development, Globalization, Dependency, Nigeria

1. INTRODUCTION

It is a proven fact that aid to developing country like Nigeria is nothing but a diplomatic apparatus in pursuit of the national interest of the donor nations thus what Ejiyor said readily comes to mind, when he said that "the best seller of diplomacy was aid". Therefore, so long as these loans, grants, development projects are not paid, the country is tired social and economically and must compile with the dictates of the donor in the chess board of international system.

To emphasize that this aid is not a free gift of nature but rather a business venture with profit making as its fundamental goal may be over flogging. Unfortunately, successive Nigeria government tends to see these aids as a largesse and manifestation of a benign rapprochement between Nigeria and the donor which landed the country into debt crisis and economic stagnation. Aid industry having been established as one of the cardinal objectives of the Breton woods system in 1944 was structured as unrestricted inflow of foreign aid, Investment, and a free capital to the recipient entity. This was intended by the organizers in aiding Western Europe to rebuild and resuscitate the ruins occasioned by World War II, through the Marshal Plan. This Official Development Assistance was later converted and entrenched as a phenomenon of international economic system, which unfortunately metamorphosed into instrument of cohesion and consolidation for strategic considerations and diplomacy. Foreign aid as it is today gain prominence during the cold War era in the 1970's, when the two world powers; the Soviet Union and the United States are in the tussle of ideological supremacy. The U.S used aid process to gain

access and further as bulwark to assuage the spread communism and ensure cordiality towards the United States.

There is this heated controversy on the essence of foreign aid. On the one hand are the proponents of Official Development Assistance spear-headed by Jeffrey Sach, a great defender of aid process in his book "The End of Poverty" who argues that many countries are caught in a poverty trap and therefore advocate for increase in aid flow but the recipient countries monitored closely to achieve the millennium Development Goal of eradicating extreme poverty by 2025, the same with Burnside and Dollar (2000) that collaborated the positive effect on growth of aid when combined with right policies and right institutional conditions.

On the other hand, ex-researcher economist in the World Bank, William Easterly was holding a strong but consist contrasting view on the aid industry. William Easterly in his book 'The White Man's Burden' followed a total opposite approach by criticizing the aid industry and thereafter, rejected the concept of aid. His assertion was however collaborated by myriad of empirical literature that contended that foreign aid is not ineffective in boosting economic growth but has failed to eradicate extreme poverty in recipient countries in sub Saharan Africa like Nigeria. Hobson (1971) in joining the debate asserts that behind the Rhetoric of the white man's burden and that of nationalist, that imperialism or neo-imperialism was nothing but a violent and a ruinous Exploitation of colonized people which benefitted mainly the economically dominant class. Therefore, a critical appraisal of Nigeria developmental strides calls for a review of her Official Development Assistance, and the possible effect: positive or negative and if negative, how can the country harness it to her advantage.

They are two kinds of aid to these countries by the donors, which are bilateral or multilateral donations. Bilateral donations are those from one government to another while multilateral donations are those from groups such as World Bank, United Nations and International Monetary Fund. These were the forms of aid that Nigeria gets from these countries or the international organization that can situate as development assistance, for this discourse: Project aid, Programme aid, Technical aid, Humanitarian aid, and Food aid.

It is of note to say that there is disenchantment and disillusionment concerning foreign aid to developing countries even in the donor nations, which lead to the agitation on how to obstruct aid. However, it is this agitation that lead to the unveiling of the masked intentions of giving out aids to the developing countries. When President John F Kennedy in September 1963, (Eze, 2017:94) said:

How significant it has been in assisting them to get into market where they would have no entry and no experience and which has traditionally been European...last year 11% of our exports were financed under our aid programme. And the importance of this aid to our export is increasing...

He reiterated so when he said that it is a method by which the United States maintains a position of influence and control around the world and sustains good many countries which would definitely collapse or pass into the communist bloc.

Beyond all intents and purposes, foreign aid is basically defined as all public official development assistance received by a country which can be in the form of loan or grant. Foreign aid excludes all private donation and billions of remittances sent home to developing countries to their families by oversea workers. No wonder only a few Nigerians are convinced that the crisis of economic development and poverty is not Nigeria's own making. Nigeria's development experts and scholars among them are Claude Ake, Ibe Chinweizu, and Osmond Osinachi, etcetera has blamed foreign aid for the continued and seemingly intractable development crisis confronting the country.

The contention among many Nigerian scholars like Osinachi (2010) is that the more the developed economies of the West relates with developing countries like Nigeria, the poorer these developing countries became which led to the assertion that Nigeria's war on poverty is amounting to begging and submissiveness, that coarse the nation into reforms that have made Nigerians poorer. Easterly (2007b) contend that government that receives these aid explicitly lower the productive capacity of the country to avoid creating a political atmosphere that may threaten the inflow of aid which may even include positive policy for wealth creation and transparency. A general misconception is that foreign aid has fundamentally benefited the ruling elite in Nigeria as well as in other African states essentially because it has helped in sustaining and perpetuating corruption in

government, and encouraging all manner of pervasions by the leadership. This, in the final analysis, helps in entrenching the pervasive underdevelopment that has become symptomatic of Nigeria's evolution as a state.

The foregoing observation notwithstanding, we cannot deny the fact that foreign aid to Nigeria has not helped in any way to ameliorate hardship for many of Nigeria's poor, but the truth is that such aid has failed to promote any significant economic development. The basic philosophy of providing foreign aid is that it will accelerate functional economic development that would be envisioned to providing aid to the poor rural and urban communities. We agree that offering assistance to a country like Nigeria by the more economically developed countries is a worthy cause but it is worrisome to observe that over five decades of this continuous assistance it has not produced the desired result.

Moyo (2009:40), succinctly captured foreign aid and its effect on African economies in her studies when she said that:

African countries who received billions of dollars in aid are slipping further into poverty as those African countries rejected by donor are records in her sing economic gains. She argues that foreign aid promotes corruption among recipient governments, destroys the market process and further promotes poverty. This process according to her becomes a viscous cycle where countries receiving aid become more dysfunctional, unaccountable, and destitute, encouraging aid dependence.

The World Bank records say that over 62% of Nigeria's 170 million people live in extreme poverty with its external debts is \$15.73 billion Dollars as at 31st December 2013. In a report by the same World Bank (2016), Nigeria's having been obligated significantly higher than average for all countries in Sub-Saharan African with an increase of 116% between 2010-2015. Her aid inflow in 2015 alone is about \$460 million U.S Dollars from the United States alone. In 2012 alone, Nigeria got \$300 million pounds from UK government while she got \$336 Dollars from the US alone in the same year in aid.

It is indeed disheartening that despite the enormous amount of foreign aid that has poured into Nigeria, the country is still grappling with intense poverty and crisis of economic development. The idea of foreign aid has always been compatible with the central theme of economic development, and was accepted as a possible escape from the chronic underdevelopment that is characterized by undeveloped infrastructure and dualistic economies.

Atwood (2012:4), chairperson of OECD, Development Assistance Committee in 2012 said that, over the last 50 years about 3.5 trillion Dollars was given to the poor countries as development assistance. While 12.5 % of the world population of about 850 million people is still under nourished (FAO, 2012) 1.2 billion people live in extreme

poverty accounting for only one percent of the total consumption at the global level (UN, 2013).

From the above assertions, it is obvious that donors and its agencies accepted that the idea of Foreign aid has always be compatible with the central theme of economics development as a route of escape from chronic underdevelopment and abject poverty.

2. STATEMENT OF THE PROBLEM

Sach (2011) contends that most African countries are trapped on chronic poverty and hopelessness thereby making them utterly dependence on foreign aid. He went on to point out that countries like Mali, Burkina Faso, Guinea and Ethiopia and almost Sub Saharan African countries rely directly and indirectly on foreign aid.

However, Sachs' worry is that most of the times, those who are in dire need of this critical humanitarian assistance often end up not getting them which is currently the case in South Sudan, Central African Republic, Sierra lone, and even Nigeria. For Instance, the internally displaced people in the north eastern Nigeria flowing from the deadly Boko Haram insurgencies are in dire need of assistance because their living conditions are desperate.

A report by UNICEF (2016) said that about 20% of children in the camp are malnourished and half of the pregnant women are also malnourished without prerequisite drugs for their condition. What is painful in all these is that UNICEF has repeatedly complained to Nigeria government that some of the materials have been routinely deviated by agencies of the state and officials of National Emergency Management Agency (NEMA).

One of the first Instinct of Nigeria in its development stride was to use her enormous resources and assistance from her friends, allies, and multinational agencies which include International Monetary Fund and Paris club etcetera. The quest for this needed assistance come the theme Foreign Aid. Foreign aid being pecuniary grants and other material donations by one government to another for economic development in forms of loan, grants, however, though, this kind of aid has assumed an integral part of political economy and international economic relations. The ultimate objective of the donor is to convert superior economic power into a pattern of political alignment that would improve its regional or global standing. (Asogwa et al, 2000:16).

The major challenge with this Foreign aid is that the United States and other western countries use the western controlled International Monetary Fund (IMF) and the International Bank for Reconstruction and Development (IBRD) to chain the third world countries to them. Thus when granting "bilateral aid or credits through these two agencies, demand was tendered to developing countries (including Nigeria) to alter their domestic policy, close down the state sector, and offer broader access to development aid as an instrument of political pressure and interference in the recipient's internal affair (Vladimir:1984:123).

Regrettable, this undulating access into the internal machinery in the recipient countries like Nigeria led to over \$63 Billion USD debt as at 2016(DMO) without tangible evidence for this humongous sum, for instance, lack of power which is the hallmark of economic development, absence of National carrier (airline) and abandoned and debilitating Railways. An important area in foreign aid industry in Nigeria, which seems to be neglected is on how to harness foreign aid as presently structured to Nigeria's economic advantage. Our concern and attention was drawn to the lacuna despite the quantum of literature on foreign aid like a street saying that "when you can't beat them you better join them" simply because the issue of assistance or aid is inevitable to all developing economy.

In this regards, this study is an effort to reverse this ugly trend, and bridge the gap. As a research problematic, we securitize the historic background of foreign aid with intent to do a critique of aid industry in Nigeria, suggest possible determinant factors in aid failure, to redesign the industry's procedure for effectiveness and how Nigeria could harness the gains of foreign aid.

3. REVIEW OF RELATED LITERATURE

Meaning and Nature of Foreign Aid

Foreign aid like every social construct has remained a subject of definitional contest. According to Asogwa and Omemma (2000:166),

Foreign aid represents pecuniary grants and other material donations by one government to another. This kind of aid has assumed an integral part of political economy and international economic relations The ultimate objective of the donor is to convert superior economic power into a pattern of political alignment that would improve its regional or global standing. The recipient expects foreign aid to generate resources of power, welfare and prestige.

Williamson (2009) perceives of foreign aid as all public official development assistance received from governments, non-government organizations, businesses, and individuals of one country given to the people of another country to help reduce poverty and achieve sustainable development. This is seen by aid antagonists as an inducement for the recipient country to behave in a way that would supplement the donor's exertions or substitute for them.

The Nigeria Planning Commission (NPC) defines the official development assistance otherwise called foreign aid as "concessionary financial flows aimed at promoting economic growth and human development and consisting of concessionary loans, grants and technical assistance" (NPC, 2008) simply because it perceives foreign aid from the financial point of view. In developing countries, foreign aid is regarded as a possible source of capital and this is why many of these poor countries go hand in cap as an avenue to secure the needed capital for investment and possible development. Orakwue (2012) worries is in the proper

utilization of this windows of opportunity available to developing countries like Nigeria to bridge their resource gaps. A further definition and exposition manifested of the so called foreign aid when Senator Leahy (congressional Record July, 25th, 1996: S8734) said that “helping in the developing of the third world is usually the biggest and fastest grow market” for the US products; it creates jobs; and “the more exports; Americans create the more jobs they create and the fastest growing and the biggest potential markets is in the third world.”

For the purposes of this study, we adopted the definition that we considered as the standard definition of foreign aid, that is as given by the Development Assistance Committee (DAC) of the Organization for Economic Cooperation and Development (OECD), which defines foreign aid (or the equivalent term, foreign assistance) as

Financial flows, technical assistance, and commodities that are first and foremost designed to promote economic development and welfare as their main objective (thus excluding aid for military or other non-development purposes); and secondly are provided as either grants or subsidized loans. Grants and subsidized loans are referred to as concessional financing, whereas loans that carry market or near-market terms (and therefore are not foreign aid) are non-concessional financing.

Going with the DAC submission, a loan counts as aid if it has a “grant element” of 25 percent or more, meaning that the present value of the loan must be at least 25 percent below the present value of a comparable loan at market interest rates. Thus, the grant element is zero for a loan carrying a 10 percent interest rate, 100 percent for an outright grant, and something in-between for other loans.

Nigeria’s Foreign Aid Experience

Flowing from the modernization theorist like W. W Rostow argued that development and underdevelopment are both sides of a coin. And that which brought development in the development economies of the world wrought underdevelopment to the development countries. So in accessing the historical experience of Nigeria on foreign aid, we have to ride through two historical epochs; the United Nations resolution of 1970, where the United Nations yielded to the pressure by the developing countries on the developed countries to ameliorate the economic disadvantage fostered on them through colonialism and other past disadvantageous relationship between the two divine. Bakare (2011) contended that:

Financing and technical assistance should be aimed exclusively at promoting the economic and social progress of developing countries and should not in any way be used by the developed countries to the detriment of the national sovereignty of the countries. Developed countries will provide, to the

greatest extent possible, an increased flow of aid on a long-term and continuing basis. International Development Strategy for the Second United Nations Development Decade, UN General Assembly Resolution 2626(XXV).

The second epoch was the oil shocks of 1973 and 1979 which caused a serious financial downturn for these countries. Bearing in mind, that the prescription of the modernization theorist that made foreign aid a form of reparation for the evils of colonialism. It is pertinent here to mention that United States and other Western nations adopted this modernization theorist prescription as their foreign policy thrust. It must be stated that foreign aid has had a long history with Nigeria as a developing country in dire need of economic development. However, the demand for foreign aid can be largely attributed to the oil shocks of 1973 and 1979 respectively that basically complicated the balance of payment, financing of projects and other difficulties of the most developing countries that depended solely on oil like Nigeria to balance this deficit or at least cushion the attendant hardship and distortion of its economic development, external loans and grants other sources became imperative for survival.

The genesis of Nigeria’s external debt can really be traced back to 1958, when 28 million US dollars was contracted from the World Bank for Railway construction. Records had it that the major borrowing of 1 billion US dollars referred as jumbo loan that was contracted from the International Capital Market (ICM) in 1978 which increased astronomically the debt profile of the nation to 2.2 billion US dollars. (Sulaiman, 2012).

The increase in fiscal deficit consequent upon high level of borrowing and its attendant debt servicing became a major obstacle to economic development of the country. With the situation mentioned above, most of her citizen slide below poverty line accompanied in increment of numerous macroeconomic problems, such as inflation, unemployment, neglect of agriculture, misappropriation, corruption and sole dependency on mono source of revenue. Without doubt I align myself to the resultant effects of external debt management on the economic growth of Nigeria for a period under review for various bilateral and multilateral contracts with a conclusion that accumulation of external debt adversely affected Nigeria’s economic growth.

Types of Foreign Aid

Development Assistance Committee of the organization for Economic Cooperation and development (OECD) insist that aid qualifies as ODA on these three criteria

- i) It has to be undertaken by official agencies and the flow has to go the developing country government.
- ii) Its major thrust must be for economical development and welfare.
- iii) And that it must have the grant element of discount of 10-25%

- A) **Official Development Assistance (ODA):** This is the largest, consisting of aid provided by donor governments to low- and middle-income countries.
- B) **Official Assistance (OA):** This is aid provided by governments of richer countries with per capita incomes higher than approximately \$9,000 and to countries that were formerly part of the Soviet Union or its satellites.
- C) **Private Voluntary Assistance (PVA):** This includes grants from non-government organizations, religious groups, charities, foundations, and private companies

The Correlation Between Aid and Economic Development of Nigeria

One major argument in favour of foreign aid is that it has the capacity to stimulate or drive economic development in Nigeria as well as other African countries. This argument has been defaulted by scholars and development workers in Africa. Review of related literature on this subject-matter indicated that foreign aid has rather exacerbated economic under-development, not just in Nigeria but also in many African countries.

Khor (2001:6-10) was among the scholars of political economy who alerted the developing countries of the aim behind aid to them when he asserted that Aid is the main instrument driving the policy moves in the indebted developing countries towards liberalization, Privatization, Deregulation and a withdrawal of the state from economic and social activities. Loan conditionality has thus been the major mechanism for the global dissemination of the macroeconomic policy packages that are favoured by the governments of the North.

Furthermore, Khor opined (2001) Globalization is a very uneven process, with unequal distribution of benefits and losses. This imbalance leads to polarization between few countries and groups that gain, and the many countries and groups in society that lose out or are marginalized. Globalization, polarization, wealth concentration and marginalization are therefore linked through the same process. To be specific, the globalization of power and policy making in the global economy makes it extremely difficult if not impossible for Nigeria and indeed Africa and other developing economies to break out and plan for economic development rather than to depend and carry out policies that are largely distortive and unprogressive for Nigeria. Khor (2004:4) said that the most important and unique features of the current globalization process is the "globalization" of national policies and policy-making mechanisms. National policies (including economic, social, cultural and technological areas.) that until recently were under the jurisdiction of states and people within a country have increasingly come under the influence of International Agencies and big private corporations as economic or financial players.

This has led to the erosion of national sovereignty and narrowed the ability of governments and people to make

choices from options in economic, social, and cultural policies. The consequence of globalization of policies is that we forego our right to think for ourselves and adopt policies that are likely detrimental to the country knowing full well that our peculiar situations or circumstances which include, environment, culturally and socially too were not place at fore before such decisions are taken and policies formed.

This process in the decision-making is done at the expense of the power of state or political and its social leaders. This most of the times leads to liberalization of markets, free flow of capitals and technological development of the developed countries of Europe and America to us. It is the liberalization of trade in an unequal trade relationship is very evident in our foreign exchange rates and the high cost of living and doing business in the country that warranted the relocation of major conglomerate to the neighboring Ghana from Nigeria.

Following the critical review of the myriad of literature by experts and eminent scholars. One cannot but to agree with them on their postulation as they are obviously crystal clear for everybody to see. In fact, I am overwhelmed with the level of his prediction on the subject matter, mainly because the globalization process had denied the political and social actors in the country from making laws according to the yawning and the aspiration of the people but rather according to the dictates of the multi nationals like International Monetary Fund. Moyo (2009): in her celebrated treatise did argue that

Giving alms to Africa remains one of the biggest ideas of our time - millions of our people march for it, governments are judged by it, celebrities proselytize the need for it. Calls for more aid to Africa are growing louder, with advocates pushing for doubling the billions of dollars in international assistance that come to Africa each year. Yet, evidence overwhelmingly demonstrates that aid to Africa has made the poor poorer, and the economic growth slower. The insidious aid culture has left African countries more debt-laden, more inflation-prone, more vulnerable to the vagaries of the currency markets and more unattractive to higher-quality investment... Aid is an unmitigated political, economic and humanitarian disaster for Africa.

Appraising the totality of the international system, its dynamics, mechanics, and direction as it affects Nigeria, one cannot fail to identify specific historical experience that prompted the present underdeveloped nations, that is to ascertain the mode of integration; analyze the extent in which the integration could impact the new players in the capitalist economy had and still continue to have on the underdeveloped countries and finally, examine the nature of post-colonial dependence, Neo-colonialism, and the exploitive tendencies of the multinational corporation said Olofin (in Okereke and Ekpe 2002). Garvine (2009) remarked that:

Few will deny that there is a clear moral imperative for humanitarian and charity-based aid to step in when necessary such as in natural disasters. Nevertheless, it is necessary to remind ourselves that there are limitations to what emergency and charity-based aid can and cannot do. Aid-supported scholarships have certainly helped send African girls to school. This kind of aid can provide bad-aid solutions to alleviate immediate suffering, but by its very nature cannot be the platform for long-term sustainable economic growth.

The critical issue here is not necessarily on such charity-based aid irrespective of its advantages or disadvantages. The crux of the matter is the unequal exchange which has polarized the world into Developed and developing countries that was converted into reservoir of cheap labour for the industrial developed countries; it also ensured that these developing countries are dependent on the developed countries for manufactured goods as well as technology for its development.

Another cardinal point here is that when one compares such charity-based aids they will pale into insignificance when compared to the enormous amount of money that floods into Nigeria annually in government-to-government aid or aid from large development institutions such as the World Bank. Moyo (2009) has argued that in the last five decades that despite over \$ 1 trillion Dollars of developmental aid transferred from the rich countries of the West to Africa, rather than actual development measured in real per capita to increase, it went down from the figures of the 1970's and that over 50% of the population is living on less than a dollar a day.

Conscious of the harmful effects of foreign aid on the domestic economy, many African countries, especially Nigeria embarked on diplomatic overtures for debt cancellation. She therefore concluded, thus

Even after the very aggressive debt-relief campaigns in the 1990s, African countries still pay close to \$20 billion in debt repayments per annum, a stark reminder that aid is not free. In order to keep the system going debt is repaid at the expense of African education and health care. Well-meaning calls to cancel debt mean little when the cancellation is met with the fresh infusion of aid, and the vicious cycle starts up once again.

It will be recalled that in 2005, the International Monetary Fund (IMF) published a report wherein it stated that; "Aid Will Not Lift Growth in Africa. There is need for caution by governments, donors and campaigners to be more modest in their claims that increased aid will solve Africa's problems."

The above cited words of caution are very instructive for all leaders and political actors in Nigerian and in fact all loan dependents in the Third World and developing economies. Foreign aid undermines the people's faith in themselves and their capacity to take their destiny in

their own hands. The implication of this is captured by Akokpari (2004:254) when he posits that

Under the age-long saying that "you cannot bite the fingers that feed you", leaders of African countries are unable to speak out in defense of their people or even national interests when threatened by global capitalist domination essentially because the leaders need this aid to sustain a system that thrives on corruption and through which they are the greatest beneficiaries. No national economy develops in this way.

The most obvious criticism of aid is its links to rampant corruption. Aid flows destined to help the poorest of the poor end up supporting bloated bureaucracies in the form of the poor-country governments and donor-funded non-governmental organizations. The above assertion by Akokpari was actually affirmed by Jeffrey Winter, in a hearing before the U.S. Senate Committee on Foreign Relations in May 2004, when he contended that; "The World Bank had participated in the corruption of roughly \$100 billion of its loan funds intended for development as at 2004".

The African Union (AU) in 2002 estimated that corruption was costing the continent \$150 billion a year, as international donors were apparently turning a blind eye to the simple fact that aid money was inadvertently fueling graft. With few or no strings attached, it has been all too easy for the funds to be used for anything, save the developmental purpose for which they were intended.

A term that describes how large inflows of money can kill off a country's export sector, by driving up home prices and thus making their goods too expensive for export. Aid has the same effect. Large dollar-denominated aid windfalls that envelop fragile developing economies cause the domestic currency to strengthen against foreign currencies. This is catastrophic for jobs in the poor country where people's livelihoods depend on being relatively competitive in the global market. To fight aid-induced inflation, countries have to issue bonds to soak up the subsequent glut of money swamping the economy.

Theoretical Framework

In this paper, the Complex interdependency was utilized. This theory was developed in the late nineteen seventies by Robert O. Keohane and Joseph S. Nye, which was a major challenge to fundamental assumptions of tradition and structural realism which focused on military and economic capabilities to explain state behavior. On the contrary, complex interdependency model highlighted the emergence of transnational actors vis-à-vis the state actors in trying to synthesize the realist and liberal perspectives while it concluded that the neo liberal perspective has attached importance to the welfare and trade of the state in foreign policy issues.

In the words of Keohane and Nye (1977) Complex interdependency relates to a state of being determined or significantly affected by external factors. Complex

Interdependence simply defined means mutual dependence. Interdependence in the world of politics refers to situations that are characterized by reciprocal effects among countries and among actors in different nations.” However, Complex interdependence is said to have anticipated what is now known as globalization.

In the contemporary globalized world, the term interdependence is a common parlance in International relation. This is so because, the situation in the World Politics entails that all actors including states and as well as non-state actors like the multinational corporations depend on each other. And so, beside pursuance of its direct interests, the actors also act as conveyor belts, making government policies in various countries more sensitive to the affairs of each other.

Despite the significant of this theory, Keohane and Nye (1977) cautioned that interdependence should not be defined completely as a situation of evenly balanced mutual dependence as they asserted. It is asymmetric independence that is mostly likely to provide sources of influence for actors in their dealings with one another. Less dependent actors can often use the interdependence relationship as a source of power in bargaining over an issue and perhaps to affect other issues.

Genest.(1996:140) contended that complex interdependence is “an economic trans-nationalist concept that assumes that states are not only important actors but that social welfare issues on the global agenda ,and co-operation is as important is as dominant a characteristic of international politics as is conflict” The cardinal aspect of the definitional terms is that complex interdependence is a combination of two opposite political views because it integrated both the element of power politics and economic liberalism as it is inculcates both cost and benefits of interdependence relationship.

Bhatty (2015) in his contribution said that under the mutual dependence, the relationship between the actors involved, including states as well as other transnational actors is characterized by both competition, conflict and cooperation. This proves the argument that the policies and actions of one actor invariably have a direct impact on the actions and the policies of the other actor and vice versa.

Kegley and Wittkopf (2004) argued that the game of international politics revolves around the pursuit of power; increasing it, protecting it and using it to bend others to one’s will” as cited by Bhatty (2015). The relationship of inter-dependency among countries, that is between two or more economies in world trade, assumes the form of dependence when the dominant ones determines the rules of interaction only as a reflection of its expansion, which can have either a position or negative effect in their immediate development. This position has been elaborated by Sunkel who observed that

Foreign factors are seen not as external but as intrinsic to the system, with manifold and sometimes hidden or subtle political, financial, economic, technical and cultural effects inside the under-

developed countries. This, the concept of “dependena” links the post-war evolution of capitalism internationally, to the discriminatory nature of the local process of development, as we know it. Access to the means and benefits of development is selective”, rather than spreading them, the process tends to ensure a self-reinforcing accumulation of privilege for special groups as well as the continued existence of Marginal class.

Frankel (1975) sees development and underdevelopment as two different sides of a universal historical process. To him, what causes dependency or under development in third world is as a result of what brought about development in Europe and America. Complex Interdependence is therefore a theory which emphasizes the complexity of growing ties between transnational actors and ways in which they become mutually dependent, sensitive and vulnerable to each other.

To bring the theory home we have to look at the characteristics of the international system where it is implemented. According to Burchill, (1996:86) the following is the three main characteristic of international system:

- :i) The ordering principle of the system which is anarchic rather than hierarchical.
- ii) The character of the units in the system
- iii) The distribution of the capabilities of the units in the system

The ordering principle of the system is anarchic in the absences of any overarching regulating authority over the behaviour of the Nations states in their relationship. Based on the fundamental functions of a state like security concerns, all states irrespective of size or position defend their autonomy. As per character of each state for security and survival, but style in pursuance of this objectives varies in accordance to their placement in international system, however, the functions are definitely the same. Distribution in international system is unequal and constantly shifting of capabilities and the consistent struggle to maximizing their survival and autonomy maintains the anarchic in the system.

For these Modernization theorist like Immanuel Wallerstein, Andre Gunder frank etc, development and underdevelopment are two sides of a coin and it implies that the activities which bring about development in capitalist countries also bring about underdevelopment in Third world countries. Take for instance, the international trade between the developed and developing countries; while it brought development to the capitalist centre, the same incident brought under-development in third world periphery countries.

The Complex Interdependency Theory showcases the unequal relationship that exists between the advanced nations of Europe and America with Third world countries of Africa, Latin America and Asia and therefore can rightly to be said to have been a break-through in the international relations. In this relationship, imposition of new economic system, like globalization which entails participation in the

global market with developed economies of the West accompanied with changes in social and economic structures of the developing countries.

This change comes along with new structures, consumption style, and technological systems. With this the developing countries grew more dependent upon global trading, financing, and investment systems. Again, with multilateral institutions of the West like World Bank, IMF, and transnational banks funding mirage infrastructural programmes in developing country, which result into multi-billion Dollar loans coupled with financing of expensive infrastructure project and to import capital intensive technologies.

This institutions of developed nations also finance researches in “new” Agricultural technologies that could “modernize” the developing countries thereby creating conditions of dependency by the developing countries on these transnational companies for technology and the agricultural input of the developing countries. Through this mechanism the poor countries export primary commodities to the rich countries who then manufacture products out of these primary commodities and sell them back to these poorer countries at exorbitant rates. The “value added” by manufacturing a useable product always cost more than the primary products used in manufacturing such products. Because of this, these poorer countries would never earn enough money to compensate their in-balance.

Debt burden crisis has contributed largely to poverty and underdevelopment in third world countries because funds that ordinarily would have been use for development purposes are channeled into debt servicing which is a well setup trap for these countries. George (1990:143) argues that:

Debt is an efficient tool because it ensures access to other peoples’ raw materials and infrastructure on cheapest possible terms. Dozens of countries must compete for shrinking export markets and export only a limited range of products because of Northern protectionism and their lack of capital to invest in diversification.

Market saturation ensues, reducing exports income to a bare minimum while the “North” enjoys huge savings. The IMF cannot understand that investing in a healthy, well-fed, literate population is the most intelligent economic choice a country can make. In furtherance to the devastating situation of debt servicing on the developing countries, they have to export more of the raw materials and minerals in order to raise enough money to service these debts timeously and avoid its consequence.

The law of demand and supply emphasizes that when the supply is more than the demand, the price must fall comes to play here. The resources of the developing country’s flood the global market in their quest to pay up, becomes cheaper which of course favours the West. Finally, George continued that in other for these developing countries to stabilize its currency and earn foreign Exchange with which to pay off its debts, it must have to abide with

the condition precedent before those facilities were given to them by the international institutions.

These conditions including, spending less both in infrastructure or human development, reduce consumption and remove regulations; thereby creating a price war by compelling a lot of these nations into the global market place before they are economically and socially stable to participate. As a result, wealth is transferred from the periphery to the imperial centre without raising dust in any quarter. This we must agree is unfair and one way of entrenching dependency and in fact exploitive.

The wealthy and developed countries sell products to be consumed, not tools to produce. This maintains the monopolization of tools of production, and assures a continuation of market for their products (such control of tools of production is a strategy of a mercantile pro which requires a military might to control.) Smith concluded by saying that this is the reason for industrialize product exporting/commodity-importing country is wealthy and the undeveloped product-exporting/commodity-importing is poor.

A renowned development expert Chinweizu, (1983) cautioned that The North since colonialism to imperialism, have tailored the economies of African countries to be dependent on them. And that the system was structured to promote a limited development of the third world economies so as to make them more serviceable to the West interest. As a result of these, African countries are incapable of internally generating the financial resources essential for overcoming poverty and guaranteed sustainability of economic development.

In Prebisch’s view, poorer countries should embark on programmed of import substitution so that they need not purchase the manufactured products from the richer countries. The poorer countries will still sell their primary products in the world market. But their foreign exchange reserve will not be used to purchase their manufactures from abroad. To him, issues make this policy of import substitution difficult to follow. The first is that the internal market of the poorer countries may not large enough to support the economics of skill used by the richer countries to keep their prices low.

Another issue of concerns is the political Will of these developing countries to decide whether to transform from the production of primary products to industrialization. The final issue revolves around the extent to which the developing countries actually have control of their primary products particularly in the area of selling those products abroad.

These obstacles to the import substitution policy led other thinkers to think a little more creatively and historically at the relationship between the developed and underdeveloped countries. It was at this point that the dependency theory was viewed as a possible way of explaining the persistent poverty of the poor countries in the third world such as Nigeria. This Globalization of trade policy, et cetera prompted Mahathir Mohamed, the then

prime minister of Malaysia in saying that even third world countries (which seem helpless and powerless in the globalization process) Cherish their independence, no matter its limitations and would not like to be colonies again but are now faced with globalization, a single world in which they know they will have a little say, their voices drowned, and their interest ignored in the pursuit of global interest and objectives as defined by others.

Succinctly put differently, is that Nigeria is integrated into global market not as equals but a lesser partner. The assertion going a long way in support of Okafor et al (2012) contend that globalization is a euphemism for capitalism and a synonym for colonialism. Wohlmuth (1999:63) argues what is needed most in Africa in this era of globalization are

Innovative approaches in aid programmes; external interventions at the most- and micro-governance level basically because any change in political regime will not directly affect an ongoing development assistance programme. Foreign aid can be effective if there are changes in existing internal political and public administration systems that facilitate efficiency, because aid itself cannot induce or initiate social and economic change.

4. FOREIGN AID AND NIGERIA'S ECONOMIC DEVELOPMENT (2010-2016)

The philosophy behind foreign aid or what is generally referred to as development assistance is that it will accelerate development in the country receiving such assistance. However, it has been suggested that such aid has often been abused by the leaders of the benefitting state and this is why Anup Shah (2012) argues that foreign aid is often regarded as being too much, or wasted on corrupt recipient governments despite any good intentions from donor countries. According to Shah, in reality, both the quantity and quality of aid have been poor and donor nations have not been held to account.

Largely from the in depth interview, we gathered that the issue in contention is multi-dimensional. There are numerous forms of aid, from humanitarian emergency assistance, to food aid, military assistance, etc. Development aid has long been recognized as crucial to help poor developing nations grow out of poverty. In 1970, the world's rich countries agreed to give 0.7% of their GNI (Gross National Income) as official international development aid, annually. Since that time, despite billions given each year, rich nations have rarely met their actual promised targets. For example, the US is often the largest donor in dollar terms, but ranks amongst the lowest in terms of meeting the stated 0.7% target.

First and foremost, any agency or country that want to offer any assistance must go through the Ministry of Budget and National Planning to sign agreement with the country, the idea is that the Ministry needs to monitor to ensure the use of the fund and that it will not be contrary to

policy both in economic, political and socially (Eze). In addition to this, most aid does not actually go to the poorest that would need it the most. Aid amounts are dwarfed by rich country protectionism that denies market access for poor country products, while rich nations use aid as a lever to open poor country markets to their products. Large projects or massive grand strategies often fail to help the vulnerable as money can often be embezzled away.

In this work, we try to explore strategy on how to harness foreign aid for Nigeria's development. Over the last half century, foreign aid has emerged as a dominant strategy for permeating in the third world. Not coincidentally, during this time period major international institutions, such as the United Nations, World Bank, and International Monetary Fund gained prominence in global economic affairs. Yet it seems that sixty years later, the lesser developed countries (LDCs) of the world continue to suffer from economic hardship, raising questions of whether foreign aid is a worthwhile and effective approach to boosting growth and development in recipient economies.

Then how does foreign aid affect growth? This is a question that has attracted the attention of many scholars over several decades. The empirical evidence obtained from these extensive studies has been mixed. In between, however, are some others who argue on the role of economic policy in determining the effectiveness of foreign aid in aid recipient countries. Pedersen (1996) argues that it is not possible to conclude that the foreign aid has a positive impact on growth. Morrissey (2001) claimed that aid works well conditional on other variables in the growth regression.

Mosley (1980), found evidence to suggest that aid has no impact on growth. Many other authors find no evidence that aid affects growth in developing countries. By and large, the relation between aid and economic growth remains contestable. Developing countries like Nigeria are indeed characterized by low level of income, high level of unemployment, very low industrial capacity utilization, and high poverty level just to mention a few of the various economic problems these countries are often faced with. In addressing these problems, foreign aid has been suggested as a veritable option for augmenting the meager domestic resources.

While some Asian countries that have benefited from foreign assistance at one time or the other have grown such that they have become aid donors (South Korea, North Korea, China etc.), majority of countries in Africa like Nigeria have remained backward. Nigeria has continued to benefit from all sorts of foreign assistance and in fact from statistics available, Nigeria's foreign aid increased substantially having been obligated in 2014 to 116% increment. Yet socio-economic development has remained dismal.

While there could be so many factors both qualitative and quantitative explaining these unfavourable trends, the incessant socio-political crisis, policy inconsistency due to lack of development blue print (development rolling plan) macroeconomic instability and

bad governance evident in many developing countries which are indeed indicators of poor policy framework, should give one a pause. At a glance, it may seem that the growth in development of export commodities like oil, Cocoa, rubber would be beneficial to the exporting country like Nigeria, since it earns income in revenue. But in actual fact, it represents a type of exploitation called unequal exchange. Every developing country that exports only crude commodity as in this case and or its raw material may gain pittance from their sale, but they lose the little that they make from the export on the importation of finished products. The reason being that the processed commodity with added labour turns out more expensive.

A vast majority of developing countries depend on Primary commodity as a main source of their revenue. In some cases, primary commodities account for about 50% of its export earning and many of these developing countries continue to rely solely on one or very few primary commodities for a very sizeable share of its foreign exchange earnings. Thus a country that exports its crude Oil and does not have the capacity to refine, must import its produced components like Premium Motor Spirit (PMS), NGO, and Kerosene as finished products at much higher than the price of the crude. The country that processed the raw commodity definitely makes more revenue due to the added labour and expertise (Robbins 1999).

Iyoha and Oriakhi (2002:1) that contended that Nigeria and many other African countries still face monumental development problems. A critical appraisal of the economies of African countries with the exclusion of South Africa indicates that Nigeria as well as other African countries is classified as some of the poorest countries in the world as at 2015. World Bank Report (2015:7) the GDP per capita in Nigeria, when adjusted by purchasing power parity is equivalent to 32% of the world average. GDP per capita PPP in Nigeria averaged 3819 USD from 1990 until 2015, reaching an all-time high of 5639.45USD in 2014 and a record low of 2739.59USD in 1995.

If we reduce this fact to its bare bones, it will be seen from the above, that the purchasing power parity of Nigeria's average real income has been dismally unprogressive, thus making Nigeria and indeed Sub Sahara Africa the poorest region. This has not been made any easier by the fact that Nigeria has remained a peripheral player in global economic relations. Consequently, Nigeria's economy has remained anemic and feeble thus forcing millions of people enmeshed and remained enslaved in poverty. The consequence then, according to World Bank Report (2013:3), is that "Nigeria, where both the number and the proportion of people in poverty rose, has the largest share of people living on less than \$2.5USD a day".

But for the purposes of this work, we shall be looking at those itemized above that can be combined to form what we call development aid. This disenchantment and disillusionment concerning development aid to developing countries, by agitating on how to obstruct aid as they complain that not only that these aids do not show any

sign of visible achievement, but rather their taxes keep going higher due to aid to be donated to the recipient countries which warranted quoted popular saying of two former American Presidents. President John F. Kennedy said that it is a method by which the United States maintains a position of influence and control around the world and sustains good many countries which would definitely collapse or pass into the communist bloc. On another occasion, President George W. Bush who also said that foreign aid is a key that developed countries can employ to alleviate resource scarcity, reduce inequalities and support policy reforms in the developing world (Collier and Dollar 2004).

But for all intent and purposes, foreign aid is basically defined as all public official development assistance received by a country which can be in the form of loan or grant. Foreign aid excludes all private donation and billions of remittances sent home to developing countries to their families by oversea workers. It is pertinent to have a review of this foreign aid that Nigeria has received in the very recent years.

The Benefits of Foreign Aid to Nigeria under Jonathan

Here, we analyzed the basic issue raised in chapter one of our study. The first step is to investigate the import of foreign aid on Nigeria's development within the period understudy. To analyze this concept, we implore data collected on the key arguments in this regards. The import of foreign aid was discussed under the following thematic headings.

Ownership and participation in aid management process in the country.

This is evident in the policy of counter-part funding of projects in aid with the development Partners like the World Bank in FADAMA one, two, and three agricultural initiatives, and UNICEF in the immunization of children under the age of five years with that of pregnant women for protection against the killer diseases for the mother and the unborn child.

On health, the Jonathan administration utilized the foreign aid on health effectively that resulted in World Health Organization (WHO) declaring Nigeria as Polio free country in the year 2013. The administration reduced to a very large extent child mortality rate which includes under five-month old mortality rate, infant (1year) mortality to his immunization programme that was adhered to religiously. For example, the administering of the OPV3 usually referred to as triple, BCG, DPT, Vitamin A with the distribution of Long Lasting Insecticide Treated Nets (LLIN) The administration was religious in its immunization programme against the five deadly diseases that health workers parade all the nooks and crannies of the country including churches and mosques to immunize this group of people.

It is based on the result of this extensive immunization of children and expectant mothers and its consequent, that some states of Enugu, Anambra, Lagos and Gombe introduced free and compulsory Malaria treatment, ante natal and post natal care free for women, Children and

aged people in this various states in the federation. In combating HIV/AIDS scourge in Nigeria, Jonathan's administration in collaboration with its Development Partners (GHAIN, WORLD BANK, AID RELIEFS.) embarked on an aggressive education and sensitization of the populace on the management of the deadly virus and administration of anti retroviral drugs for those living with HIV and AIDS. With the proper awareness, knowledge, and handling the HIV/AIDS prevalence, Scaling up of voluntary counseling and Test of HIV down to the community level.

Finally, the transformation of actions committee on AIDS to Agency for the control of HIV/AIDS is a big plus for the administration in the management and coordination of aid process. It is on record that, WHO had proclaimed over time that malaria kills more people in Sub Sahara Africa than even the HIV and AIDS epidemic. In malaria control and treatment was another benefit of foreign aid in Nigeria during the period under study. It is verifiable that a remarkable improvement has been record in treatment and control of malaria parasite through the following measures;

- i) Capacity building of health workers
- ii) Continuous advancement in research for drugs in the control of malaria, especially as malaria parasite develops resistance to all know drugs within a very short space of time.
- iii) Supply of cold chain equipment
- iv) Logistic support to public health facilities at both the state and Local Government Council levels and even some private health facilities.
- v) Subsidizing of popular effective drugs through the support of these partners.

On education, the Jonathan's administration also performed excellently well in regards to its UBE programme. Before the inception of his administration, if there was any attempt that were made by the previous regime to redress the decay, devastation and dilapidation of infrastructure in the entire school system was apparently not visible to assuage the dilapidation. His government through foreign aid programme embarked on total renovation of the existing primary school building in all the states and 776 Local Government Areas in the country through Universal Basic Education and payment of its counter-part cash contribution.

The government also embarked in construction of a new prototype model class room blocks that is designated in the national colours of green and white. Supply of desk to different primary schools in the country and finally and foremost, is the transfer of salaries of primary school teachers from local government council to universal basic Education platform managed by the state governments. With the transfer, salaries and emoluments of primary school teachers were paid as at when due which did curb the incessant industrial actions and the distortion of academic calendar of primary school which is the foundation of educational pyramid.

Finally, despite all odds and international conspiracy against this government, in other to frustrate its

bid for reelection, the administration struggled to contend the insurgencies in the north East Nigeria occasioned by the Islamic fundamentalist the Boko Haram against Nigeria state and its people. Nigeria's Development Partners which includes France, Israel and United Kingdom at a time supported the government in the fight against this deadly religious fundamentalist group especially in the attempt to rescue the school girls taken hostage by this Boko Haram sect in Government secondary school village community Chibok, in Borno State in the North East Nigeria.

Meanwhile some of this aid came in form of training of Nigeria's military personnel in anti-terrorism and insurgency. We strongly believed that through this training and retraining of our defense personnel, have really helped Nigeria to combat to a halt the insurgence that was bent on destruction of Nigeria as a free and non religious nation into an Islamic caliphate.

The other side of Foreign Aid on Nigeria's Development

Despite the foregoing benefits, the cost of foreign aid is very heavy on the recipient country. Prominent economists and research scholars share different opinions about the impact of foreign aid to host country's macro and micro policies. Eregha (2009:309-312) who has assert that the import of foreign aid has recently been under severe scrutiny. According to him, several scholars have argued that a very large portion of foreign aid flowing from developed to developing economies is wasted and only increases unproductive public spending.

While the Development Partners often argue that aid has not been effective in Nigeria because of lack of capacity, corruption and mismanagement. Indeed, between the 1999-2007, Nigeria has received over \$6 billion in credit and grants and yet there is not much on the ground to show for it (NPC, 2008). They often cite Poor institutional development, corruption, inefficiencies and bureaucratic failures in the developing countries as reasons for the result. While there are many reasons for giving foreign aid, a major argument for such aid is that this assistance will increase the rate of economic growth in countries, which are recipients of aid.

These expectations of aid induced-growth however have often been unrealistic. The explanation is that aid largely goes to consumption rather than productive activities which crowd-out domestic savings and investment. Nigeria is among the African countries ranked low on international comparisons. The country occupies most of the bottom places in income per capita, percentage of population living in poverty, life expectancy, AIDS prevalence, illiteracy, infant mortality and human development index among others. Nigeria is also a huge growth disappointment in the last five decades having the worst growth rates in the world. The West has responded to Nigeria tragedy by intensive involvement of foreign aid agencies and international organizations. On the average, African countries which Nigeria is not an exception receives much more aid as percentage of its income than other developing countries and

has spent more time on International Monetary Fund (IMF) programmes (Easterly, 2005).

Recent years have seen a surge in calls for more foreign aid to Nigeria in order to eliminate the country's poverty. Developed countries, international organizations and other philanthropists have all made renewed pleas for massive infusion of development aid to Nigeria. Development experts who argued in favour of more aid to Nigeria are of the view that injecting more foreign aid would materially benefit its people. The role of western assistance in alleviating extreme poverty Nigerian and other parts of Africa depends on various theories on why Africa is poor. Scholars of political economy overtime have insinuated different models of poverty that has different implications for foreign aid. These include the big push models and foreign aid, project intervention models of policies and growth as well as aid, institutions and development.

Based on these theories and others, several researchers have examined empirically the determinants of aid allocation and its impact on recipient countries. In a related research by Furuoka (2008) studied the determinants of aid allocation, which he adopted Arellano and Bond Generalized Method of Moment (GMM) type of estimator for 152 developing countries for the period 2000-2005. The empirical findings revealed a complex nature of foreign aid allocation with a dynamic panel model but the static panel model indicated that aid donors tended to provide larger amounts of foreign aid to poorer countries. The study specifically examined four determinants vis-à-vis: gross national product per capita, total debt services, net barter terms of trade and total population of recipient countries.

Akonor (2008) examined foreign aid impact to Africa using theoretical and descriptive quantitative analyses revealed that aid is not a panacea for Africa's development woes. The study revealed further that foreign aid has so far created a welfare continent mentality and has become the hub around which the spokes of most African economies turn. The study also stated that dependency on foreign aid has compromised the sovereignty of African countries and that it is very unfortunate that aid has taken less than 50% of Sub-Saharan African countries budgets and seventy percent of their public investment.

Alesina and Weder (2002) studied the effect of corrupt governments on aid allocation for 20 developing countries. The study adopted a panel analysis and as well Tobit model for 5 years. The study revealed that there is no evidence of less corrupt countries receiving more foreign aid and the study never uncovered any weak evidence of a negative effect of corruption on received foreign aid.

Alesina and Dollar (1998) studied the pattern of foreign aid allocation from various donors to receiving countries. The study revealed that the direction of foreign aid is dictated by political and strategic considerations of the recipients and that colonial past and political alliances are the major determinants of foreign aid. The study used probit model to estimate the likelihood that a developing country

receives aid and also adopted Tobit model to estimate the response of the aid flow to the variables.

Burnside and Dollar (2000) studied the interactions among choice of macroeconomic policies and growth and revealed that aid is beneficial to countries that adopt appropriate and stable policies. However, the study revealed no evidence that foreign aid encourages the adoption of good macroeconomic policies. The study then showed that foreign aid is a waste to countries without appropriate and stable domestic policies.

Politicization of Aid Grants

The first factor is the political culture of the Nigerian state. As it is, we cannot possibly discuss the Economic development of Nigeria without looking at the political culture of the nation and its political elites. The term "political culture" relates to the collective political attitudes, values, feelings, information and skills, in a society or in a nation. A fundamental question in a cultural analysis is: to what degree do the groups within this culture share common attitudes and values. Accordingly, the political culture of Nigeria is as dynamic and heterogeneous as it is radical. By Asogwa and Omemma (2001;325) definition: "Political culture is a term meant to encompass political values and attitudes wider than the intimated by the more formal political system, and to some extent upholding it. A political culture is formed by the practice of politics."

From the foregoing, it can be argued that the totality of disposition of a particular society in which is created by its regular operation of the political system. So the political culture determines the level of political participation of its citizenry. It can stimulate active and massive participation of its citizenry as it common in a democratic politics and otherwise it can also trigger of political apathy, passivity acquiescence attitude as it is in dictatorial or totalitarian political setting.

Aid agencies ignore trade-offs and spread scares resources over each goal, leaving the achievable targets unfunded. By so doing, the benefit accruing from specialization are forfeited and effective policies are sacrificed on the altar of politics which definitely allured to the failure of aid. Boone (1996) shows that how much aid a recipient government receives is anchored on the recipients' affinity with the donor country either as a former colony or the frequency with which recipient country supports the national interest of the donor nation like voting with the donor country in United Nations. This goes to prove that aid reflects the relatively permanent strategic interests of the donor than that of the recipients. This contention goes to show that aid is based on the idea that it is given as a strategic instrument with political connotation and not essentially on need. Alesina and Dollars (2002) proved that American allies in the war on terror such as Saudi Arabia, Pakistan and Turkey were well rewarded with aid from the donor agencies after September, 11, 2001. It is statement of fact that such factors as corruption has been a bane to

economic development in developing countries of the world, Nigeria being no exception.

Aid and political power in most cases had been abused grossly by dictators and corrupt rulers over time. Foreign aid is always given to the government of the day and most of the governments receiving large sums in aid are the sit tight, corrupt and dictatorial leaders which account for why their countries are poor from the onset. It is also on record that the world's dictators have received \$105 billion dollars under the guise of official development assistance. Instead of helping the poor, development assistance is aiding the ability of dictators to sit tight or cling to power at all cost according to Coyne and Ryan (2009).

In a research that focus on thirty aid recipient countries in African investigating capital flight, it was found that up 80% of a every dollar of aid inflow to Africa finds its way back during the same period and a high proportion of this capital flight is termed "debt fueled" (Vathis, 2013:7). It can be appreciated that one of the greatest undoing of foreign aid in Nigeria's quest for economic development is the politicization of foreign aid's process in its management.

The Coordination of Foreign Aid Processes

The coordination of foreign aid processes during the period under review was completely hijacked by the political elites which diverted foreign Aid into personal purses of the elite instead to serve the course which it was made to follow. Instead of appointing of skilled expertise to manage foreign aid inflow into the country, political consideration is placed in the front burner of the process.

Membership of the ruling cabal took over the management and implementation of projects that foreign aid with development Partners are financing. Through this means people who had no knowledge of building construction and is not even a registered engineer or federal government contractors are awarded these projects that may never come to lime light, which is the reason why you see uncompleted but abandoned project scattered all over the country. When they are executed at all it is always shabby and substandard in quality.

That is why political contractors and political godfathers took charge in the disbursement of special intervention funds, the ecological fund that was distributed to every state without any sight of such ecological problems anywhere. This led to massive diversion of this fund for political campaign and settlement of Political gladiators in People's Democratic Party. It was a common street knowledge peddled by rumour mongers that ecological fund gotten from the Federal Government to Enugu state between 1999-2001 was said to be stolen by the then secretary to the state Government and till the end of that regime in the state nothing more was heard. This warranted the speculation that the then secretary to the Government was settled out of Government with the State allocation of ecological fund.

An example is the notorious Ekiti poultry saga in 2007, in which Peter Ayodele Fayose the Governor was

accused of using the foreign aid accessed for building of a modern mechanized poultry in Ekiti state was diverted for his reelection campaign and personal use that warranted order of the president to the anti graft agencies to arrest his chief of staff and the commissioner for Finance and economic planning. The assistance from international environmental agencies and the multinational oil companies operating in Nigeria was set aside by the government to facilitate infrastructural development of the south-south states where oil exploration has caused in lot of havoc was again politicized with the appointment of the Presidents right hand political associate Chief Timi Alaibe as the chairman of NDDC, the commission for the development of that region of the country. It is, however, on record that instead of being a development commission or agent, it turned into a conduit pipe of siphoning these huge resources through phooey and over-bloated contracts.

Unfortunately, the process entrenched debt peonage that brought the burden of debt servicing on these countries which is highly overwhelming. "Poverty has increased considerably in Nigeria" was a bold caption in African Development Bank publication of August, 2013. With the following statistics data which was collaborated by (2016) National Bureau of Statistics. National Bureau of Statistics is the official designated agency in Nigeria charged with such responsibilities. It has been alleged that about 112million Nigerian's are living below poverty line which represents about 67% of the entire population and that average of 1.8 million youths enter the labour market every year over the five years running. The data from National Bureau of Statistics have projected that the number of entrance into the labour market annually was projected to grow from 3 million in 2012 to about 8.5 million in 2015. With this few records, you cannot resist agreeing with them that poverty has indeed increased considerably when compared with the data of 1980's and 1990's. A country with a population of about 182.2 million people and that over 67% of this number is living below 2.5 Dollar daily and with a GDP of \$481.1 billion and the GDP growth of 2.7% while the inflation rate is about 9%. Foreign aid should be aimed exclusively at promoting the economic and social progress of developing countries and should not in any way be used by the developed countries to the detriment of the national sovereignty of recipient countries.

Here let us look at an insider's information concerning foreign aid and the reasons behind this sudden show of love to the world's downtrodden, exploited and raped. Joseph Stiglitz, the former World Bank chief economist as he lay bare the workings of the institution. He contended that IMF has powers and a colonial like policies. In the words of Stieglitz, these policies are contained in effectively dictated letter of agreement by IMF despite the continuous pretence that the letter of agreement comes from the country's government.

The International Monetary Fund (IMF) is not particularly interested in hearing the thought of 'the "client's countries" on the topics as development strategy or financial

austerity. All too often, the Funds approvals to developing countries have the feel of a colonial ruler. A picture can be worth a thousand words, and a single picture snapped in 1998, shown throughout the world, has engraved its aim in the minds of millions, particularly those in the former Colonies. The then IMF Managing director, Camdessus, a short but neatly dressed French man standing with a stern face and crossed arm over the seated and humiliated president of Indonesia. The hapless president was being forced in effect, to turn over the economic sovereignty of his country, to the IMF in return for the aid his country needed. Ironically, in the end, the much needed money went not to help Indonesia, but to bail out the “colonial powers” private sector creditors (Anup, 2002:40-41).

It will be unthinkable to ignore the sweeping critique, by the second most important man in the world, Joseph Stiglitz of policies still being imposed on poor countries as a condition of debt cancellation and aid. And it must be remembered that these are being imposed in the name of “Good governance” Sound Policies and Poverty reduction”. Foreign aid entrenches endemic corruption and distortion of processes. This is done through the following way;

- a) Where to put the received funds when not diverted
- b) Which part of the fund will actually be used for its purpose(s).

Due to the level of sharp practices in the management of aid process, it entrenches corruption in governance of the country which of course did not just commence with this period under review. Foreign aid through corrupt officials of government are also divert with its attendant phooey and what in local parlance are called white elephant project that is not only non-achievable but distortive in nature.

Rethinking of Foreign Aid in Nigeria’s Economic Development

Shah opined that in reality, both the quantity and quality of aid have been poor and donor nations have not been held to account to the host country in view of the fact that some of these projects are executed directly through paying the suppliers by the Development Partners. Therefore, for foreign aid to be of any signification value to Nigeria’s economic development, we strongly believe that some of the basic management processes has to be review for effectiveness and yield the desired result to the recipient and even the donors mutually.

To achieve the desired goal of the United Nation for instituting this process, they have to ensure ownership and leadership of aid management process; ownership simply put involves active participation of the recipient country in the process to enable foreign aid to achieve its desired goals and set objectives. Nigeria as a country that needs and sort for these aids shall have more say over its development process through wider participation in its development policy formulation in the other to make aid

demand driven rather than supply driven. It insists that the recipient country have more say in the process and leadership entails dictating what and when the aid should be deployed in other to maximize the its use and achieve the result as the country needs.

Improve efficient aid coordination and monitoring; efficient aid coordination and monitoring is a major factor in aid effectiveness. For easy and better understanding of aid coordination, we must look at it from the prism of functionality as provided by the United Nation Organization. From this perspective, aid coordination by UNO (2006) is the systemic utilization of policy instruments to deliver humanitarian assistance in a cohesive and effective manner. that is to say that aid coordination and monitoring has to be strengthened especially the host country’s aid coordination policy, and ensure that skilled expertise in the relevant sectors were employed for the management of the process.

The country has to use all the arsenal in its armory to promote effective and collaborative systems for the management of foreign aid between Nigeria and the donor countries and agencies, which is the development Partners. Making sure that all aid induced programmes are real and visible for development results according to the dictate of the aid terms. Managers of the programmes to ensure that foreign aid creates multiplier effects on the local economy, and development of indigenouse technology that can enhance culture of production than that of consumption, more so, economic independent and self sustaining rather than continuous dependence on aid and its donors. Finally, the government should embark on an effective utilization of foreign aid resources through good governance and complementary policies.

5. CONCLUSION AND RECOMMENDATIONS

This work has critically appraised foreign aid and Nigeria’s development between (2010-2016) Jonathan Administration. In doing this we have examined the import of foreign aid on economic growth and development in the Nigeria in the purview of globalized economy. The summary of opportunities and challenges of globalization was aptly and succinctly given by the UNCTAD Secretary Generals’ report to the ninth session of the conference(UNCTAD1996a)where he listed the opportunities thus trading opportunities that a raised from the Uruguay Round; opportunities from international capital flows and financing of development(UNCTAD), warned of the risks involved as well, and noted that the majority of developing countries did not enjoy these facilities);opportunities provided by international production through FDI; and increase opportunities for economic cooperation among developing countries(ECDC) to boost south-south cooperation.

From the foregoing it is crystal clear that the economic crisis cum stagnation in Nigeria was foisted by the capitalist system of the developed world, basically IMF who for the quest of the country’s past government for more aid dictate policies to be adopted by the country which has not

only being ineffective but detrimental to the economic development of the country. This borrowing spree was one of the reasons the country slides into development crisis that have bedeviled the country in the period under review. More so, foreign aid has failed to achieve its pivoted objective of eradicating extreme poverty or spun economic development in Nigeria because of selfish elites, the political leadership and policy implementers enthroned by system in the country.

Based on the afore stated findings in this work, we therefore make the following recommendations based on the 3rd world forum on aid effectiveness known as Paris Declaration 2005 which is encapsulated on five cardinal principle.

- i) Credible and transparent leadership
 - ii) Ownership
 - iii) Alignment
 - iv) Harmonization
 - v) Mutual Accountability
 - vi) Implementation for Result
- a) Ownership entails establishing a policy framework on foreign aid and its coordination. Through the articulated policy framework, the country will have more say over the development process to compel the donors and Development Partner to make foreign aid Demand-Driven than Supply-Driven participation. Ownership again involves advocacy and sensitization of the people on the issues as it concerns foreign aid and Development Partners.
 - b) Alignment means aligning the operations of the Development Partners with the development goals of the country within the limits of its terms of reference. Integrate its operations into the subsisting policy and legal framework of the country on budget implementation, Procurement and public Finance generally.
 - c) Harmonization of aid coordination and processes between the country and the Development Partner, in fact, forming and strengthening coordination of aid process to be simple, transparent and accessible by both parties. And finally, harmonize their operations in the agreed intervention areas and avoid duplication that will be wasteful.
 - d) Implementing aid for Results; to achieve aid effectiveness in Nigeria, skilled expertise must be employed or deployed to the appropriate areas where they will be effective and efficient in the management of the process. Creating and institutionalizing a unit for the monitoring and tracking of aid process and project that is being funded through aid.
 - e) Regularize interaction and sharing of information through creation of efficient web for capturing, identifying, and monitoring progress and result achieved.
 - f) Mutual accountability is pertinent for capturing, recording, budgeting and measurement. This

system of mutual accountability helps to measure development assisted impacts.

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