Politics of Foreign Aid and Economic Dependency in Developing States: Reflections on Nigeria

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Abstract
The paper sought to ascertain whether foreign aid has contributed to development or is a means of perpetuating economic dependency in a developing country like Nigeria. The paper assumed that foreign aid is an instrument of advanced capitalism whose interest is the perpetuation of economic dependency in developing countries. Secondary data were utilized and analysed within the ambit of the dependency theory which revealed that the advanced industrialized nations and organizations do give aid to developing countries in the belief that such aid would help promote economic development of the recipient countries. The paper argued on the contrary that foreign aid has become a channel for perpetuating and aggravating economic dependency of developing countries on the donor countries, and more so, precipitate political instability, induce economic crisis, stimulate debt-stock, as well as foist the status of consumer-countries on them. Hence, foreign aid has failed as a means of development in Nigeria and other developing countries. Consequently, the paper recommended, among others, that developing countries, Nigeria inclusive, should obtain foreign aid/loans only when seriously and genuinely needed to fund projects and programmes that will facilitate economic growth and development as well as engender national prosperity.

Keywords: Foreign aid, developing countries, dependency, economic stagnation, national prosperity.

Introduction
The subject of underdevelopment of developing countries could be traced back to imperialism and colonialism. In fact, one may not discuss underdevelopment in these countries without mentioning the celebrated industrialization that swept across Europe and the capitalist States in the 19^{th} century. As captured by Onimode (1982), the result of such massive industrialization in the West was excess production and the need for materials that were to complement or keep pace with the state of industrialization thus provoking intensive search for avenues/satellites to acquire the desired raw materials and where to dispose the excess products triggered by industrialization. The search, according to Ollawa (1988) led to the discovery that Africa and other developing countries were endowed with the needed raw materials and the market for the finished products. The pursuit of this goal culminated in the partitioning of the African continent for economic and political domination among the imperialists and colonialists who decided to disrupt the gradual development that was taking place and went ahead to render the economy of these countries subservient to the dictates of the developed market economies.

As Dode (2006) has argued, the exploitative tendencies of the colonialists impelled them to consciously decide not to put in place the needed machinery to boost the economy of the developing countries. Instead, they looted, impoverished, exploited, devastated and carted away the resources of these countries. The consequence of this has been the dependence of the developing countries on the economy of the developed countries for survival even after attainment of political independence. In fact, the developed capitalist countries who are not ready to accept any economic equality with countries of the global south, have devised several means of perpetuating underdevelopment in this part of the world. They make policies to that effect and also use various agencies such as United Nations Children Funds (UNICEF), International Monetary

Fund (IMF), African Development Bank (which they have infiltrated), United Nations Development Programme (UNDP) and Multinational Corporations (MNCs) to achieve their selfish goals.

Evidently, Nigeria is not left out in the dependency and underdevelopment saga. Though the country has made several policies and development plans in the past and present, in the long run, she still needs the assistance of the developed nations by way of foreign aid. It is expedient to note that Nigeria has received much foreign aid with stringent conditionalities thereby tying the country's economy to the dictates of the donor countries, and by extension, the perpetuation of underdevelopment in the country. It is in view of the above that this paper intends to analyse the impacts foreign aid have had on the country's economy.

Premised on the argument that foreign aid weakens more than it supports development in developing countries, the paper raised these probing questions: has foreign aid promoted development and welfare of receiving countries? What impact does foreign aid have on the economy of developing countries in general and Nigeria in particular? How can developing countries be disentangled from the shackles and trappings of foreign aid? These questions will be addressed in the succeeding sections of this paper.

Conceptual Illumination

Foreign Aid

According to World Bank (2013), foreign aid denotes the transfer of resources from the state's treasury of a prosperous nation to one or more developing countries, either in the form of direct funding or in commodities and goods subsidized by the donor. It includes bilateral grant, loan, and technical assistance as well as multilateral flows or pubic development assistance designed to promote economic development and assist the people from economically underdeveloped areas to develop their resources and improve their working and living conditions. It consists of grants and loans with a grant element of at least 25%. Grants or loans to developing countries are classified as 'Official Development Assistance' (ODA) if they meet the following requirements:

(i) they must originate from the official sector in the donor country;
(ii) the financial terms are concessional;
(iii) the primary motivation of the grant or loan is the promotion of economic development and welfare of the recipient (aid receiving) country.

However, in real economic setting, foreign aid, according to Todaro & Smith (2010), consists of public bilateral and multilateral development assistance and private assistance provided by non-governmental organisations. The authors further state that "all governmental resource transfers from one country to another should be included in the definition of foreign aid" (p. 681). Swaroop (1998) identified three broad categories or groups that provide aid: (i) Bilateral donors (ii) Multilateral agencies, and, (iii) Non-Governmental Organisations (NGOs). These agencies have the promotion of economic development and welfare as their primary objectives.

Bilateral aids refer to nation to nation aid and is mainly determined or given for political consideration and in some cases granted specifically for development projects. This form of aid was prevalent during the Cold War era but fell as the war came to a close. On the other hand, multilateral aid generally refers to aid channelled through the institutions of World Bank and the IMF which often comes in the form of loans and grants to developing countries, and which, in most cases, are given during periods of poor economic and political conditions, natural disasters, and civil wars. Notably and instructively, too, these loans and grants are given with political strings attached.

Lastly, many Non-Governmental Organisations (NGOs) in the industrialised countries also provide aids. Non-Governmental Organisations such as the Gate Foundation, CARE, The Red Cross and World Vision, among others provide aid to developing countries. There are other thousands of NGOs that fund projects in the TWCs with some of the capital transfers coming from private sources. This include direct aid programmes such as Christian aid gifts from individuals and also commercial undertakings.

Discussing the concept, Anyanwu (1993) opins that the major aim of receiving foreign aid by developing countries is to reduce poverty and improve the level of growth in their countries. Nevertheless, the aim of the donors of such aid, principally, the developed capitalist states, is quite different and antagonistic to the interest of the receiving ones since the developed nations use such foreign aid to gain control over the developing countries' economy and by extension, dictate what happens economically and politically in these countries. In the light of the foregoing, is becomes obvious that, foreign aid, be it from bilateral, multilateral and non-governmental organisations are exogenously determined. It is the donor's, not the recipient's, interest that determines the allocation of aid.

Obijiaku (2015) postulates that foreign aids are given in various forms and magnitude and have been used to achieve one purpose, namely, the perpetuation of dependency and underdevelopment of developing countries. He considers financial aid as a means of perpetuating dependency in developing countries; that financial aid makes developing countries to continue to be in almost perpetual debt and unable to have a two-way trade relation. Hence, the adverse effect of trade between the developed and developing nations today can be attributed to financial aid, and the subsequent conditions which keep the developing countries at a losing end, from the developed ones.

It is worth noting that although foreign aid has its political undertone, basically the idea of advancing loan or aid emanates apparently due to the wide gap that exists between the advanced industrialized countries and the developing ones. Thus, foreign aid to developing nations is a fundamental foreign policy of the West to regain the control of the lost colonies and thereby dictate their domestic affairs. The recipient countries including Nigeria should be on her guard when entering into negotiations with any foreign partner in this regard.

Dependency

In its earliest conception, dependency, as noted by Roxborough (1979), was defined as “the obverse side of a theory of imperialism” (p. 43). Implicit in this formulation is the notion that imperialism has two faces. The first represents the colonial powers while the other represents the “imperialized” or dependent countries. Dependency as a concept becomes externally tricky in an increasingly integrated world economy. It is within this context that Nkrumah (1965) observed that the developing countries would not make a forward march towards economic independence until neo-colonialism or neo-imperialism was vanquished. This underscores the fact that political independence means nothing without economic independence. In point of fact, decades after political independence, most of the developing countries have remained perpetually dependent.

The above perception may have influenced the impression of O'Brien (1975) that “dependent countries are those which lack the capacity for autonomous growth because their structures are dependent ones” (p, 24). This tallies with Warren (1980) contention that:

> Dependency represents the complex politico-economic relationships that bind the advanced capitalist countries of the “centre” (the United States, Japan, Western Europe) and the Latin American countries of the “periphery” such that the movements

> and structures of the former decisively determine those of the latter in a fashion somehow detrimental to the economic progress of the Latin American societies (p. 107).

In concrete terms, Igwe (2017) avow that dependency defines a situation in which the policy or life of a state and its citizens are exploitatively determined by an outside power or powers, usually through the simultaneous application of unequal socio-economic, political and cultural measures, and it often occurs either as a successor policy to past unequal ties, or through the acquiescence of the local agents of the foreign power who, for various reasons, become willing tools of such a policy. Amplifying this view, Offiong (2001) asserts that dependency refers to the situation that the history of colonial imperialism has left and that modern imperialism creates underdeveloped countries.

From the forgoing, several points are germane and common to various understandings of dependency:

(i) that development and dependency is relational;
(ii) that global inequality in wealth and development is situated within the historical exploitation of poor societies by the rich countries;
(iii) that the dominant advanced countries are capable of dynamic development responsive to their internal needs whereas the dependent countries have reflex type of development;
(iv) that the development alternatives open to the dependent nations are defined and limited by its integration into, and functions within the world capitalist market;
(v) that the basic situation of dependence leads to a global situation in dependent countries that situate them in backwardness and under the exploitation of the dominant countries.

Developing Countries

The term "Developing Countries" refers to a class of economically inferior nations of Africa, Latin America and parts of Asia. Banton (2020) applies the term to mean the same as Third World countries. According to the author, these countries are very poor with low education levels, lack of government structure, and health care that most are unable to access. Banton (2020) stressed unambiguously that:

> In these countries, inferior production and labour market characteristics are usually paired with relatively low levels of education, poor infrastructure, improper sanitation, limited access to healthcare, and lower costs of living. They are often among those on close watch by the International Monetary Fund (IMF) and World Bank which seek to provide global aid for the purposes of projects that help to improve infrastructure and economic systems comprehensively. Third World countries can also be the target of many investors seeking to identify potentially high returns through possible growth opportunities though risks are also relatively higher. While Third World countries are generally characterized as inferior economically, innovative and industrial breakthroughs can lead to substantial improvements in a short amount of time (p. 1).
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> Writing within the same context, Hague and Harrop (2001) remark that developing countries are made up of the 'new' States of Africa, Asia and Latin America who attained political independence from their erstwhile colonial masters. These countries are relatively poor and mainly located in the Southern Hemisphere with about 52% of the world population but produce less than 20% of the world output. These countries still rely on agriculture for survival and remain economically dependent on the western capitalist economic system of the developed countries. Their manufacturing industries are often small-scale, while the most efficient

ones 'are likely to be foreign-owned'. They are generally perceived as being underdeveloped and often characterized by fragile and unstable political institutions, low level standard of living, high level of illiteracy and infant mortality, among others.

Theoretical Foundation

The analysis in this paper is anchored on the dependency theory, as a political economy framework. The protagonist of this theory, Dos Santos (1970) focused attention on the capitalist mode of production, social formations and inter-face between the external and internal structures as they affect the development of peripheral states within the capitalist world system. As he puts it, dependency denotes:

> An historical condition which shapes a certain structure of the world economy such that it favours some countries to the detriment of others and limits the development possibilities of the subordinate economies. A situation in which the economy of certain group of countries is conditioned by the development and expansion of another economy to which the former is subjected. The relation of interdependence between two or more economies and between these and world trade assumes the form of dependence when some countries (the dominant ones) can expand and give impulse to their own development, while other countries (the dependent) can only develop as a reflection of this expansion (p. 231).
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> The theorist argued that a number of vital consequences accompanied the incorporation of the economies of the overseas territories into internal capitalist economy. Most importantly, while the unilateral transfer of the economic wealth of the overseas territories to the imperialist countries contributed to capital accumulation, it systematically led to the loss of economic surplus generated by the former. This situation undermines the chances of economic progress in those overseas territories and in most cases actually retards internal development of territories concerned (Goldstein & Pevehouse, 2012; Egeonu, (2017).

Obviously, dependency theory seeks to pinpoint and specifically explain the factors responsible for this sharp difference in the level of development between the developed and developing countries (Ukpong, 2017). According to Jhingan (2010), there are unequal centre-periphery relationships whereby the developing countries are dependent on the developed/advanced countries in trade, investment, technology, among others. This dependence results in the underdevelopment of the periphery because the centre is dominated by powerful capitalist countries that exploit the latter for their benefits and advantages. This theory assumes that it is the flow of resources from a periphery of poor countries and underdeveloped countries to the core of rich and wealthy, enriching the latter at the expenses of the former. Hence, as summarised by Todaro (2010), the theoretical premises of dependency theory are that:

(i) Poor countries provide natural resources, cheap labour, and a destination for obsolete technology and market for the wealthy nations, without which the latter could not have the standard of living they are enjoying today.

(ii) Wealthy nations actively perpetuate a state of dependence by various means, including foreign aid. The development of the centre causes the underdevelopment of the periphery and its dependence on the centre. Hence, the influence of the centre on activities of the dependent nations in many areas including, economics, media control, politics, banking and finance, education, culture, sports, and all other spheres of human development.

(iii) Wealthy nations vehemently counter the attempts and efforts by dependent countries to resist their influences by means of economic sanctions and the use of military force.

Observably, the developed nations, having established that the underdeveloped state and economic stagnation of developing countries could only be sustained by tying their economies to that of the developed nations, have devised several means of making sure that developing countries never developed. Thus, their economies are retarded through the granting of foreign aid and the subsequent conditions attached to such aid has the effect of impoverishing the economy of the developing countries and making them dependent on the dictates of the developed market economy (DME). Therefore, the dependency theory fittingly explores the nature of economic interaction between developing and developed nations and holds that many of the obstacles to the development of developing countries did not in fact, originate in the developing countries themselves, but were imposed on them by external forces (the developed countries) with the ultimate interest to safeguard their dominant position in the international system. In fact, dependency theorists have gone beyond blaming colonialism for the developing countries backwardness but now include neo-colonialism as the root of underdevelopment in the developing nations.

Foreign Aid and Dependency of Developing Countries

From the preceding analysis, it is incontrovertible that there is a dialectical relationship between aid from advanced countries and the spate of dependency of developing countries. It is obvious that the over development of the advanced countries resulted from the underdevelopment of the developing countries. Thus, it is no misnomer to dismiss the claim that advanced countries' foreign aid programmes are of help to developing countries. Advanced countries simply act in pursuit of profits, selling technology as a means of making money, and foreign aid is money given to the ruling elites, not to the poor majority in exchange for maintaining a favourable business climate for the Multinational Corporations (MNCs). The advanced countries cooperate with the elites of the developing countries to grow and export suitable crops such as coffee and Cocoa while, at the same time, preventing the production of staples consumed by local population (Harms & Rauber, 2004; Dode, 2006).

Obviously too, foreign aid focuses on promoting certain changes in the developing countries that will enhance donor countries' economic expansion and dominance through subtle means such as:

(i) Encouraging reform in developing countries' overall economic policies.

(ii) Working to dismantle laws and institutions that prevent free trade.

(iii) Encouraging the privatisation of state dominated economies. For instance, a $3 million aid to support privatisation in Indonesian energy sector led to a $2 billion award to an America firms for Indonesian first private power contract.

(iv) Encouraging developing countries to create business codes and the laws as dictated by the US. It thereby helps to create a stable business environment that donor country's business firms need to operate.

(v) Creating a new elite class of consumers in the developing countries. Having developed the appetite for western products, this very elite class is willing to drain their meagre foreign exchange to import those items (Lahiri, 2007).

To buttress the above, Alkali (2003) had observed that the relatively small amount of money that the US spends on foreign economic assistance serves as an engine for American economic growth. In addition, many aid programmes in donor countries cover an assortment of activities such as strategic and commercial initiatives, which often have a tenuous relationship with development.

Business interests are significant in donor countries in the award of aid. Corroborating this viewpoint, Michael (2005) evoked Nigeria's case with the United States which clearly demonstrates the significant role business interests play in awarding aid. The author recalled that in 1986, Nigeria decided to ban the importation of wheat and their basic food in an attempt to boost domestic agricultural production. United States food aid in Nigeria was tied to the latter importing wheat to the tune of $250 million from the US per year, making Nigeria the 6th largest US wheat importer. Agricultural groups in the US demanded US government's retaliation unless Nigeria re-opened its market to their wheat.

Contemporarily, aid volumes are declining and donor policies do not give priority to poverty reduction. Governments of the advanced countries do not appear to be making the transition from rhetoric to action. The volumes of resources available for poverty reduction is threatened both by aid budget cut as well as by the diversion of funds for other purposes such as emergency relief and debt forgiveness. It is within this context that Ward and Baver (n. d.) observed that Africa aid to Africa is considered expendable when resources are sought for other purposes even while Africa suffers from poverty, pollution and the scourge of aid.

Impacts of Foreign Aid on the Economy of Developing States: Striking a Balance

Liberal and radical scholars are not in agreement as regards the usefulness of foreign aid to the economic viability of the developing countries. Whereas the liberal scholars contend that, as foreign policy instrument, aid are designed and given to the developing countries with a view to fostering their economic development, the radical scholars disagree fundamentally with the view. Radical analysts insist that most foreign aid are designed to stimulate, "foreign-oriented development" in which external rather than domestic influences shape the society, economy and the political structure (Rosen and Jones 1980, p. 168). In this regard, foreign aid is seen to be detrimental to the developmental needs of the developing countries given its capacity to exacerbate their rate of underdevelopment and dependency.

From the analyses so far, it is apparent that whereas some categories of foreign aid can make positive contributions to the developmental needs of the developing countries, a greater deal of others are patently unworkable, from economic point of view. This has generated serious misgivings about foreign aid. Indeed, it makes the economies of developing countries to be externally oriented, and in this respect, it deepens and aggravates the level of their dependence on the advanced industrialized countries. It must be borne in mind that stringent conditions are usually attached to some foreign aid. Instances abound which demonstrate that in some cases, the developing countries are specially directed to invest in non-viable economic ventures. In this way, the less developed countries are kept impoverished and thus, are made to be economically and politically dependent on the economically developed countries (Rourke 2005).

For a certainty, foreign aid has played an inglorious role of precipitating chaos and instability in the economies of developing countries. A clear example is military aid. Most dictatorial regimes with worst human rights abuse records have been sustained in power due to military aid from the metropolis. For instance, beside the French government extending military aid to its erstwhile colonies, it has also permanently stationed her troops in Cameroon, the Central African Republic, Djibouti, Gabon, Ivory Coast (Cote d'ivoire) and Senegal. In a similar vein, as noted by Rourke (2005), out of the total American aid to Egypt in 1994, 62 per cent was military aid. This category of foreign aid is injurious to the development aspirations of the developing countries. In addition, they contribute nothing to economic viability, and as Ekpe (2007) puts it, they lead to capital flight.

Again, foreign aid especially those emanating from the multilateral sources induce crisis in the economies of recipient countries. A clear example is International Monetary Fund (IMF) loans. Its stabilization programmes are noted to cause "too much suffering and social strife and the depreciation of human resources to the detriment of future development" (Ake 2001, p. 37). There is mounting evidence that stabilization and structural adjustment programmes are rending the fabrics of African society. Worse still, their severest impact is on the vulnerable groups in the society - children, women and the aged - who constitute two-third of the population.

Additionally, foreign aid contributes to compounding the debt-stock of the recipient countries. For example, according to Debt Management Office data, the external debt of Nigeria as at 2019 stood at 27.16 billion US Dollars (Ojekunle, 2019). If Nigeria had not borrowed from the front that the developed countries use in under-developing developing countries, she would not owe such amount. This is not to say that any country can exist in isolation or can be so sufficient that it has no need for borrowing, but what we should understand is that the World Bank and other International agencies that give financial aid to member states of United Nations Organization are completely controlled by America and some power blocs in Europe. So, they direct the affairs of such bodies in a way that they can be used to exploit and destroy the economy of developing countries (Goldstein and Pevehouse, 2012).

Furthermore, it is quite obvious that some developing countries, like Nigeria, spend huge amount of money yearly in servicing the debt incurred through foreign aid. The impact of this debt servicing, as has been identified by experts and with concrete example from Nigeria is that at the end of the year, there is budget deficit. It is not expected that most of these countries will be able to pay back the debt even in the next fifty years because interest will continue to increase on the amount owed. The capitalist tendencies of the developed countries will also not allow them to waive such debt. Also, the exploitative inclination and the underdevelopment strategies of the West will not lend any help to receiving countries in paying back debt and stop budget deficit yearly. This is due to the following reasons:

(i) Prescription of inappropriate policies
(ii) Fixing of high interest rates
(iii) Insistence that debtor countries must repay the loans irrespective of the state of their economic growth, and
(iv) By IMF acting as debt collector on behalf of London and Paris club as well as other private creditors.

Besides, foreign aid plays a role in engendering what Rodney (1972) described as 'technology arrest' in developing countries. Whereas the developed countries achieve their eminence in the field of scientific and technological breakthrough by dint of hard work based on scientific research, they are averse to helping the developing countries to attain similar height. Through their neo-liberal prescriptions, governments of the developing world are dissuaded from investing in the educational sector. In the alternative, these countries are advised to diffuse technology from abroad through importation of capital or get capital from overseas investments agencies as loan or grant. Given the fact that they are discouraged from developing indigenous technology, this frustrates efforts in this direction.

Indeed, a cursory examination of the high rate of dependency or the dependency ratio in developing countries will reveal, with no iota of doubt that foreign aid has contributed to the perpetual dependency that is now the order of the day. Worthy of note also is the fact that because of aid, developing countries have been reduced to mainly consumer countries and not producer countries without technologies from developed nations. Again, developing countries might not make use of modern technologies in their endeavour and this has made them to depend greatly on the developed countries for the perceived development that they can help in bringing about.

The afore-stated negativities of foreign aid notwithstanding, there are some benefits as well. As noted by Bowden (1983), in many countries, aid can make (and has made) the difference between moving the economy forward and its standing still. A small amount of carefully planned and utilized aid “may be what is needed to put together the pieces and get things started”. Some types of aid especially those without stiff conditionalities may likely make up the deficit budget of the recipient nations. Furthermore, humanitarian aid which foreign governments have traditionally extended to nations which are victims of natural disasters such as floods, famine and epidemics is beneficial in that it may help the recipient States to overcome some problems that may frustrate economic viability (p. 763). Finally, foreign aid may be useful for supplementary financing and stimulation of trade.

There is no doubt that aid, if properly used and managed could have some benefits but most of the developing countries have become trapped in aid dependency. They must have aid to be able to maintain their present low quality of life, when it should be used to improve their long term prospects.

Channels and Profile of Foreign Aid: The Nigerian Experience

Nigeria is the most populous country in Africa with an estimated population 200 million people and fifth largest global supplier of oil. Nigeria is rated as Africa's largest economy and 21th largest economy in the world by IMF (NBS, 2019). The country receives foreign aids from USA, UK, China, Japan, European Union, World Bank, UNDP, among other donor agencies while it gives aid more especially to African and Caribbean nations. Some of the outstanding aid programmes are presented hereunder:

World Bank Aid to Nigeria: In June 1964, the total aid approved for Nigeria by the World Bank amounted to $2.100.070. According to the then World Bank representative, Dr. Ishrat Hussseni, this amount represented 2.85% of the total aid approved for the period. At the same time, the World Bank was financing four major projects in Nigeria. These included $25 million to prepare the infrastructure and provide technical assistance for gas project and $68.4 million development programme in five States for technical advice and credit and small scale medium size enterprises.

In 1983, the World Bank provided N100 million aid to Lagos State Government. Also the World Bank assistance to Nigeria, according to Mr. Mollusion Alikham, the then acting resident representative to Nigeria, in 1987 covered 27 projects under implementation which worth N8.61 billion (2.32 billion US Dollars) and 28 loans of two full disburse credit worth N3.01 billion (*The Guardian*, 23 June, 1987, p. 15).

In August 1986, the World Bank's total financial commitments in Nigeria was N9.8 billion (2.66 billion dollars), the twenty-four projects under implementation worth N8.82 billion and $11.84 million dollars. The projects under implementation were sub-divided into ten categories - which included agriculture, urban planning, water, transport, industries, health, energy, non-projects such as Structural Adjustment Programme (SAP).

Other World Bank foreign aid to Nigeria (in the areas of health, agriculture and water supply) include:

i. 2001-2010 US$ 96.28 million to fight HIV infections.
ii. 2009-2017 US$ 230.00 million to fight HIV infections.
iii. December, 2015 World Bank earmarked $500 million grant for the revival of irrigation farming in Northern Nigeria.
iv. 2015 $200 million to finance new generations of business-oriented agro-preneurs.
v. Approved a credit of 250 million US dollars to help the Nigerian Government continue its efforts to increase access to water supply services among the rural people.

United Nations Development Programme (UNDP) Assistance to Nigeria: The rationale behind the United Nations Development Programme (UNDP), an agency of the United Nations Organisation (UNO), is to ameliorate underdevelopment, hunger and other cause for unrest that lead to a breach of international peace and security. The primary objective of the UNDP has been to "support efforts of developing countries to accelerate their economic and social development by providing systematic and sustained technical assistance meaningfully related to the nation's

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(i) To enhance grassroots mobilization effort for the people's contribution to the national efforts of reducing the high level of adult illiteracy in the country.
(ii) Support a training programme for resource persons, trainers, supervisors, instructors and monitoring and evaluation officers who will in turn be expected to contribute to the training of at least 3.1 million illiterates during the period of the UNDP support.
(iii) Support the development of learning and teaching materials in Nigerian languages,
(iv) Develop a strategy and plan for the improvement of infrastructural facilities, as well as, equipment and tolls for adult literacy.
(v) Secure funding for post-literacy programmes mainly in co-operation with NGO's and the other donors to foster the development of political and profitable skills in such areas as health and nutrition, agricultural, food processing and storage, book-keeping, vocational education, home management, cookery, carpentry, plumbing and so on. This assistance should particularly enhance employment and the productivity of informal sector and agriculture, the greatest livelihood provider for the poor.

Based on the above, the Federal Government of Nigeria took steps towards the extension of these programmes to the States and local government areas throughout the country. Since then, the presence of UNDP has been felt by states in Nigeria in such areas as education, agriculture, health and infrastructural development, but also led to greater dependence on such a body for the provision of basic needs of man in the country and so perpetuate underdevelopment.

In recent times, Nigeria's aid profile, as documented by Sulaiman (2016), has expanded in scope and nature as indicated in the highlights presented below:

United States Foreign Aid to Nigeria: Between 2010 and 2015 Nigeria received $3 billion grant from US Government.

i. Military Assistance, Anti-Terrorism, Defence and Security, Global HIV/AIDS Initiative, Global Health and Child Survival, Development Assistance etc.
ii. January, 2016 US donated 24 Mine-Resistant and Armour-Protected (MRAP) vehicles valued at $11m.

iii. May, 2014 US has donated a new warship by name NNS OKPABANA 80-foot flight deck that is capable of handling helicopters
iv. In a bid to free the 270 Chibok girls abducted by Boko Haram, United States government has offered technical assistance and expanded intelligence sharing assistance.

Chinese Foreign Aid to Nigeria

Agricultural capacity building: FAO-Nigeria-China:

i. Phase 1 (2003-2007): Provided 500 agricultural specialists/technicians to teach farmers new agricultural techniques and technology with 3,736 field visits, more than 500 demonstrations and carry out more than 200 micro-projects in areas like forestry, aquaculture, horticulture, animal husbandry and crop intensification, water management and poultry technology.
ii. Phase 2: A total of 190 experts and technicians to teach farmers, processors, farm managers and extension workers.
According to FAO impact assessments:
    i. Farmers' testimonies have shown that hundreds of thousands of family, farmers across Nigeria have benefited from hand-on training, and have been adopting and adapting technologies and know-how from Chinese experts;
    ii. Poultry farming - 60% increase in egg production, lower mortality rate and increased growth rate of the poultry in NE;
    iii. Many farmers adopted cage fish culture technology in Nigeria;
    iv. Trained 5, 000 young people on how to plant rice, control pests and diseases, and apply fertilizers. Before the training three tonnes per hectare but after training, six tonnes per hectare.

Chinese Infrastructure Development Finance:

i. From 2000 to 2015, there were more than 40 Chinese official development finance projects in Nigeria (Concessional Loan)
ii. $1 billion Lagos-Kano rail (project almost completed)
iii. $984 million for the Zungeru hydroelectric power (project at 50% completion).
iv. $500 million Abuja metro,
v. $500 million modernization 4 airport terminals in Abuja, Kano, Port Harcourt, Lagos (95% completion)
vi. $500 million Abuja-Kaduna Railway (project at 75% completion).

Condition for this loan: they are for projects, 10% counter-funding, should be used for Chinese product or companies.

United Kingdom Foreign Aid to Nigeria (Directly and DFID):

i. £250million annual grant
ii. In 2015 £140 million in aid supporting Nigerian energy privatization
iii. In 2013 £275 million supporting health, education and poverty reduction programmes.

Japan Foreign Aid to Nigeria: In 1987 Nigeria obtained N70 million ($16 million) as aid grant from Japanese Government under the economic co-operation between the two countries. Out of this amount, $200.000 was for yellow fever vaccine to Federal Ministry of Health, $6.4 million for increased food production (fertilizer, agricultural machinery and vehicle for transportation). Of this amount $6/4 million went for the improvement of transport for agricultural products, while 40.3 million was meant for cultural activities (sport equipment). $5.9 million was for fisheries improvement through the institute of oceanography and machine research while $1.3 million went to the Federal Ministry of agriculture, water and resources, Nigeria also obtained from Japan and Taiwan a credit offer worth N9.02 billion. According to the then Minister for State for Budgeting and Planning, Alhaji Abubakar, the offer was to reflect Nigeria's depressed economy and to help in addressing the pressing need of development in the country as this was paramount to the nation (*Punch Newspaper*, 13 April 1988, p. 2).

From 1998 to date Japan Government has implemented over 148 projects-in-aid in Nigeria, prominent among them:

i. Supporting basic education - Japan International Cooperation Agency (JICA).
ii. 2013 317 Classrooms and 308 toilet US$14.8 million accommodate 12,680 pupils in Kano state.
iii. Build 325 classrooms in Oyo, State $8.5m
iv. December, 2015 has built bridge across River Usman in Abuja - 50,000 hectares were accessible and cultivated out of the 200,000 but now all are accessible.

Spain Foreign Aid to Nigeria

Built Photovoltaic Electricity Plant to generate 100 mw in Kano State

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 Iyoha, 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 1: 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 author.

Foreign Aid and the Nigerian Economy: Some Reflections

Judging from the foregoing arguments, it is convincing that decades of preoccupation with development in the developing countries have yielded meagre returns, hence African economies have been deteriorating or retrogressing. For most Africans, real income is lower than they were few decades ago, health prospects are poorer, malnourishment is widespread and infrastructure is breaking down as are some social institutions. This ugly situation may have provoked Ake's

(1981) admonitory expression to African leaders that "now that independence had been won, the overriding task was development, without which political independence could not be consolidated and African countries would not be able to eradicate the humiliation of colonialism" (p. 9). After decades of political independence in most developing countries, available evidence on the validity of this assumption is ambiguous. Revolutionary changes in the structures of the economies of most developing countries have clearly not occurred, and even their growth rates have been less than satisfactory.

In the case of Nigeria, there is no gain-saying the fact that the socio-economic development of the country has been characterized by a stunted trend over the decades. Bearing this in mind, one cannot but agree with Jack, Nkwocha and Boroh (2016) in their arguments that:

> The Nigerian economy portray an unproductive, externally oriented, dependent and a monolithic structure that lacks not the potential to develop forward and backward linkages of production and consumption patterns but the political will to produce the necessary goods and services for domestic consumption over time. The reasons behind such are not far-fetched as it is historically rooted in structural disarticulation and economic dependence. The Nigerian economy which has been colonially structured to be externally oriented has been designed to produce what is not locally consumed and consume what is not locally produced. The production of cash crops and raw materials exported to European and American markets remains the pattern obtainable. With an import-driven consumption pattern mainly composed of final goods, the country has become import-dependent and economically defective (p. 216).

Evidently, the economic and development expectations of developing countries have not been met despite increased foreign aid over the years. If the aid given by Western institutions and governments were effective, this should have a positive effect on the development of Nigeria and subsequently reflected in the policies and actions of the leaders of the country in terms of infrastructural development. For example, Nigerian politicians patronise hospitals in European countries, particularly the United Kingdom, when they are sick, but citizens are at the mercy of dilapidated hospitals that have not been developed despite huge sums being donated by the likes of the World Bank and the Bill and Melinda Gates Foundation.

The Nigerian government has grown accustomed to receiving vast amounts of money, to the point that they give an impression that they are not really interested in sustainably providing solutions to pressing problems, because they will always get "free" money from the West. They do not see the need to invest heavily in some sectors because there is an understanding that if the sector suffers and gathers enough attention, international actors will come in and "save the day" with their loans and donations. This obstructs any progress in terms of human or economic development.

Although it is true that government has been commissioning some infrastructural projects in some states with aid money, the problem is that foreign aid is not sustainable, especially for developing countries such as Nigeria.

The issue of aid is not just about the West imposing its strategies on the Nigerian government. The current administration led by president Muhammadu Buhari is known for always requesting aid from global actors (much to the displeasure of Nigerians) to finance "infrastructure projects" in the country. This happened in 2017, and most recently, in 2021, which drew a lot of concern from Nigerians who believe that there is no correlation between the aid previously received and the development of the economy.

What is clear from the foregoing is that dependency has its consequences. A dependent nation has no control over its economy and in many cases its governments. The ties between the rich and the poor countries have not been helpful. Thus, if this trend of dependency is not reversed, the overall socio-economic development of Nigeria will continually be compromised and development will remain elusive.

Conclusion

Within the context of this paper, foreign aid has been identified as an instrument of perpetuating dependency in developing countries, Nigeria inclusive. Indeed, no matter the perceived role in the 'development' of developing countries through foreign aid, what we have so far witnessed is total dependency of these countries on developed ones. In fact, the conditions attached to the granting of foreign aid to developing countries have made it almost impossible for them to disentangle themselves from the huge debt that is associated with such aid.

It is deducible that the devastating effects of foreign aid on the economy of developing countries in general and as reflected in Nigeria is far greater than the acclaimed benefits perceived by the West. It is therefore a valid claim that foreign aid is an instrument of advanced capitalism whose interest is the perpetuation of dependency in the developing countries. To be candid, no meaningful development would be achieved through foreign aid in developing countries. Unless the ideology of the donor is changed for the better, foreign aid will remain a dangerous instrument through which developing countries in general and Nigeria in particular is rendered dependent and underdeveloped.

Relatedly, with the changing contour of international landscape, meaningful bilateral foreign loans are no longer feasible. It now behoves the developing countries to rescue themselves from financial problems through the prudent management of their resources. Now is the time for them, Nigeria inclusive, to be inward looking, bearing in mind Nkrumah's (1973) dictum that “Foreign capital is used for the exploitation rather than development of the less developed parts of the world” (p. 315).

Recommendations

The following recommendations are proffered as measures towards freeing developing countries from the shackles of economic dependency perpetuated through foreign aid:

The Nigerian government should obtain foreign aid/loans only when seriously and genuinely needed to fund projects/programmes that will facilitate economic growth and development as well as engender national prosperity.

Aid/loan or fund granted to developing countries, like Nigeria, by donor countries, institutions and agencies for developmental purposes should not attract stringent conditionalities. There should be more outright grants and concessional loans and less tied aid to give greater autonomy and flexibility to the recipients in terms of their allocation and utilization. However, the monitoring of such loan or fund should be left in the hands of a special team of experts to give room or allow for proper utilization of such funds.

There should be a reduction of donor country's tariff and non-tariff barriers against developing countries' exports for the foreign assistance to be more meaningful in terms of development.

There is urgent need for Nigeria in particular and developing nations in general, to initiate development strategies backed by strong and progressive political will and implementation plan that are sustainable. This should be honestly and transparently followed by all successive governments in their countries irrespective of ideological and partisan interests.

Nigeria should diversify her economy, boost agricultural production and increase output as a veritable approach to economic restructuring. It is also important that she improves upon the traditional irrigation systems and place more emphasis on technology development in an effort to widen, deepen and strengthen the manufacturing sector and human capacity development.

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