

**DEVELOPMENT AID RELATIONS BETWEEN THE FEDERAL  
REPUBLIC OF NIGERIA AND THE REPUBLIC OF INDIA, 1960-2007**

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**NOVEMBER, 2023**

**DECLARATION**

I declare that this thesis is my original work and has not been presented in any other university / institution for consideration of any certification

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**DEDICATION**

I dedicate this work to my late Father Koku Opkokwu, my late mother Halima Ladi Agbo and my late brother Shaibu Obagu Koku

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**LIST OF ABBREVIATIONS**

ACBF	:	African Capacity Building Foundation
ACCI	:	Abuja Chamber of Commerce and Industry
ADB	:	African Development Bank
AU	:	African Union
CII	:	Confederation of India Industry
CSC	:	Command Staff College
DAC	:	Development Assistance Committee
DAG	:	Development Assistance Group
DEA	:	Department of Economic Affairs
ECLA	:	Economic Commission for Latin America
ERP	:	European Recovery Program
EU	:	European Union
FDI	:	Foreign Direct Investment
FIDC	:	Forum for India Development Cooperation
FOCAC	:	Forum for Chin Africa Cooperation
GDP	:	Growth Domestic Product
GHIL	:	Global Infrastructural Holdings Limited

GMM	:	Generalized Method of Moments
HIPC	:	Heavily Indebted Poor Countries
HMT	:	Hindustan Machine Tool Company
IAFS	:	India African Forum Summit
IBTC	:	Investment Banking and Trust Company
ICCR	:	India Council of Cultural Relations
ICT	:	Information Communication Technology
IMF	:	International Monetary Fund
IT	:	Information Telecommunication
ITEC	:	Indian Technical and Economic Cooperation
JDZ	:	Joint Development Zone
LDC	:	Least Developed Countries
LNG	:	Liquefied Natural Gas
LOCS	:	Line of Credits
LPA	:	Lagos Plan of Action
MDGS	:	Millennium Development Goals
MEA	:	Ministry of External Affairs
MECON	:	Metallurgical Consultancy
MOF	:	Ministry of Finance

MOU	:	Memorandum of Understanding
NATO	:	North Atlantic Treaty Organization
NDA	:	Nigeria Defence Academy
NGOS	:	Non- Governmental Organizations
NIC	:	Newly Industrialized Countries
NIFA	:	Nigeria- India Friendship Association
NIIT	:	National Institute of Information Technology
NIJC	:	Nigeria- India Joint Commission
NMA	:	Nigeria Medical Association
NNPC	:	Nigerian National Petroleum Corporation
NTPC	:	National Thermal Power Corporation
NURTW	:	National Union of Road Transport Workers
NWC	:	National War College
OAU	:	Organization of African Unity
ODA	:	Official Development Assistance
OECD	:	Organization for Economic Cooperation and Development
OMEL	:	ONGC Mittal Energy Limited
ONGC	:	Oil and Natural Gas Corporation
OVL	:	ONGC Vedish Limited

PHCN	:	Power Holding Company of Nigeria
RITES	:	Rail India Technical and Economic Services
SAPS	:	Structural Adjustment Programmes
SCAAP	:	Special Commonwealth Assistance for Africa Programme
SME	:	Small Medium Enterprises
SSC	:	South- South Cooperation
SSI	:	Small Scale Industries
TCIL	:	Telecommunications India Ltd
UK	:	United Kingdom
UN	:	United Nations
USA	:	United States of America
USSR	:	Union of Soviet Socialist Republics
VAR	:	Vector Autoregressive Model
WB	:	World Bank
WTO	:	World Trade Organization

## DEFINITION OF TERMS

**Dependency:** Is the unequal relationship between developed and underdeveloped countries. In this study dependency will be used to refer to a condition in which Nigeria a developing country its development is conditioned by the development and expansion of India economy to the detriment of its own.

**Development aid/ development assistance/ foreign aid:** Are terms used to explain financial, humanitarian or other aid given to developing countries in order to uplift their socio- economic development. In this study development aid is referred to the grants, loans export credits and technical assistance from India to Nigeria.

**Development policy:** This means all the economic and political actions of states with the aim of promoting economic and political actions of India that affect the development of Nigeria in era of foreign trade, finance and agriculture.

**Development partnership:** It is the coming together of two or more countries or organizations in contribution to development which they will have mutual benefits. In this study it referred to India- Nigeria development partnership.

**Donor:** The term refers to a country or organization that gives aid. In the study India is referred as the donor of development aid to Nigeria.

**Foreign policy:** The term refers to the set of measures which government adopt in dealing with actors in the international system. In the study the foreign policy of India aid to Nigeria is a deliberate policy aimed at promoting itself enlightened economic and political interests.

**Underdeveloped countries/ developing countries/ third world countries:** they have the same meaning but they are used interchangeable to explain poor regions. In the study it referred to underdeveloped African countries.

## ABSTRACT

Development aid has its roots from the Post-World War II Marshall Plan of 1948, European Recovery Programs (ERP), to provide economic assistance in rebuilding Europe after the Second World War. The success of Marshall Plan in war torn Europe convinced the many leaders of developed countries that the newly independent countries including Nigeria should get similar assistance. In 1960 Nigeria after her independence embarked on various developmental policies, plans and programs which required development aid support from the donor countries such as the United States of America, the United Kingdom and Japan. However, the western aid failed to stimulate economic development, but rather it created dependency and debt trap. This informed the Nigeria- India development aid relations. It is against the aforementioned disquiet that this research study traces and evaluates development aid relations between Nigeria and India from 1960 to 2007. The research is based on the following objectives: to analyze the problems of donor funding in development aid relations to developing countries, assess the main features and trends of India's development aid to Nigeria between 1960-1998, to examine the dynamics of India's aid to Nigeria between 1999-2007, and finally, to evaluate the impacts of Nigeria-India aid relations on both countries. The study was guided by two theoretical perspectives: realism and dependency and underdevelopment. The realists' perspective assisted to evaluate the political self-interest of India in the interactions. On the other hand, dependency and underdevelopment theory enables us to assess the actual beneficiary on Nigeria-India relationship. This study used descriptive research design. This involves reviewing of various literature, documents and oral information obtained through in-depth interviews. The study adopts the purposive sampling technique. Both primary and secondary sources of data have been used to extract data. The data are systematically analyzed and critically evaluated, in line with the objectives of the study. The study is based on the assumptions that the Indian's development aid to Nigeria has favoured India. It also assumes that, Nigeria is getting more and more undeveloped because of India's development aid, and also that India's development aid to Nigeria has been misused by Nigeria. The study reveals that, both Nigeria and India have had development aid relations for many years. It has been demonstrated that India's development aid to Nigeria is driven by its enlightened self-interest. The current pattern of development aid relations between Nigeria and India is inherently asymmetric. The asymmetry is manifested in the import of raw materials and export of manufactured goods by India to Nigeria, and it is a threat to economic development of Nigeria. Therefore the present skewed nature of trade and investment relations between India and Nigeria is capable of undermining Nigeria's developmental efforts, if it continues. Therefore the relationship has to be restructured to allow for transparency and equal opportunity.



## **CHAPTER ONE**

### **INTRODUCTION**

#### **1.1 Background to the Study**

Kolawale (2013), documents that the main aim of seeking development aid for Nigeria is to improve the living standards of her citizens through provision of infrastructures and other socio- economic development project. This strategy of seeking donor funding was adopted by many other newly independent countries in Africa and Asia. This approach to development gave rise to fierce debates among scholars on whether or not donor aid can lead to meaningful social transformation.

Credibility of western development aid as development assistance can be attributed to the success of the Marshall Plan in which the United States used to revamp ailing economies in Europe after the Second World War. Farah, Onder and Anhan (2017) note that the Marshall plan was used to rebuild non-western nations because it was successful in reconstructing European nations by eliminating poverty and promoting economic growth and political stability in Western Europe. Williams (2013) adds that the objectives of the Marshall plan of action extended beyond fostering closer ties between the US and Western European nations to checking on the growing influence of the then Union of Soviet Socialists Republic (USSR). Under the Marshal plan the US provided \$13 billion for rebuilding of war ravaged Europe (Ali & Zed, 2016). Since then development aid practices has remained part of the international economy system (Ukpong, 2017:53).

According to Andrews (2009), development in the non-western world, Africa included was assumed to be possible through the constant transfer of capital from the developed countries to third world countries. This would eventually help them overcome their development situations and curtail the ever-growing poverty and developmental issues (Oche, 2020: 11-17). Institutions providing multilateral assistance are the Paris Club, the World Bank, the International Finance Corporation, the International Development Association, and the International Monetary Fund. These institutions are providing development aid to developing countries through the modernization approach. Since then the modernization approach to development of the third world gained currency.

In the post-World War Two period development aid relations were viewed from the lens of the modernization theory. Igwe, (2010:55) notes that Modernization theory advocated adaptation of western economic models by the developing countries as the key to overcome. The author adds that the underdevelopment crises being experienced in the Third World countries was as a result of internal contradictions within the territories of Third World countries. Scholars of modernization are of the view that only western societies that are truly modern others are either inferior or primitive. Modernization theorists emphasized for the Third World to advance, it must change from a traditional to a modern state by absorbing the knowledge and experience of the developed world.

According to the modernization theory, Rostow (1960) looks at five stages of economic progress from a traditional economy to a modern economy. According to Rostow, extended familial ties, participation in routine economic activities, a hierarchical power structure, and a decreased focus on achievement are characteristics of the first stage of traditional civilizations. The second stage consists of setting up the necessary conditions for takeoff, during which traditional communities start to commit to promoting secular education, which improves accumulation of capital. The third stage, known as the take-off stage, is when new economic sectors start to appear and society starts to shift from being impacted by traditions to being more heavily influenced by economic processes. The urge towards maturity is the fourth stage. At this point, the economy begins to diversify, real estate prices are fall, and living standards rise. The last stage is the high mass-consumption stage. This is the point at which there is widespread reliance on consumer goods and services, as well as increased emphasis on societal wellbeing (Ezrow, Franks & Taylor, 2016: 28).

Beginning in the 1980s, the phrase "structural adjustment" took on a new significance when used in reference to Third World nations. The task of restructuring economies fell to the emerging countries instead of the industrialized world. This phrase took on a new meaning in the 1980s when the burden of ensuring successful global development shifted abruptly and dramatically from the shoulders of the economically powerful to those of the economically poor (Toye, 1994: 18-19).

SAPs were adopted with the goal of enhancing a nation's foreign exchange profits through the promotion of exports and the eradication of budget imbalances within the government. When designing structural adjustments, development theories that had previously failed had to be abandoned in favor of the new strategy. Structural adjustment's primary objectives were to strengthen the framework for long-term social and economic development and to restore the favorable conditions for economic growth (Ezrow, Frantz, & Taylor, 2016:281).

Developing countries undertook policies that were targeted at the goals of stabilization and adjustment. The immediate trigger for many debtors (Developing countries) to turn to structural adjustment was their inability to service their foreign debt to Western banks and governments as their economies were in crisis. Attempts to implement externally imposed economic recovery programmes became the dominant features of most African countries. From the beginning of the 1980s, structural adjustment policies became the major operation in aid relations in the Third World, changing aid modalities radically and introducing far reaching aid conditionality (Nhem & Zinyama, 2016:156).

The bonds of peripheral exploitation by the center were further tightened by these practices. Unfair trade exacerbated debt, which ultimately resulted in a vicious circle of repayment problems with the external economy, which raised debt burdens even higher. The result was high unemployment, increase poverty and wide inequality throughout developing countries. (Nhem & Zinyama, 2016:156).

Underdevelopment and poverty persisted in Africa countries despite the introduction of structural adjustment facilities and debt rescheduling to encourage development and the eradication of poverty in Africa and other developing countries (Kalu, 2018:70).

Modernization theory has been criticized by Neo- Marxists scholars that it is pro-western bias. Wallenstein, (1974), and Frank (1967) contend that it is improper to address underdevelopment without considering the historical reality of the global capitalist economy, which is what led to the state of underdevelopment in Third World nations. Frank (1967) asserted that historically, "peripheral" states were exploited by "core" nations like the USA and UK, which make up the "elite" "metropolis," by keeping them as satellites in a state of dependency and underdevelopment.

Similarly, Samir Amin (1976) classifies African colonial economies into three groups namely; colonial trade economies, plantation economies, and labor reserve economies. Consequently, the world has been divided into core (center) countries in Europe and North America and periphery (periphery) countries in Africa, Latin America, and Asia. The asymmetrical relationship between the center and the periphery is highlighted by these three divisions.

China is the second-largest donor of development aid to Africa after Western Europe and the United States particularly in the area of infrastructure. Chinese assistance for international development has a long history. China began to back

liberation movements with development funding, which continued into the 1960s in the fields of agriculture and health in the newly independent nations following the Bandung conference (Tjonnelland, 2020:1). The Tanzania Railway connecting Tanzania and Zambia, which was built between 1960 and 1970 was the first Chinese development contribution to Africa (Ibid, 2020).

China has been one of the leading donors of development aid to Africa in recent years. The modernization and opening up of the Chinese economy, which made place for China's new role as the largest donor of development aid to Africa has resulted in the recent change in China's engagement in Africa. China recently increased its development aid to African nations in an effort to further its strategic interests, which include fostering closer ties with the continent's resource-rich nations (Imbisi, 2015: 11). This was particularly evident in the action plans created following the ministerial sessions of the Forum for China-Africa Cooperation (FACAC), when China made commitments to provide aid to Africa (Tjonnelland 2020:1).

According to Taylor (2006) China- Africa trade, aid, and investments value as at 1999 stood at approximately, \$2billion, it further increased to \$29.6billion in 2004 and \$39.7billion in 2005. Although China has been one of the largest financer of critical infrastructure projects in Africa, it has been observed that china development aid to Africa is more of a resources grabbing and debt trap than development partnership, with debt sustainability issues from the borrowing

remaining big a concern (Onjala, 2018). However, sustainability of Chinese aid to Africa remains in doubt.

India which is, after the Western Europe, USA, and China, is another larger donor to Africa and Nigeria is estimated that between 1992 and 2009 India's official development aid amounted to \$4.4 billion granted through the ministry of external affairs (MEA) (Kumar & Sharma, 2015:4). In geographical distribution, African states received the highest amount disbursed, after the India's immediate neighbors (Taylor, 2012:780-789). The agencies responsible for disbursement of India development aid are: Export-Import Bank (EXIM-bank) of India, Indian Technical and Economic Co-operation (ITEC) programme, and the Indian council for cultural relations (ICCR).

The Department of Technical and Economic Cooperation (TEC) of the Ministry of External Affairs (MEA) and the Department of Economic Affairs of the Ministry of Finance coordinate all of these organizations (Sridharan, 2014:11). The primary goal of India's development assistance to Africa is to strengthen the nation's geopolitical power and create a strong pro-India constituency among influential leaders in recipient nations (Agrawal, 2007:2). India's economic aggressiveness to African nations is also intended to challenge China's expanding influence there.

The bulk of India's development assistance is devoted to training the public sector executives, engineers, and civil servants of the recipient countries, as well as to providing investment and financial assistance to the recipient countries to purchase

Indian goods or services, such as water pumps, medicines, health care infrastructures, and railway equipment. Additionally, India funds feasibility studies and provides technical expertise to public institutions, including hospitals, universities, and railway services (Nigam, 2015:17-25).

India has been giving aid to some of West Africa countries in the area of infrastructural development, procurement of equipment, goods and services. The aid are inform of grants, concessional loans, lines of credit through the Indian technical and economic co-operation (ITEC), India Export- Import Bank (EXIM) at low interest rate, and funding of travel costs, and technical training cost by the India government.

However, in reality the aid failed to achieve its goals of promoting development, hence underdevelopment persisted. Similarly, Ogah and Aliyu (2022) argues that despite the increased flow of development aid into developing countries Nigeria inclusive, and the enormous potential of development aid in stimulating economic growth and development through bridging of savings and foreign exchange gaps, developing nations economies are still characterized by low level of income, high level of unemployment, very low industrial capacity utilization and high poverty level. This raises the question of aid is not performing. This question can only be answer on research on development aid to Africa.



## **1.2 Statement of Problem**

Development aid can be traced to the implementation of US financial assistance through the Marshall plan of action which was aimed at revamping ailing economies of European countries after the Second World War. The success of the Marshal plan of action led to its extension to developing countries.

On the contrary the opposite has been recorded. Western development aid from the WB and the IMF has failed to stimulate economic development. Western aid has also created a relationship of dependence, exploitation which has led to underdevelopment in the third world countries. This contradiction calls for a paradigm shift in development aid relations between Africa countries and its western development partners. South-South cooperation represents a framework of interactions among developing countries in promoting investments, expanding trade and facilitating development (Akinrnade and Ogen 2008:162, UNIDO 2008 and UNCTAD 2005). The core principles of South- South development aid relations are defined by non-interference into other countries internal affairs, respect for national sovereignty, national ownership and independence, equality, non- conditionality and mutual benefit (Hang, 2015:24).

The South- South economic cooperation and development aid relations serve as an alternative for developing countries to find appropriate, low cost and sustainable solution to their developmental problems in other newly industrialized developing countries of Global South rather than in the industrialized developed countries of the Global North with their attached political and economic conditions which

erode the autonomy of recipient countries to some extent (ibid:25). It is against this background that this study examined the development aid relations between Nigeria and India.

Having attained independence in 1960, the Federal Republic of Nigeria embarked on various developmental policies, plans and programs which needed development aid and support from the donor countries and organizations such as USA, UK, Japan, World Bank, and IMF. This development plan aimed at providing infrastructures, education, health, security, science and technology to combat the problem of poverty, and improve the standard of living of its citizens. However despite the huge flows of development aid to Nigeria, there is still poverty, low standard of living and high level of unemployment and illiteracy. As part of South-South Corporation, the Federal Republic of Nigeria started receiving development aid from China and India.

### **1.3 General Objective of the Study**

This study evaluates how development aid relations between the Federal Republic of Nigeria and the Republic of India has impacted Nigeria's economic development.

#### **1.3.1 Objectives of the Study**

This study;

- i) Analyzes the problems of donor funding in development aid relations to developing countries.

- ii) Assesses the main features and trends of India's development aid to Nigeria between 1960 and 1998.
- iii) Examines the dynamics in India's aid to Nigeria after 1999-2007.
- iv) Evaluates the impacts of Nigeria-India aid relations on both countries.

#### **1.4 Research Questions**

This study responded to the following research questions;

- i. What are the shortcomings of donor funding in developing countries?
- ii. What are the main features and trends of India's development aid to Nigeria between 1960 and 1998?
- iii. What are the dynamics of India's development aid to Nigeria after 1999-2007?
- iv. What are the impacts of Nigeria- India development aid relations on the two countries?

#### **1.5 Research Premises**

- i. Donor funding from the west viewed as the only alternative for development.
- ii. The Indian development aid to Nigeria has favored India.
- iii. Nigeria is getting more and more underdeveloped because of India's development aid.
- iv. Indian's development aid to Nigeria has been misused by Nigeria.

### **1.6 Justification and Significance of the Study**

This study is significant because it explores the development aid relations which occur within the South- South Countries. Whenever the problematic of development aid is raised in academic discourses scholars focus much on the relationship between Global North Countries (Western Europe and America) and Global South Countries (Africa, Latin American and most of Asia where India is located). For instance In her 1971 book "Aid as Imperialism," Hayter noted that the primary beneficiaries of help from the World Bank and Organisation for Economic Cooperation and Development (OECD) countries are western countries and multinational firms. According to her, Western leaders seize and take advantage of the resources of developing nations through the official development assistance, or ODA. In a similar vein, Charnoz and Severino (2007) contend that aid has strengthened the bond between emerging nations and the west. Yet, even within the Global South we have specific aid relations involving several nations. These relations need to be critically examined to establish if they bear some similarities of the relations between the Global North and Global South Countries. This work offers a policy shift term of Nigeria-India development aid relations to the Federal Government of Nigeria in formulation, coordination as well as implementation of developmental polices. Academically, the study will serve as a contribution to the existing literature on Nigeria-India development aid relations.

### **1.7 Scope and Limitation of the Study**

The study analyzes development aid relations between Nigeria and India from 1960 to 2007. The study began from 1960 which is the period that Nigeria attained her political independence. This study ended in 2007 which is the year Nigeria witnessed successful transition from civil administration to another civil administration. The period from 1960 to 2007 provided enough historical facts for assessment of the development aid relations between Nigeria and India. This period also enabled the researcher to analyze the India aid flows to Nigeria during the period of military rule and the return of the country to civil rule.

### **1.8 Literature Review**

#### **1.8.1 Problems of Donor Funding in Development Aid Relations**

Following World War II in 1945, development assistance had a significant role in shaping the international economic order and the global development debate. Ever then, development assistance has been central to North-South relations. The theory of economic development, or the Harrod Donar growth model, which acknowledged capital as the primary driver of economic growth, gave development aid its credibility as an engine of economic growth and development for poor nations (Pankaj; 2005:104).

Rostow (1960) one of the modernization theorists asserts that a lack of productive investment is the factor behind underdevelopment in the third world. The author concludes that providing poor nations with development aid in the form of finance, capital, technology, and exercise is the best way to address the issue of

underdevelopment. This suggests that in order for poor nations to experience progress, developed nations must give aid to emerging nations so that they can benefit from their own experience.

For example, according to academics such as Bauer (2000), development assistance "promotes dependency on others" by giving the idea that escaping poverty is dependent more on gifts from outside sources than on personal initiative. Additionally, Moyo (2009) contends that aid encourages reliance and corruption, which has serious repercussions for democracy and development. According to Karikari (2002), development aid has created a culture of reliance and a lethargic, subservient mindset that permeates every aspect of life, from the government to the people. According to Easterly (2003), has been taken a step further by several researchers, including Mosley (1986), Sachs (2005), and Bakare (2011), who contend that help may really induce development.

According to Mosley (1986) foreign assistance is seen as catalysts for human development and useful in addressing important development concerns. Sachs (2005), notes that distributing aid to developing nations is a prerequisite for reducing poverty. On his part Bakare (2011), adds that development assistance frequently promotes sustainable development by transferring cutting edge knowledge, abilities, and productive techniques. This assertion is consistent with the public interest presumption held by aid recipient nations. This viewpoint backs up the OECD's 1999 assertion that foreign aid promotes the growth of infrastructure, employment creation, and general economic recovery. Static &

Barbuluscu (2017), document foreign aid will be more effective in improving living circumstances for the population by providing access to high quality health care and education than at fostering economic growth.

However, despite the huge flows of development aid into developing nations, underdevelopment still persists. This led to the debates on development aid among the intellectuals focusing on its failure to stimulate economic development and poverty reduction in developing countries.

According to Swaroop and Devarajan (1998), assistance fungibility makes it harder to evaluate aid effectiveness, weakens the goals of development aid, and helps governments that engage in rent-seeking legitimate. It is further contended that because development aid is fungible, growth is the only effective means of reducing poverty (Burnside and Dollar, 1997:4). Development assistance is only effective when the receiving nation implements sound economic policies that promote growth.

According to Grijjin (1970), development aid may have a negative impact on growth because governments in recipient countries often use it to boost spending rather than allocating it to important social and economic sectors in an effort to reduce poverty. This implies that aid may have an adverse effect on the recipient country's economy by slowing the growth of productivity. A study conducted by Boone (1996) on 96 nations demonstrates how much development money was spent rather than invested. The views of scholars here is that aid fungibility

undermines the performance of development aid. This study interrogated aid fungibility in Nigeria-India development aid relations.

Kharas (2007) argues that donor funding become more complex when efforts were re-oriented toward development of poor nations and indeed by 1960 there were many more potential donors. He goes on to emphasize that the biggest consequence of the increased number of aid organizations is the growing challenge of supplying sufficient data, organizing, and planning for efficient development assistance.

In the perspective of Riddle (2007), development aid can be effective if the recipient countries are committed to its intended and effective utilization. Riddle believes that ineffectiveness of development aid is the weakness of states institutions. Riddle however does not address the effect of external factors in implementation of development aid by the recipient countries. To bridge this gap this study examined the impacts of external factors in Nigeria-India development aid relations.

According to Nkusu (2004) and Adam & Bevan (2006), development assistance may have a "Dutch disease" effect that impedes the growth of the tradeable commodities sector and jeopardizes the development of the receiving nation. that there is a chance that the public sector might grow to be greater than the private sector through increasing expenditure in any massive flows of development funds.



According to Kanbur (2000), this can impede progress and development by maintaining in power corrupt administrations with misguided policies and skills. He emphasized once more that corrupt practices, subpar management, assistance conditionality, and dubious donor judgements on the distribution of development aid are the reasons why it doesn't promote progress. This study attempted to find out whether this Dutch disease affected the development aid relationship between Nigeria and India.

In her book *Aid as Imperialism*, Hayter (1971) makes the case that development assistance is really a covert kind of imperialism and cannot bring about the intended economic gains. As noted by Charnoz & Severino (2007), assistance has played a part in solidifying the dependency of developing nations on developed nations in the west.

Enoh (2009) makes the point that in exchange for finance and loans, the peripheral nations are required to offer the developed nations relatively cheap access to their markets, labor, and natural resources. This eventually results in a situation of perpetual reliance due to the complex relationship between the two countries,

According to Browne (1997), the two-tier (or four-tier) global hierarchy that has been sustained by development aid prevents the expansion of international collaboration. Kabonga (2017) stated that aid for development is now used to advance underdevelopment. According to him, development aid tends to increase demand for services and goods as well as employment in Global North Countries

more than it does in Global South Countries. This study investigated this assertion in Nigeria India development aid relations.

According to Eyben (2013), development aid became well-known in Africa in the 19th century when wealthy countries began providing aid to underdeveloped countries. Since the majority of these countries providing development aid to African countries were formerly the continent's colonial overlords, they exploited it as a means of retaining power once the majority of African countries attained independence. Edward (2014) argues that despite the long history of development aid flow to African countries however it has not catalyzed economic development in Africa. He is of the view that development aid in Africa is synonymous to corruption and bad governance. Furthermore, Mayo (2009) notes that up until 2009, \$1 trillion in development aid has been transferred from industrialized to developing nations; as a result, the recipient countries did not benefit economically from this sum. The researcher also suggests that poverty, corruption, and reliance on aid have imprisoned Africa as a continent.

Senegal got development aid in 2018, amounting to 16 percent of its GDP, according to Rouis (2019). This is more than the 10 percent average received by other African nations. France is Senegal's largest contributor and has traditionally been one of the countries that receives the most development money worldwide. The enormous volume of help coming into the nation and its significance for the economy have drawn a lot of attention to the way the government handles development assistance. Research indicates that Senegal is typically good at

managing the development assistance it gets. According to Rouis, the majority of assistance programmes are not evaluated during planning or execution; as a result, the leaders in that country use systemic weaknesses to achieve their own goals rather than those that advance the interests of the country as a whole.

Kagwanja (2018) points out that just like the Marshall Plan that rebuilt European economy after the war as its prime concern. China has been playing a significant part in the economic growth of Africa. Through cuts to Chinese development contributions across several African nations, the China-Africa Summit proposes a bargain for the continent's growth. Furthermore, Anyang (2019) contends that the Forum for China-Africa Cooperation (FOCAC) is developing into a 21st-century version of President Truman's Marshall Plan, America's Economy Recover Programme, which was introduced for European nations. Furthermore, he emphasizes that China's ambition to boost African economies through economic help has the potential to surpass the Marshall ambition, which is still the greatest development assistance programme in human history. However, the economic assistance from China would only benefit African economies if it is effectively combined with a democratic system of government.

Chakrabarty (2021) notes that, barely two years after gaining independence, India started working with Africa on development projects in 1949. At the time, India offered seventy educational scholarships to students from underdeveloped nations, including those in Africa, so they may pursue their studies there. According to Kurzydowski (2020), after the 1955 Bandung Conference, which brought together

the majority of newly independent Asian and African nations, collaboration increased even more. In 2005, India became the inaugural Asian nation to join the African Capacity Building Foundation (ACBF) (Taylor, 2012:786). In 2008, India committed to providing \$5.4 billion in development assistance to African nations during the inaugural India-Africa Forum Summit (IAFS). At the May 2011 India-African Forum Summit, it committed an extra \$5 billion (Mullen & Arora, 2016:14). According to Ganapathi (2014), the areas of human resources, institutional capacity building, science and technology, agricultural productivity and food security, industrial growth, development in the health sector, infrastructure development, telecommunication technology, and mining and chemicals are among those covered by the development aid relationship between India and Africa.

According to Akinola (2015), India's post-Cold War aggressive attempts to increase its influence in Africa are a reflection of its desire to have easy access to the continent's resources for its own economic development and expansion. This begs the question: Is India a development partner, a scrambler, an exploitative partner with self-interest, or a partner hoping for some sort of shared gain? (Naidu & Corking, 2008:115). Only an analysis of India's development assistance to Africa would be able to respond to such a query.

Rostow (1960) asserts that a lack of productive investment is the main factor behind underdevelopment in the Third World. The author concludes that providing poor nations with development aid in the form of finance capital, technology, and

expertise is the best way to address the issue of underdevelopment. This suggests that in order for poor nations to experience progress, developed nations must give aid to emerging nations so that they can benefit from their own experience. This study attempted to find out whether this method applies in Nigeria- India development aid relations.

According to Mosley (1986) foreign assistance is seen as a catalyst for human development and useful in addressing important development concerns. Sachs (2005), notes that distributing aid to developing nations is a prerequisite for reducing poverty. On his part Bakare (2011), adds that development assistance frequently promotes sustainable development by transferring cutting-edge knowledge, abilities, and productive techniques. This assertion is consistent with the public interest presumption held by aid recipient nations.

This viewpoint backs up the OECD's 1999 assertion that foreign aid promotes the growth of infrastructure, employment creation, and a general economic recovery. Staticu & Barbulescu (2017), document foreign aid will be more effective in improving living circumstances for the population by providing access to high-quality healthcare and education than at fostering economic growth.

According to Kabonga (2017) development aid is now used to advance underdevelopment. According to him, development aid tends to increase demand for services and goods as well as employment in core countries more than it does

in peripheral ones. This study investigated this assertion in Nigeria India development aid relations.

### **1.8.2 Trends and Dynamics of Development Aid Relations**

The research has generally come to the conclusion that organized and systematic development assistance is a legacy of the Cold War. Aid for development started out as a "temporary expedient of Cold War diplomacy," according to Lancaster (2007). Additionally, she claims that "if there had been no Cold War threat," the United States—the first and, for the majority of the time, the largest aid-giving nation—might not have initiated aid programme or put pressure on other governments to follow suit (Ibid:5).

The start of academic research on development also coincides with the time of the Cold War when recipient nations were manipulated by development aid (Onur, 2018:27). The patterns and dynamics of development assistance interactions have been a contentious topic among intellectuals ever since the 1960s and 1970s saw the emergence of early instances of development aid literature. Despite the fact that several analyses of development assistance have produced a significant body of information on the subject, it was challenging to come to a definitive consensus due to the multifaceted and constantly evolving nature of international aid operations (Ibid:27).

Aid is defined as "the transfer of money, goods, and services from one nation to another" by Morgenthau (1962), one of the early scholars of international aid

(Ibid: 301). He developed six categories of development help: prestige, bribery, military, humanitarian subsistence, and development aid for economic growth. He claims that among these six categories of assistance, bribes make up a large portion of what is currently referred to as development aid (ibid: 302). He discloses that offering bribes in exchange for political favors is not new in international relations; yet, following World War II, bribery in the guise of development assistance was justified as advancing the recipient's economic growth. The majority of previous research on the motivations behind development assistance interactions has been inspired by the Morgenthau position on help for development.

Scholars have captured the conditions associated with Western foreign aid mostly from the WB and IMF. Thapa (2020) notes that Foreign aid could be supplied to bolster as a token of acceptance diplomatically or as a military ally. Foreign aid can also be used to convince governments to take the donor's preferred course of action, increase the donor's cultural influence, finance the organizational reforms required for the donor to extract resources from the recipient nation, or open up new markets.

The "donor interest vs. recipients need" model was created by Mckinley and Little (1977), who employed it to examine how US foreign aid was distributed between 1960 and 1970. They came to the conclusion that the donor interest model had substantial support. They concluded that US assistance distribution is primarily

motivated by US security objectives, given the substantial support for US security interests (ibid 248). Their study was based on security oriented understanding of theory and practices of international relations during the period of cold war. However, their works informs this study about the important of security as a determining factor in allocation of aid.

In a different earlier study on the motivations behind development aid, Maizeles and Nissanke (1984) examined bilateral and multilateral aid flows to 80 developing nations in 1969–1970 and 1978–1980, examining two distinct types of aid flows. They came to the same conclusion as earlier research, namely that donors' perceived interests in security, politics, and the economy determine how bilateral aid is distributed. Nonetheless, recipient need mode is supported by their findings for multilateral donors (Ibid: 891).

Alesina and Dollar (2000) examined the flow of bilateral aid from twelve conventional donor nations during a five-year period, spanning from 1970–1974, to 1990–1994. Based on criteria including trade openness, democracy, civil liberties, colonial status, foreign direct investment (FDI), and population, they primarily concentrate on characteristics of the receiving nations. According to their results, the allocation of political and economic institutions among beneficiaries is more influenced by voting trends in the UN and colonial past. Similarly, McGillivarry (2003) found out that past political alliances and colonial links are key dominants of development aid, that such strategic factors are at least



as important as variables which mirror recipient needs. The studies shed light on the donor interest influence on development aid relations.

Following the September 11, 2001 terrorist attacks, security became a more pressing issue in world politics. As was the case during the Cold War, the war on terror forced the US and other major nations to priorities security over other issues.

According to Bermeo (2017), academics and development activists have conjectured that in the wake of the September 11, 2001 terrorist attacks, development aid will once more be redirected from development and used more and more for non-development geopolitical purposes, making allocation patterns more akin to those of the Cold War than those seen in the 1990s (ibid:737). The aforementioned study provides insight into how shifts in international security impact the ways in which aid is distributed to recipient nations.

The study conducted by Jian, Dunkeh, Miao, and Xiaoyan (2020) examines the variables that drive China's assistance distribution to Africa. The study's conclusions demonstrated that the main factors influencing China's aid disbursements to Africa include commerce, Chinese foreign direct investment, diplomatic and strategic ties, natural resources, and China's economic standing. This suggests that China opens markets to Chinese multinational collaboration and advances Chinese development aid through diplomatic means.

Lum, Ficher, Gomez & Leland (2009) and Lengauer, (2011) reveal that china development aid to Africa and other developing countries is promoted mainly by

the need for natural resources. China would so primarily provide help to African nations in order to gain access to their natural resources and minerals. Chinese development aid is contingent upon African countries endorsing Chinese investment firms and providing political backing for China's goals in the global community and resource extraction (Lum et al., 2009:10)

It was noted by Dreher, Fuchs, Strange, and Tierney (2015) that although China asserts that it upholds the principle of non-interference in the domestic affairs of sovereign governments, its development assistance to African nations is not conditioned on the institutional quality of aid that benefits those nations. The authors also point out that the political structures of the benefited nations are not taken into account when allocating aid.

Datzberger (2013) asserts that Chinese investment, aid and trading activities in Sierra- Leone are of extreme importance in the promotion of economic growth in Sierra- Leone. However the author further observed that the Chinese Aid and investment may not lead to significant employment generation and effective poverty reduction as a result of the country weak institutions to regulate the behavior of private investors. Similarly, Pennie (2021) states that economic activities between China and Liberia accounted for increased development aid, economic and technical cooperation trade relations between the two countries. The studies above acknowledge the contribution of Chinese Aid to Sierra-Leone and Liberia and also highlights how weak institutions of government may affect the performance of development aid in a recipient country.

China as a new emerging development aid donor established economic and technical aid relations with Nigeria in 1972. However the diplomatic relations between the two countries has been defined by low key engagements for three decades due to series of military regimes and unstable polity.

China engagement with Nigeria took a new turn following the return of democracy and political stability accompanied by surging boom for fossil fuels, especially oil beginning 1999 (Chen, 2008:63). Therefore, the main objective of China oil diplomacy is to gain more control of foreign oil and gas supplies and to diversify its import sources (Ibid: 2008). Chen (2008) further states that, the China quest for oil is the main motive of its relation with oil resources rich Nigeria. Thus its relations with Nigeria whether termed mutual or not, enables Chinese government and private companies to have easy access to the country resources.

Nigerian-Chinese economic ties are examined by Ogunkola, Bankole, and Adewuyi (2008). They contend that China's disbursement of aid to Nigeria is motivated by China's need for Nigerian oil to support its economic expansion and the country's manufacturing goods exports, while Nigeria need Chinese capital, industrial products, knowledge, and technology to market its non-oil exports.

The above studies, showed the dynamics in China's aid relations to Nigeria after its economic boom. The studies inform how economic boom of donor country affect its aid decisions. It helps the current study in investigating the trends and dynamics in India's aid allocation to Nigeria after 1999.

Chanana (2009) posits that India has been aiding developing countries in the recent years for political and economic influence and with the hope that it will get recognition and advance its strategic interest in the international community. This has not been backed by empirical or theoretical evidence. Chanana's study does not shed light on the impact of India development aid policy to Nigeria. To ascertain the above assertion this study evaluates the motives and impacts of India development aid to Nigeria.

Nigam (2015) argues that India gives aid to countries that support India's own development plans. This being the case in India does not show much interest in making aid disbursements to countries which do not support its development plan and in which it does not stand to benefit in the long run. This study examined India's development plan and whether Nigeria supports India development plan. Whether the assertions by Nigam applied to India's development aid relations with Nigeria was investigated.

Xavier (2014) argues that India- Africa relationship is guided by political, diplomatic, cultural and defense relations which are all economically motivated. Xavier further notes that economic factors had a significant impact on India-Africa ties in the field of exploration of natural resources to attract new investment destination. The claims by Xavier are not country-specific as countries in Africa are not homogenous. This study found it worthwhile to study Nigeria's benefits with regard to its relations with India.

Forum for India Development Co-operation (FIDC) (2016) stresses that India's primary goal in Africa is to empower and support the continent in their struggle to come out of poverty and engage in sustainable development. Using Nigeria as an example this study assessed whether India's mission in Nigeria is to mitigate poverty and promote sustainable development or not. This was done by examining the level of transparency and compliance to the rules and regulations guiding the development aid relations between Nigeria and India.

According to Chakrabarti and Ghosh (2013) development aid does not only facilitate Indian economic action in Africa not only helps India project itself as a great power and build a support base, but it also does so. This shows that India's development aid is been used as an instrument to promote and serve its national interest. However, the study did not show how India's development aid benefits the recipient countries especially in Africa.

Talyor (2012) notes that the recent India- Africa relations could be best explained in terms of struggle for mutual political and economic partnership. Thus, the partnership is to enhance its economic advancement and political support as an emerging power in the global arena. This study explored the extent to which the economic partnership between Nigeria and India is mutual. The extent to which Nigeria had benefited from the partnership was evaluated.

Singha (2010) is of the view that the current interest of India in engaging African countries in aid and investment relations should be seen from the perspective of

how India perceived the continent as potential link for trade and investment. The increasing political stability, improvement in economic revival and credit rating in many African countries in the 21<sup>st</sup> century are also reasons for India's political and economic diplomacy re-engagement in the African continent. This study did examine trends in India-Nigeria development aid relations and how they have impacted on development partnership policy between the two countries.

According to Alvaraeng, Jansson and Naidu (2008) India shifted from her commitment of championing the decolonization process in Africa to become one of the prominent African actors in the years following the Cold War. Africa is regarded as an important continent by India and in particular the oil producing countries. Like any other donor, India has its own permanent interest in engaging African countries. This study investigated India's interest in its development aid to Africa with particular focus on Nigeria.

India's development aid to Ethiopia, Acharaz, Ghisu & Frank (2014) they observed that India development aid has been directed towards the sugar industry, transport and energy generation and supply. India have provided financial and non-financial aid, concessional loans, grants, and technical assistance. In addition, they also reveal that India provided various assistance, covering training for the leather industry, consultancy for governmental institutions, scholarship to Ethiopia students to study in India. The study shed light on the trends and impacts of India development aid to Ethiopia.

Price (2004), Agrawal (2007) note that Indian aid is more of a tool for India to easily access global markets for its goods and that it aids Indian businessmen in establishing foreign investments. Akinola (2017) asserts that India used its aid policy to have enormous access to Nigeria's economy. Securing access to Nigeria's oil industry is essential for India's industrial and economic development. He added that the Nigerian government's economic reforms had made it easier for Indian investors and enterprises to do business in Nigeria. The extent to which India has used its aid policy to access Nigeria's economy by promoting business persons from its own country was examined. Now and whether these investments have helped in curbing the numerous socio-economic problems of Nigeria was a subject of investigation by this study.

Sanusi (2012) argues that successive Nigerian governments have since independence initiated various development plans to improve the living standards of her citizens. Accordingly such development aid came from donor countries of the West mainly the WB and the IMF. This study reversed this notion and argued that besides receiving donor aid from Western Europe and North America, Nigeria has also received donor aid from Japan, China and India which the subject of this study.

### **1.8.3 The Impact of Development Aid Relations**

Today, a number of nations take part in the development assistance process as either donors, receivers, or as both donors and beneficiaries (Khan & Ahmed,

2007:2). Because there are several reasons both in favor of and against the advantages of development assistance, the effect of it on recipient nations' economic growth as well as that of the donors remains largely unresolved in theory and data analysis (ibid:2). Some scholars like Chenery & Stout (1966), Collar & Dollar (2002) are of the believe that development aid is an indispensable mechanism intended for filling the gap between the investment needs and domestic savings in the poor nations in order to alleviate poverty, particularly in countries with good institutions and policies. While other scholars like Bauer (1993), Kanbur (2000) and Easterly (2006) are of the view that development aid are mere economic instruments adopted by the developed countries to continuously subjugate and manipulate the poor countries and to further their economic interests. Today, a number of nations take part in the development assistance process as either donors, receivers, or as both donors and beneficiaries (Khan & Ahmed, 2007:2). Because there are several reasons both in favor of and against the advantages of development assistance, the effect of it on recipient nations' economic growth as well as that of the donors remains largely unresolved in theory and data analysis (ibid:2).

Research on the relationship between economic growth and development assistance shows that different nations' experiences with development assistance have been diverse. For example, Karras (2006) examines the relationship between growth rate per capita and development aid in 71 developing nations that receive help. The study found a favorable, statistically significant, and long-lasting impact



of development aid on economic growth. The results show that recipient countries received \$20 in development aid per person, which led to a consistent rise in growth of almost 0.16 percent. The study comes to the conclusion that recipient countries' development benefited from development aid.

Niyonkuru (2016) observes that for it is vital to redefine the scope of foreign help in developing countries if development aid is to benefit those countries. He notes that the current system of foreign assistance to developing nations forces the recipient nations into unending dependence. The conditions attached to development aid create hardship for the recipient countries as social services are withdrawn or given to private profit-making institutions. This study assessed the existence of a dependency syndrome by Nigeria on India in development aid relations. The extent to which such dependency impacts on Nigeria was also evaluated.

Frank (1967), notes that the current underdevelopment is mostly the historical byproduct of previous and ongoing economic connections between impoverished and industrialized nations. He goes on to say that capitalism is to blame for the inequality between rich and developing nations. Therefore, developing nations cannot advance as long as they are a part of the current configuration of the global economy that capitalism has produced.

World Bank (1997), report notes that neither the recipients' growth rate nor the effectiveness of their economic strategies have been significantly impacted by

development aid. This is similar to Easterly (2006), who criticized the aid mechanism for producing scant or no benefits in terms of reducing poverty in comparison to the amount of money received as aid.

According to Burnside & Dollar (2004), aid for development has a favorable effect on economic growth in developing nations that have put in place sound fiscal policies. However, it hasn't had much of an impact if any on nations with unclear fiscal policies (Ibid, 2004). It is accepted that domestic conflict in Africa influences how well development aid works. It is further emphasized that external circumstances and unequal relationships between donor and recipient countries have an impact on how effective foreign aid is in promoting development.

Moyo (2009) opposes the idea that foreign aid helps Africa develop. According to the author, aid has been and still is a barrier to political and economic progress development in most developing nations. He adds that aid blocks investment and encourages dependency and corruption. The study explores the various element of Indian's aid to Nigeria to test whether they have caused a dependency syndrome in Nigeria.

Masawi (2017) opines that the expanded India's presence in Africa serves as a challenge for Africa to change their development policy. The scholar laments that despite the development partnership between India and African countries, African governments have not been able to provide their citizens with such basic needs as energy, water, health. Based on the assertions by Masawi, this study aimed to

determine how much development aid from India to Nigeria has improved the living standards of citizens in Nigeria. This was achieved by assessing India's aid investments to the different segments of society in Nigeria.

Nyoni (1998) conducted a study on the growth impact of development aid to developing nations and discovered a large, strong, and noteworthy effect. Furthermore, despite real depreciation stemming from a devaluation of the local currency, the study revealed that trade inflows boosted Tanzania's economic growth performance because higher government spending led to a genuine improvement.

Ilorah (2011) echoes Aluko & Arowolo that donor aid is good for Africa. However Ilorah adds that the problem of underdevelopment in Africa is caused by internal factors such as poor leadership. Similarly, Ibietan, Chidozieand & Ujara (2014) maintain that Nigeria has a serious leadership crisis is a big factor in why development aid doesn't seem to be having much of an impact there.

Mbah & Amassoma (2014) posit that, despite the huge inflow of development aid into Nigeria to speed up economic development through improving savings and foreign exchange, disparities still exist. They add that the economy has not made any significant improvement in regards to low level of income, unemployment and industrialization. To manage the substantial influx of foreign aid into the nation, they recommend reforms in the political and economic institutions. The study evaluated how much internal political and economic processes prevent India's

development assistance from being used effectively to promote development and economic progress. The study also examined the influence of external factors in India development aid to Nigeria.

Ogoh, Shaibu, & Edegbo (2015) document that Nigeria and India laid trade relations initially in the textile industries. The two countries later on diversified into many other areas of the economy including oil exploration, finance, retail, and transportation and communication. However, the study did not provide a particular explanation on who benefit more in the relationship and or its mutual benefits to both countries. The study investigates the nature of India's development partnership with Nigeria.

According to Nwosu (2018) it is not possible if a nation's political and economic institutions are unable to carry out the foreign assistance target of growth and development, it will be difficult for that nation to meet its development aid goals. However, this writer is silent on the influence of external factors in undermining achievements of foreign aid.

#### **1.8.4 Summary of the Literature Review**

From the review of above literature, it is evident that western development aid failed to achieve its objectives of promoting development in developing countries. Rather it created dependency and debt trap. Ogah & Aliyu (2022) argues that despite the huge flow of development aid into developing countries Nigeria

inclusive, developing nations are still characterized by low level of living standard, high level of unemployment, low level of industrialization. This raises the question of development aid is not performing. This study sought to answer the question, why development aid is not performing as expected. It is also observed that, the majority of the literature reviewed focus more on development aid relationship between Global North and Global South. Very little attention has been taken to study aid relations within the countries of Global South. It is against this that this study attempted to fill this knowledge gap.

The study analyzed the terms rules, and principle that guide Nigeria-India development aid relations. The study also examined the factors that influence India development aid relations with Nigeria and the impacts of the development aid relations on the two countries to establish if they bear some similarities of relations between the Global North and Global South Countries.

### **1.9 Theoretical Frame Work**

To explain why wealthy economies give development aid to countries with weak economies, a variety of hypotheses have been developed in the field of international relations. These include; Modernization, Liberalism, Realism, and Dependency and Underdevelopment. Modernization theorists such as David McClelland and Daniel Lerner argued that development required not only economic aspect alone, but include the social and psychological aspects of a country. They viewed modernization as cultural process, and stressed that development is possible on modern norms and standards must evolve in order to reflect social and cultural ideals of the modern society must replace those of traditional societies (Malacalza, 2020: 22).

According to the theory, development can take place through the diffusion of ideas, norms, values attitudes, and policies in the so called underdeveloped countries. These modern values would enhance industrial development and economic growth, and without them development would not occur (ibid).

Each civilization must go through five stages, according to Rostow, one of the proponents of the modernization theory: traditional society, prerequisites for takeoff, drive to maturity, and stage of high mass consumption. The first stage, often referred to as traditional cultures, is marked by extended kinship ties, involvement in subsistence pursuits, a power hierarchy, and a diminished emphasis on success.

Traditional civilizations begin to commit to developing secular education in the second stage, which prepares the ground for the takeoff stage and increases capital accumulation. Greater capital mobility promotes the shift away from primary economic activities, which have lower economic returns than the manufacturing sector, and helps create the entrepreneurial class that will create the manufacturing sector.

This brings us to the third stage, when new economic sectors have begun to emerge and society shifts so that economic processes now dominate society more so than traditional ones. At this point, economic growth trends are widely known. The desire to mature is the fourth stage. At this point, the economy has begun to diversify, the rate of poverty is declining, and living standards are rising. When a civilization reaches this point, the previous sacrifices are no longer required. This leads to the last stage, which involves widespread use of dependable consumer goods and services and an increase in social welfare (Ezrow, Frantz, & Taylor, 2016:28).

Therefore, the modernization theorists promoted institutional reforms that enable the creation of the rule of law and the development and protection of property rights, notably in the political and judicial spheres. They also advocated that the state should refrain from participating in the modernization process to allow market forces to determine the process of growth and resource allocation.

According to the modernization idea, underdeveloped nations should receive development aid from wealthy nations in order to keep up with them.

The modernization perspective has however, has been criticized on the ground that it is pro- western bias, and instead of promoting development, it encourages exploitation and domination of these developing countries by donor countries (Igwe, 2010:56). The experience with Africa showed that development aid impoverished them instead of development. The theory ignores the notion that the donor countries are about their national interests and not the development of recipient countries. These makes it unsuitable.

In the study of politics, liberalism is a broad idea that has many different interpretations. Doyle (1997) asserts that liberalism is similar to a family portrait of values and institutions that may be distinguished by particular characteristics like personal freedom, political participation, private property, and equal opportunity. John Locke, Adam Smith, Baron de Montesquieu, and Joseph Schumpeter are among the authors whose works serve as the foundation for modern studies on liberalism and international affairs.

Locke is credited with creating the liberal individualism doctrine as we know it today. John Locke laid the liberal groundwork for international law when he claimed that states have rights that flow from individual rights to life, liberty, and property. The core tenets of liberalism are the preservation of an individual's right



to life, liberty, and property, which are the main objectives of a political system (Meiser, 2017:1-4).

Liberals championed the case for limited government and scientific rationality since they believed that people should be free from arbitrary governmental power, persecution, and superstition. Liberals support political freedom, rights, and privileges as well as individual liberty and legal equality (Burchill, 2005:55). In civil society, liberalism has also argued in favor of individual rivalry, and it has claimed that market capitalism best advances the welfare of all by efficiently distributing limited resources.

Liberals argued that the best ways to safeguard individual rights and liberty both domestic and international level is through institutions and norms. At domestic level their rights, liberty can be protected through an efficient political system whereby there is division of political power among different organs of government such as legislative, executive and legal system. This will give room for checks and balance in the use of power institutions and organizations at the international level limit the influence of actors by encouraging collaboration and a means of sanctioning any actors that violate international agreements (Meiser, 2017: 1-4).

Additionally liberals are of the belief that stable democracies and economic interdependent states will behave differently at the international level. As an illustration, democratic governments are less prone to start and escalate wars with

other states. International commerce and investment are more likely to occur in democratic countries. Peace in the global community will result from this interconnectedness. Also democratic countries are more prone to look for answers through international institutions (Rousseau & Walker, 2012:21).

The democratic peace theory is liberalism's main contribution to the study of theoretical international relations. According to this view, war between democratic governments is unlikely. Additionally, it claims that democratic nations have internal controls and the ability for inter-group collaboration (Meiser, 2017:1-4). All liberal thinkers share the broad conviction that political liberty, economic freedom, interdependence, and international association will ensure peace in the world system, notwithstanding major individual differences (Rousseau & Walker, 2021;21).

Neo-liberalism is the term used to describe the modern viewpoint that the free market is the best system for allocating resources. This theory emphasizes on minimal governmental intervention in economic and social issues, and stresses on free markets competition as the means to accomplish human progress (Smith, 2019:1). Neo-liberalism sprang to prominence in the late 1970s and early 1980s as a remedy for every socioeconomic problem afflicting the developing countries of the world. (Ezrow, Frantz, Taylor, 2016:47).

According to Adam Smith in the "*The Wealth of Nations*" (1776), the market's "*Invisible Hand*" should decide on supply and demand. That if people prioritize their own interests, the competition brought about by free markets would produce the best results for everyone concerned (Smith, 2019:1). Smith favored minimal government involvement in economic concerns, arguing that it should cut spending on social services like health and education, liberalize markets, impose few taxes and subsidies, and privatize public companies. The government is in charge of providing the fundamental infrastructure and promoting the application of the law to contractual obligations and property rights.

Neoliberalism refers to unrestricted free trade on a global scale, as well as the opportunity to invest and move labor and capital freely. Neo-philosophical liberalism's underpinnings were essentially the writings of academics like Milton Friedman (1962, 1982, 2009), who stressed the advantages of free market economics over the state. Milton went on to claim that excessive government spending was the cause of both inflation and debt. Friedrich Von Hayek (1899-1992) made a similar case that excessive government intervention in the economy was bad for development. Hayek added that interventionist measures aimed at wealth distribution invariably result in despotism.

Henry G. Johnson (1923–1977) contended that because development planning required excessive government intervention in the market, it achieved nothing to advance society. Johnson disputed the idea that colonialism was to blame for the

lack of progress in emerging nations. The issue was rather a lack of effective development policies.

According to Deepak Lal (1983), developing nations should adopt the neo-classical theories of growth that are used in rich nations. He opposed government interference in excessive planning for development because market forces should set prices and wages to achieve the equitable distribution of resources.

Hernando De-Soto (1989), notes that reducing governmental intervention is necessary for development and economic growth in emerging nations. The author adds that between the 1970s and 1980s, the main conservative political parties in Britain and the US enthusiastically embraced these scholars' viewpoints. Consequently as a neo-liberal philosophy and practices gradually grew more inspiring, a new wave of economic globalization increased the interdependence of national economies. Additionally, neo-liberals supported free trade regulations and the freedom of international commerce (Smith, 2019:1).

Liberalism and neo-liberalism has the followings as their shortcomings; liberals ignored the capacity of hard power in changing the norms and values of international system and the strongest correlation between power and the system of global security. Not only did liberalism provide a more morally or logically sound framework for politics, but it also provided liberal states with the ideological authority and physical might necessary to reshape the post-cold war

world in their own image. This is why the post-cold war world could aspire to become a liberal rules-based order (Oskanian, 2018:1-5).

The concept of universalism helps to justify western cultural, economic and military dominance over other states and it's required for these states to copy these western traditions and institutions. Thus, liberals tend to be rejecting all other ideologies of non-western states and that alone, serve as a raise of cultural, incomprehension, and hence it constitutes the main problem of liberalism.

Liberalism as a vital tool for spreading of Western civilization, and its values, without recognizing other civilizations, cultural, ideas and beliefs (Popova: 2014:1-8). The gradual harmful effects of free markets on less powerful participants in the global political economy for liberals to ignore the dependent relationships that are common result of unequal relations between states, and their beliefs that the pitfalls of dependence would resolve themselves along the line through the modernization, and democratization of non-liberal states have proven themselves to be entirely misplaced (Oskanian, 2018:1-5).

It is argued that neo-liberalism policy recommendations made to developing nations have caused poverty and instability (Ezrow, Frantz & Taylor, and 2016: 57). Deregulation, free trade, privatization, and cutbacks in government spending are the policies, and through globalization, these policies have eroded democracy, workers' rights, and the self-determination of sovereign states (Kenton, 2020:3).

However liberalism as a theory; this study found liberalism unsuitable for the theoretical explanation of Nigeria and India due to the above shortcomings.

The origins of realism theory can be found in the works of Hobbes, Machiavelli, and Thucydides. In his work “the history of the Peloponnesian war” written in (431BC), Thucydides states that all states struggle to protect their own interest and attend to justice and morality only when it suits their interests.

According to Thucydides, power politics is act of human behavior that controls politics among States. In his analysis of the causes of the conflict, he makes the case that the different grievances that Athens and Sparta leveled against one another are just excuses for the real issue, which was the rise of Athens' strength and the dread it instilled in Sparta. The Athenians, who have taken control of the island of Melos, demanded complete submission from their adversaries since their superior strength rendered the Melians defenseless. Therefore, contemporary realists are immediately familiar with the justifications offered by the Athenians to persuade the Melians.

In his book “*The Prince*” Niccolo Machiavelli (1485) argues that morality is important, but that there could be no effective morality where there is absence of effective authority. He also stressed that leaders should follow the ethics of responsibility rather than the conventional religious morals that most people adhere to. This indicates that while effective leadership is always desirable, it is

also possible for leaders to be willing to resort to violence when doing so is essential to ensure the survival of the state.

Machiavelli advises political leaders that their main objectives should be to preserve the status quo of government and to amass fame, honor, and wealth for themselves and their subjects. He contends that in order to accomplish these goals, political leaders must be willing to go to any lengths in order to safeguard liberty and advance the goals of the state.

In an evil society, Machiavelli cautions, the wise leader must understand that it is not always advisable to act in accordance with accepted private morality. The only element that should guide a leader's decision-making is necessity. He added that political leaders should emulate the cunning of the fox and not the strength of the lion. They must continually portray an image of nobility and virtue regardless of their conduct, avoid the people's hate while maintaining their respect, and be willing to be ruthless.

According to Machiavelli, liberty is a requirement for acquiring wealth and power. Therefore, defending liberty is the essential political duty of a republic and calls for a head of state that embodies the highest virtue. To do this, a republic should set up its political system to encourage its inhabitants' virtue and guard against corruption. This calls for men of considerable stature who exhibit the traits the prince described. Similar to this, a state can only protect its freedom by constantly vying for supremacy over other states.

Thomas Hobbes argued that human beings are naturally selfish and they have quest for power, therefore, their desire for power influence their relations among states. In his book “*Leviathan*” (1651) he states that human beings are led to by a perpetual and restless desire of power after power to a state of war. Hobbes further argues that absence of a World government to regulate actions of states is the cause of the anarchy in the global system

Therefore, states have to compete for power in order to secure their states from the domination of other states. In *Leviathan* Hobbes probed into the origins of government and of the state, and came to the conclusion that, they were a necessary response to the innate disorderliness of mankind. Without a strong sovereign power, a leviathan people would remain in a situation of perennial war. Their evil, greed and individualistic tendencies had to be controlled, if, in the interest of all, there was to be a minimum level of social order. Without this, life would-be, nasty, brutish, solitary, poor and short,” Every man will and is legally allowed to rely on his own skill and strength to protect himself from other men if a power is not built or is not sufficient for our protection (Hobbes, 1946: 109).

The realist conception of international relations is that of struggle to get power for survival and security. Powers, in the realist mind, is the sole means to protect national interest. Realists contend that humans have control over other people's thoughts and behavior, which can be proven by examining the interrelationships between the many players in the international system (Adeniran 1983:18).



With the absence of world government in the international system to regulate and limit the actions of states which are determined by human nature of being selfish and self-interested, the international system is assumed to be anarchical, therefore states have to seek for power in order to preserve their national interests (Donnelly, 2000: 9).

The nation with greater power dominates the other, as a result, the aim of all states actions is to accumulate, maintain or increase its power. In international relations Justice and morality are only observed when it suits the interest of the state and non-state actors. For this case with India and Nigeria, the study seeks to determine which among the two nations pursues to dominate the other.

Adeniran (1983:18) outlines the following as the realism approach's contribution to the study of international relations: He focuses on power and security politics that are the determinant factors of the activity that takes place on the international system. He also gives reasons why such activity normally occurs i.e., self-preservation, that power is a psychological relationship to others and purposes. States are considered to be the key players in international relations.

Realists hold a negative outlook on human nature, believing that people are by nature selfish and that this affects how they interact with others in the international system. They also think that conflicts must inevitably underlie international relations and that conflicts must always be resolved through war. They respect the

values of state survival and national security. They therefore adhere to the notion that there should be equilibrium of strength in the world, and that in order to reach this equilibrium; one must forge alliances with other countries. This will stop one nation from dominating the international system through an alliance. They also doubt that international politics will advance in a manner analogous to that of domestic politics (Jackson and Sorensem, 1999:68).

In regard to Nigeria and India's relations, the two nations entered into the partnership with both having individual national interest. It is imperative that this study intends to establish which country between the two has more gains over the other owing to the current claims that Africa's dependency on foreign aid has brought about its underdevelopment.

Realism is a theory with a view that international relations are driven by competition for protection of national interests by states as the actors. Therefore the study adopted realism theory to analyze India national interest in its development aid relations with Nigeria. As India is 'core' country within the peripheral zone. In order to find out whether India as a 'core' country within the Third World is perpetuating the same unequal relations that exist between western European countries and Third World countries.

Even though the theory has some limitations, it is also very useful in analyzing the states as actors in international relations as far as in the international systems,

some group of powerful nations controls the activities of the international system to the detriment of the smaller countries. One of the fundamental grounds for realism is that the two nations' interactions are driven by a desire to advance and defend their national interests. Realism has continued to be beneficial to the study of relations between Nigeria and India regarding development aid.

However realism as a theory has the following shortcomings. It neglects the cooperative strain of human nature. It disregards other crucial elements outside nations, like people and non-governmental organizations (NGOs). It overlooks the extent to which international relations form an anarchical society. It also underrates the extent to which the relations of state are regulated by the international Law (Jackson and Sorensen 1999:69). In view of the aforementioned weaknesses, this study reinforced realism with dependency and underdevelopment theory to analyze India development aid relations with Nigeria.

Dependency and underdevelopment theory is predicated on the belief that for one to understand the relationship between developing and developed countries, consideration must be given to other global interdependences. The proponents of the theory are the scholars of the Marxist perspective of development.

The Marxist perspective of development can be traced to the works of Karl Marx and Friedrich Engels. Their ideas, concept, and theories became the foundations of a doctrine which is now known as Marxism. Marx and Engels in mid 1840s

noted that they believed capitalism globalization was seriously undermining the foundations of the international system of states because rivalry and war between nation states had not yet abated. Max and Engels saw the two main socioeconomic classes, the national bourgeoisie, which controlled a separate system of governance, and the increasingly affluent proletariat as being responsible in the future (Linklater, 2005:110).

Marx and Engels taking a radical stance established a set of concepts that transcended national boundaries while also offering useful advice on how to mobilize a large population worldwide. A radical political movement of proletariats from various economic sectors of the world was to be formed to fight capitalism's exploitative and unfair effects, which were accelerated and extended by the rapid advancement of industrial technology (Pal, 2017: 42-43).

This new conditions of global economic productions, imperialism, colonialism, and globalization relationship between capitalist and pre-capitalists nations would give rise to new types of society. It is debatable whether or not the traditional Marxism of Engels and Marx can be applied without major changes in focus (Mclean, 1996:312-314). In the latter half of the 20th century, this gave rise to the notions of dependence and underdevelopment.

Dependency and underdevelopment theory first emerged in the United Nations Economic Commission for Latin America (ECLA) under the Leadership of

Economist Raul Prebisch in 1948. Raul Prebisch was among the researchers who associate underdevelopment to unfavorable conditions of international commerce, is where (Nyangoro, 1989:76).

Andre-Gunder Frank (1969) one of the proponents of dependency and underdevelopment theory he stated that, lack of development of the Third World countries was as a result of exploitation of the developing countries by the developed world during and after the colonial rule. In his view developing countries (satellites) are incorporated in the international capitalist system that favor the developed countries (metro poles) to the disadvantage of the developing states (satellites) which exist mainly to fulfill the needs of the developed states (metro poles), by extracting resources from the developing state through unequal trade relationship. Frank arrived at this by analyzing how Latin America resources have been exploited by the developed capitalist states.

In spite of the dependency and underdevelopment theories emanated from the Latin America, the framework has been adopted by various scholars of African studies such as Rodney (1972), Amin (1974) and (1979), Leys (1975), Shivji (1976), Langdon (1981), Ake (1981) and among others. These scholars applied the dependency and underdevelopment theory to analyze the relationship of Africa countries with the Western capitalist countries right from the slave trade period to the present neo- colonialism period has been the genesis of Africa underdevelopment and unfair trade relationship up till date (Nyango-ro, 1989:78).

According to Rodney (1972), underdevelopment occurs when not all members of the society have equal access to the necessities of life. It is not the absence of progress that causes underdevelopment; rather, it is the unevenness of human social, political, and economic development. Rodney argued that the purpose of colonialism was essentially for exploitation and repatriation of profits made in Africa to their homeland. Therefore, this domination of Africa by Europe hindered the economic development of the continent. Also, the emergence of an elite class in the peripheries known as compradors also contributed to underdevelopment of third world countries.

Amin (1974) argues neo-colonialism the process of expansion of capitalism is a process of alluring the peripheries to permanent “unilateral adjustment”. By unilateral adjustment Amin meant that the developed, countries are busing shaping the globalization process, and the periphery is forced to adjust unilaterally to it.

Amin (1977) opened that the law of value that runs at the global level allows the extraction of the value produced in peripheries to the centers. This leads to unequal exploitation and unequal exchange relations between the centers and the peripheries. To Amin, this unequal exchange relation is the cause of underdevelopment of Third World countries. Therefore, he is of the view that developing countries should dissociate themselves from the world market and struggle for self-reliance.

Dependency and underdevelopment theory is an approach or social science tool of explanation that was founded on the idea that resources from a "periphery" of underdeveloped and impoverished nations are used to support the richest state in the "core," making the latter rich at the expense of the former (Agubamah, 2014:63). Here, Nigeria is a poor country within the periphery is the former and India as a "core" country within the periphery is the latter. Dependency is a state in which one group of nations' economies is susceptible to the growth and expansion of another, while the latter is the dominant force (Daniel, 1980:3). Therefore, this theory will help us to explain the developmental partnership of Nigeria and India.

This is the major argument of dependency theory that poor countries continue to be poor while the rich continues to get richer by incorporating the countries into the international system. Agubamah (2014) contends that the international relationship between the developed and underdeveloped countries whether bilateral or multi- lateral should benefit both the strong and weak economies.

According to dependency theorists, exploitation between the developing countries and the underdeveloped ones has existed since the days of colonialism and has contributed to the underdevelopment of the latter. India's economy appears to be among the fastest-growing in the world, despite the fact that it is a member of the Third World. Consequently, the development aid relationship of India and Nigeria will be evaluated with the help of the dependency theory.

Due of its applicability to the topic, dependency and underdevelopment theory was applied in this research. The framework was able to identify the characteristics of developing countries. The theory concerns itself with the unequal relationship existing between developed countries and underdeveloped countries.

The theory analyzed the internal dynamics of underdeveloped countries. It also looks at how the internal and external architecture of undeveloped nations relate to one another. According to the thesis, Third World countries' underdevelopment results from their reliance on capitalist developed nations. It is argued that the Third World's underdevelopment was caused by outside forces coming from the advanced capitalist nations.

The theory also held the view that development of underdeveloped countries is not possible within present world capitalist system. It also pointed out that to overcome this situation the underdeveloped countries have to over throw the existing system.

The theory however has some significant flaws, like ignoring the internal factors that contribute to underdevelopment and economic stagnation of these countries. But rather blaming the lack of development of the Third world countries on international capitalism. Another weakness of the theory is that it is one sided in its analysis by focusing on only external economic factor. This analysis is considered as a narrow mode of analysis.



With this the theory is regarded to be over exaggerated the effects of capitalist development as the root cause of underdevelopment by ignoring the role of the local capitalists (Nyang-oro, 1989: 88). Despite the short comings of dependency and underdevelopment theory, its importance cannot be ignored. It points out the limitations of modernization theory and it is able to identify and define the features of dependence as well as its negative effects. In so doing, it examines the evils of neo-colonialism in expanding world capitalist system. Therefore; this study will adopt the theory because it will enable it to explain the Nigeria-India development aid relations.

## **1.10 Research Methodology**

### **1.10.1 Introduction**

The methodology used for the study's data collecting and analysis is covered in this section. It also describes the target population, sampling strategies, sample size, data collection and processing procedures, ethical considerations, and study organization.

### **1.10.2 Research Design**

This study adopted a descriptive qualitative research design approach. The study critically reviewed the primary and secondary data that are relevance to development aid relations between Nigeria and India from 1960 to 2007. This involved systematic interpretations of the primary and secondary data collected.

The study used qualitative descriptive approach that provides a straight forward description of a phenomenon. The approach is useful to a researcher to get into the depth of the topic of study.

### **1.10.3 Study Locale**

The study was conducted in the Federal Republic of Nigeria. Nigeria is a Federal Republic comprising 36 states and the federal capital territory where the capital Abuja is located. The federal republic of Nigeria is a country in West Africa. It is situated between the Sahel to the north and the gulf of guinea to the south in the Atlantic Ocean. It covers an area of 923.76 square kilometers (356,66sq mi), with a population of over 225 million. It is the most populous country in Africa. Nigeria borders Niger in the North, Chad in North East, Cameroon in the East, and Benin in the west. The largest city in Nigeria is Lagos, the three largest ethnic groups in Nigeria are the Hausa in the North, Yoruba in the West, and Igbo in the East, see appendix I map of Nigeria.

### **1.10.4 Target Population**

The target population of the study included officials of the high commission of India in Nigeria; ministry of commerce trade, and industry of Nigeria. The target population also includes, business men and women that have relevant information about the study. Scholars, political leaders, Nigerians working in India firms in Nigeria, and ordinary Nigeria men and women also formed part of the target population.

### **1.10.5 Techniques and Sample Size**

The study adopted purposive sampling techniques to identify experienced and knowledgeable individuals in the area of the study for interviews. A total of 30 respondents were interviewed. The study selected 2 from High Commission of India in Nigeria, 7 from Ministry of Foreign Affairs, 4 Ministry of Finance, 5 Indians and 20 Nigerians citizens.

### **1.10.6 Method of Data Collection**

The study employed both primary and secondary data collection techniques. Primary data were obtained from archives, high cession of India in Nigeria, Nigeria Ministry of Foreign affairs. These data includes High commission of India in Nigeria briefs and reports on Aid relations, Indian's aid agencies such as SCAAP, ITEC. Materials from government agencies related to Nigeria Aid relations such as loans, technical aids, trade and India policy to Nigeria were consulted. Primary sources of data include carry out oral interview. Under this category data are obtained through the in-depth interviews with the selected people from the sample size. The research instruments used include oral interviews with the help of interview guide and key informants were interviewed. While secondary data include, books, journals, magazines, pamphlets, newspapers, periodicals reports, thesis and dissertations, and seminar papers which are relevant to the development aid relations between Nigeria and India.

### **1.10.7 Methods of Data Analysis and Interpretation**

The data collected for this study were analyzed qualitatively. For the in-depth examination and interpretation qualitative methods of data analysis was adopted. The primary data collected were coded and systematically analyzed. While secondary data were carefully evaluated to ascertain the relevance and accuracy of the materials. The results of the finding are presented in a narrative form with the support of primary data to consolidate secondary data.

### **1.10.8 Data Management and Ethical Consideration**

All the rules and regulations governing academic research were strictly observed in this study the participants were selected on voluntary basis while their confidentiality and privacy were assured by informing them that this study is purely meant for academic purposes. All literary work and other works used in the study were acknowledged adequately.

### **1.10.9 Organization of the Study**

Chapter two is the reflections on the problematic of donor funding. The third chapter traced the historical and dynamics in Nigeria – India development aid relations from 1960 to 1998. Chapter four assessed the recent changes in relationship between Nigeria and India from 1999 – 2007. Chapter five analyzed the impact of India's development aid relations on both countries. Chapter six is the summary, conclusion and recommendations from the findings.

### **1.11 Summary and Conclusion**

This chapter has summarized the main features of this study. It has been noted the significance of development aid in the development process. Nigeria after her independence in 1960 embarked on various developmental plans and programs which needed development aid and support from donor countries such as India. It has been pointed out that development aid relations between Nigeria and India were analyzed using double contribution of two theoretical perspectives: realism, and dependency and underdevelopment theories. It has been argued that realism will help in evaluating the political self-interest in the interaction while dependency and underdevelopment theory will help us to assess the actual beneficiary in Nigeria-India partnership. The period under study is from 1960 to 2007. The next chapter examines the current intellectuals' discourse on the significance of development aid in the development of beneficiary countries.

## **CHAPTER TWO**

### **REFLECTIONS ON THE PROBLEMATIC OF DONOR FUNDING**

#### **2.1 Introduction**

In Chapter One, the background of the study, statement of problem, justification and significance of the study, scope and limitation of the study were discussed. The chapter also reviewed literature related to the study, theoretical framework and research methodology. This chapter argues that western development aid has been unable to stimulate development and address the question of underdevelopment and poverty reduction in African countries.

#### **2.2 Historical Trends in Donor Funding From Post World War II**

Development aid is the term generally used to refer to different types of assistance given by one nation to another in form of donations. Development aid is a veritable tool for promoting rural and agricultural development, public infrastructure development, health technologies, and education (Amassoma & Mbah 2014:107). Similar to this, According to Bakare (2011), giving development aid is a tactic to increase the amount of money available for corporate investment and economic growth, both of which are essential to eradicating poverty and raising living standards in recipient countries. After World War II, the European Recovery Program (ERP) received assistance from donors.

Following the war, the British urged the United States to assume their responsibilities in Greece and Turkey. President Truman addressed the congress

on March 12, 1947, urging support for these two nations' development initiatives under the pretense of helping them battle communism. The Truman doctrine, as it is now known, was his next step in expanding his international policy (Magid, 2012:1-35).

*"In my opinion, the United States should back free people who are fending off attempts to subjugate them by armed minorities or external forces. In my opinion, we have to help free peoples to determine their own paths in life. I think that the main ways we can contribute should be through peaceful political systems and stable economies. This is an investment in global freedom and harmony (Truman, 1947).*

The speech by President Truman marked a major shift in the American foreign policy history. The doctrine effectively re-oriented the US foreign policy from its traditional isolationist's posture of withdrawal from regional conflicts not directly affecting the USA, to one of feasible intervention in faraway conflicts. This marked the beginning of American domination of the world and spreading of Cold war. Thus, the US created the Cold War. Lasala (2016) acknowledged that Truman doctrine eventually resulted in a major paradigm shift in world affairs, and that its precepts motivated the American military intervention in Korea, and Vietnam.

On April 3, 1948, President Truman approved the Marshall Plan., and 16 European countries received \$13 billion in aid. Britain, France, Belgium, the Netherlands,

West Germany, and Norway were among them (Bjarnadottir, 2017:1-35). The financial aid affected the level of European agricultural and industrial production, balance of trade and increase in capital stock and foreign exchange reserve (Ramiarison, 2010:1-70).

The assistance in the form of the Marshal Plan contributed to the development and rehabilitation of infrastructures by providing financial and technical assistance enhanced by the U.S. The Marshall Plan enhanced Europe's relations and also contributed to political and economic stability in Western Europe. This helped strengthen democracy and at the same time weaken domestic socialist political parties (Tarnoff, 2018:1-32).

Many leaders of affluent countries were persuaded by the Marshall plan's outstanding effectiveness war-torn Europe, and that the newly independent countries should get comparable assistance, especially in Asia and Africa. It was assumed that such a move would automatically translate to economic development and alleviation of poverty in developing countries (Oche, 2020:17).

On the contrary, the development aid to Africa countries has not translated to economic growth, rather, it further deepening the poverty and underdevelopment in African countries. A respondent added that;

*“The perennial poverty and underdevelopment in African countries is as a result of the failure of development aid to provide a sustainable economic growth and eradication of poverty instead it*



*encourages corruption, increases the poverty and decreasing economic growth of the African countries (Akor, O.I. 5/1/ 2020)*

Economic expansion was one of the cornerstones of development theories at this time. During this time, industrialization was seen as a key component of growth that would raise the demand for raw resources and open up job possibilities. As a result, this would eventually encourage other productive sectors to increase their manufacturing and supply of commodities (Thornback, 2006:17-47).

One of the primary motivations for development aid during this time period was the transfer of capital investments and technical support to emerging nations. Aid was considered essential to close the macroeconomic disparities in developing nations and supply crucial surplus capital for economic development (Ali & Zeb, 2016:1-25).

Rostow (1960) stated that in order to catch up to the Western industrialized nations, developing nations needed cash, investment, and saving. One of the causes of the underdevelopment was thought to be a lack of finance and investment. In this instance, it was anticipated that foreign investment and financial aid would close this gap, eradicating poverty once and for all and achieving positive economic growth (Kuniber & Singer, 1996:20).

Additionally, it should be highlighted that the countries that provide aid to developing nations like Africa are motivated by economic, political, ideological, and geopolitical interests in addition to the overt goals (Ali & Zeb, 2016:107-125).

Aluko & Arowolo (2010) emphasized that the provision of development aid to developing nations gained prominence during the period in which the USSR and the US competed for ideological which raged from the 1950s to the early 1990s and marked the official collapse of the Soviet Union as the head of the communist ideological bloc.

In an effort to persuade the newly independent countries to embrace their ideological principles, these power blocs offered development funding incentives to emerging nations. There is a case to be made that the leaders of the industrialized nations have used foreign aid as a tool to accomplish their desired goals. This led to a formal institutionalization of development aid in international politics (Williams, 2013:1-28). It is vital to keep in mind that, starting in the 1960s, countries like Japan, West Germany, the Netherlands, and Scandinavian countries became significant contributors to international development aid (Ali & Zeb, 2016:101-125).

These recent members of DAC countries have contributed more than the traditional members. Their contribution has further expanded the aid programme in Africa countries. One of the respondents revealed that:

*“At this period African countries witness an increase flow of capital and technical assistance. Especially in area of physical infrastructure projects such as roads, telecommunication, dams, and energy sectors. All these intervention are aim at achieving economic development and poverty alleviation in African countries” (Adamu O. I. 6/1/2020).*

As a consulting group for aid, donor nations founded the Development Assistance Group (DAG) in 1960. In 1961, it changed its name to Development Assistance Committee (DAC). The Organization for Economic Cooperation and Development (OECD), which was founded after the DAC, was formed by joining forces with other aid-giving organizations (Nigonkuru, 2016:79). At the United Nations General Assembly in the 1970s, the wealthy nations of the world decided to yearly donate 0.7% of their Gross National Income (GNI) as official international development aid (Wogu, Duruji, & Ibietan, 2013:83-96).

Based on this, development aid of \$3.1 trillion was directed to developing countries between 1960s and 2007. In this initiative, financial aid to Africa accounted for more than 1/3 of what had been disbursed (Ramiarison, 2010:1-70). Easterly (2006) reports that Western rich nations have given Africa around 600 billion in development aid. But despite these enormous numbers, there hasn't been much of a shift in economic progress.

Even though there was no discernible improvement in the economic development of Africa due to development aid, this does not mean that the aid was ineffective. Even while aid has occasionally failed, scholars, like Sachs (2005), Stiglitz (2002), and Stern (2002), have claimed that it has helped some African countries reduce poverty and grow while preventing worse performance in other nations.

They use successful countries like Botswana, Tanzania, and Mozambique as examples of how donors, not recipients, are to blame for the inefficiency of development aid. These countries also received significant aid at the same time as successful initiatives like the green revolution, the fight against river blindness, and the development of oral rehydration therapy. They also claim that indexes of poverty, health, and education have significantly improved since the emergence of aid for economic growth and poverty alleviation in developing nations after World War II. These claims require more interrogation.

### **2.3 Theoretical Explanations Justifying or Opposing Development Aid Funding**

The theoretical arguments over the usefulness and ineffectiveness of aid have persisted since the 1960s. According to Arthur Lewis (1954), Nurkse (1962), and Rostow (1960), insufficient investments in infrastructure and other economic sectors are to blame for the lack of progress in emerging nations. They contend further that a lack of foreign exchange and low savings rates are obstacles to the economic growth of developing nations. Development assistance from this

perspective is viewed as the best way to overcome these obstacles through funding national development initiatives.

It is a fact that, lack of saving is a constraint to development, but development does not depend solely on saving. The unequal historical relationship of developed Western Europe and underdeveloped African countries from slavery to colonialism is another constraint to the development of Africa. According to Rodney (1981:3), Europe's colonial enterprises, systemic corruption and theft of natural resources from Africa for their own use have contributed to the continent's underdevelopment while it promoted Europe's progress.

Chenery & Strout (1966) came up with the Two Gap Model to address development through foreign aid. The "Two Gap Model" analyzes the differences between exchange rates and saving rates to pinpoint economic limitations. According to this theory domestic savings are at their highest level in underdeveloped and poor countries. In order to boost income and economic growth, they point out that more resources will be made accessible through development aid. They contend that when foreign aid is utilized, capital accumulation rates will rise and a sizeable share of revenue will be saved and reinvested. Additionally, it is thought that these developing nations' economies are hampered by a lack of technological know-how. Development assistance can improve this by offering technical support (Ibid, 1966).

The Two Gap Model, according to Macmillan (2011), establishes how the two elements have an impact on growth. The first is the idea that there is a link between investment and a country's pace of growth and that the amount of investment determines that rate. The second is the link between saving and economic growth, where it is thought that saving significantly influences investment growth and economic growth. The investment needed to achieve the desired rate of economic growth can be calculated using this model. Gaps can occur in savings, foreign exchange (trading), and other areas when investment falls below the anticipated level. Foreign capital loans will be used to fill in these gaps.

Nelson (1956) also held that poverty traps, which are created by a variety of variables including inadequate productive capacity, rapid population expansion, and low savings ratios, retard growth. Together, these forces maintain the nation in poverty since it lacks the capital to become wealthy. The claim made here is that development aid should be viewed as a short-term capital injection to support economic growth and enable the economy escape the poverty cycle. These two models are widely employed as the theoretical foundations for investigations into the link between development assistance and the economic development of recipient countries.

However, Harms & Lutz (2004) contend that the two gap models are flawed in their assumption that aid is the sole element increasing output in investment. They go on to suggest that other factors, like education and research and development,

also have an effect on economic growth. They further claim that while some development aid is used for other purposes, not all of it is invested by the recipient country. A recipient nation may choose to allocate some of the aid funds for investments and some for government spending. As a result, receiving development aid encourages corrupt governments to purposefully scale back their domestic investment efforts in order to receive more funding from the donors.

This being the case to alleviate poverty and achieve development is not only the infusion of aid for a country. One should factor in the role played by good governance, accountability, rule of law and private capital. Ramlarison (2010:13) posits that dominant literature on financial assistance and development focus on panel data rather than country specific data. The scholar adds that aid performance may vary as not all countries are in the same situation or have the same characteristics hence no generalization should be attempted.

Despite the criticisms of the models on the efficiency of aid, many poor countries continue to use these common models, which are backed by some empirical and evidence from some researchers. Various theoretical and empirical researches that indicated a favorable correlation between aid and growth came about as a result of this (Papanek 1973, Levy, 1988). Due to this, a number of theoretical and empirical investigations have been conducted, some of which have discovered a positive association and others have not.

The above scholars contend that aid would increase savings, finance investments, and increase the capital stock, all of which would promote economic growth. They claim that aid, particularly in the health and education programs, helps to increase production. They argue that when technology and expertise are transferred from industrialized to developing nations, there are good effects.

Dalgaard, Hansan and Trap (2004), note of a direct correlation between development assistance and economic growth. Evidence suggests that recipient nations' economies grow more quickly as aid flow increases. Development aid, which Stiglitz (2002) noted may occasionally perform less well, can unquestionably boost economic growth in some recipient nations.

On the contrary, some academics contend that countries that receive development aid suffer as a result of the aid itself. Griffin and Enos (1970) found a negative correlation between panel data from 27 different nations and the rise of development aid. According to Bauer (1972), promoting help for development should be avoided because it has negative effects. It poses a risk to recipient nations because it strengthens the few bureaucrats in government who promote corruption and impede economic development. According to Kanbur (2000), pressure from donor countries, corruption, inadequate administrative systems, and recipient governments' excessive use of aid all contribute to the lack of positive effects of development assistance on economic growth.



Additionally, Boone (1996) found that recipient countries do not experience economic growth as a result of development aid for two reasons. First of all, a lack of resources does not produce poverty or hunger, and secondly, it is not recommended for politicians to change unpopular policies when they get aid money because doing so has a negative impact on the home economy and encourages reliance on foreign help. Similar to this, Hatemi and Irandoust (2005) suggested that the inverse correlation between aid and growth may be brought on by erratic business cycles and lead to government intervention. However, other academics believe that the institutional and political climate in beneficiary nations determines whether or not development aid is effective (Ramiarison, 2010:18).

Burnside & Dollar (2000) are interested in figuring out whether and under what circumstances development aid can have a positive or negative effect on the economic growth of receiving countries. They claim that the soundness of current institutions and macroeconomic policies determines how well development aid works to boost economic growth. They stipulate that when given to recipients who have sound policies, development aid encourages economic growth.

A country may be said to have a favorable policy climate if there is evidence of low levels of inflation, a modest budget deficit, and a framework that promotes generally open trade. Furthermore, they point out that connecting aid more regularly to the success of policies would probably boost its influence on the growth of developing nations (Burnside & Dollar, 2000:864). There is research

that supports the Harrod-Domar theory, which contends that as saving increases domestically, growth follows.

#### **2.4 The Challenge of Development Aid Funding in Africa and the Struggle against Dependency**

Up to 2007, more than \$600 billion in development aid has been given to African nations since the 1960s with the intention of eradicating poverty, promoting economic expansion, and improving the standard of living for the continent's citizens. Despite the vast amounts of aid, little has been achieved in terms of growth and development in the African nations (Farah, Onder & Ayhan, and 2018:9).

This was as a consequence of the mismanagement of the aid by corrupt government officials of the recipient countries, and conditionalities attached to aid by donors which allowed the exploitation of African countries rich human and natural resources in the name of development aid have accounted for the low performance of development aid in Africa.

As a result, for their economic development and progress, African nations continue to rely largely on development aid. Because of this, it is strongly disputed whether or not development aid is beneficial in reducing poverty and fostering development in African nations. Of the 48 least developed nations (LDC) in the world, 34 are in Africa (UNDP, 2014). Most individuals in sub-Saharan Africa are

extremely poor and struggle to meet even their most basic necessities. However, it can be argued that development aid failed in its performance in terms of poverty eradication and economic development of African countries.

Despite receiving aid from bilateral and multilateral organizations as well as non-governmental organizations, the Nigerian health sector struggles with poor quality and inefficiencies in the provision of health services to its citizens due to a lack of adequate drugs, limited human resources and managerial capabilities, as well as a lack of an enabling environment (NGO). This was as a result of corruption, bad political leadership, lack of good governance which are responsible for the failure of development aid to achieve its goals in Nigeria health sector.

Oyibo and Ejughemre (2015) reveals that Nigeria received aid grants amounting to \$1,504,046,273 between 2003 and 2007 through the Global Funds for Aid, Tuberculosis (TB) and Malaria (GFTAM) in order to strengthening Nigeria health system to combat major health problems, such as HIV/AIDS Tuberculosis and eradication of Guinea worms and capacity building. However, the aid was not delivered to the communities with the greatest needs, due to issues of corruption, lack of coordination by the government in certain instances by donor partners, and also the rising ineptitude in many recipient communities has contributed to the failure of aid to achieved its objectives (ibid: p1).

According to Moyo (2009), aid has been and still is a complete calamity on a political, economic, and humanitarian level for the vast majority of emerging

nations. Moyo gives the example of African mosquito net producers who were forced out of business by well-meaning charity organizations who distributed free nets. In a nutshell, help is the illness that it sees itself as curing. Only in principle does the notion of eradicating poverty through aid make sense.

The goal of development assistance is to increase investment and income levels to increase economic growth in African nations and reduce poverty, but this goal was not achieved due to aid conditions imposed by financial institutions (IMF/WB) such as liberalization and privatization which led to the destruction of local industries that could not compete, and debts services which led to net reverse flow of money from African countries to donor countries and institutions. Hence, instead of aid to solve the problems of poverty and underdevelopment in African countries it further creates poverty and systematically blocks the incentives and opportunities of poor people to improve their standard of living. Consequently, poverty has increase and underdevelopment persists.

Scholars like Moyo (2009), Easterly (2006) attributed the poor performances of development aid in Third World countries mostly in Africa as a result of the following factors, corruption, dependency, colonialism, debts, Dutch disease, aid volatility, lack of commitment from donors and volatility politics of aid allocation.

Poor governance and corruption are responsible for the often disgusting effect of development aid performance in Africa countries. The effect of corruption is that a few individuals amass huge wealth, with which misappropriates resources and has

negative macroeconomic effect. The high levels of systematic corruption reduce the benefit of development aid, which results to lower economic growth.

Additionally, low economic growth may be related to high levels of corruption, and vice versa, particularly in nations with weak legal systems, lax accountability, and poor institutional quality, all of which are characteristics shared by almost all African nations (Mustafa, Kilishi and Akanbi, 2015:98-108). Poor governance and corruption affects the effective and efficient use of development aid by slowing down development, reducing the amount of public resources, and discouraging private investments and savings.

Lacaster (1999) claims that aid fungibility, which, according to Abuzeid (2009), is a way of widening the scope of corruption and the rent-seeking syndrome is one of the causes of help ineffectiveness in Africa. The author adds that development efforts of African nations were transferred to Swiss banks.

Similar to this, Gyimah and Brempong (2002) contend that given the high level of corruption on the continent and the fact that the majority of African nations are significant users of development aid, there is a strong likelihood that funding will be siphoned off. As a result, corruption has a detrimental impact on the benefits of development assistance such as growth, investment and the eradication of poverty.

In the past, development aid programs have failed because they were poorly designed by governments and agencies with little understanding of the

environments of recipients, and recipients' countries lacked the authority to influence the policy processes that would have led to the accomplishment of aid's development objectives. Effectiveness of development assistance may be impacted by this lack of expertise or information about the recipient's environments.

In order for foreign aid to be effective, donors must be able to learn crucial details about the situation in which it is required, including precisely what is required and who needs it. The primary reason for this is because government and other bureaucratic organizations oversee and arrange development aid and these bureaucratic procedures and protocols make it difficult to get the crucial data required to produce results. Easterly (2007) stated as follows;

*“Maddening problem in foreign aid for all concerned is the huge administrative costs on both recipient and donor sides from duplication of donor efforts and their failure to coordinate their efforts with each other” (Easterly, 2007:13)*

He further argues that, this lack of coordination in obtaining the necessary information has contributed to the failure of aid in developing countries. Therefore, for development aid to achieve its goals, the problem of lack of adequate knowledge on both donors and recipients has to be addressed.

Aid conditionality affects donor funding performance in African countries. Conditionality refers to macro-economic policies which an aid donor agency stipulates a government must undertake in order to qualify for international loans.

Both the International Monetary Fund (IMF) and the World Bank are associated with these conditions. This suggests that countries seeking for funds are expected to implement market oriented macroeconomic policies such as price, trade and capital account liberalization and restrictions on public expenditure, through removal of subsidies and public wage control (Molsey, Harrigan & Toye, 1991:66).

The fundamental objectives of economic policy were to encourage and maintain high levels of employment, real income, and the growth of each member's productive resources. The goals of these market-oriented policies were to expedite the expansion of balance growth in international trades.

However, these policies caused a decline in per capita income, an increase in unemployment, an increase in urban poverty, a decrease in government spending per person, an increase in childhood malnutrition, a stagnant or declining level of real investment, and a worsening of the balance of payments, all of which had an impact on the industrial sector in the majority of African countries (Stewart, 1987:29-46). Market-oriented policies pushed by Western donor nations failed to stimulate economic growth and also made the issues facing African countries worse.

Additionally, "linked assistance" is another type of conditionality help that has an impact on how well development aid is doing in African nations. The recipient nations are required to procure both products and services from the same donor

countries or companies that provide the donations. According to estimates, tying aid lowers its worth by 15% to 30% (OECD 2008). In addition to this practice of attaching aid, donors are quite picky about the nations they choose to assist, particularly when they view development assistance as a subsidy for their domestic companies that produce exports.

African nations that depend on development aid to finance their development suffer from lower aid performance due to the volatility of aid flows. These nations are also more susceptible to exogenous shocks such as natural catastrophes, civil conflicts, regime change and increases in the price of crude oil. Therefore, unpredictable assistance flows place extra strains on recipient governments' capacity to plan and deploy resources, which might have an impact on how well development aid works in African nations. Similarly, Kharas (2008) notes that aid volatility exerts negative effects on output, development and welfare. He further states that at the micro level, aid volatility can affect fiscal blueprints and the level and composition of investment.

Failure of some developed countries to meet up with their commitment is another challenge to donor funding in African countries. Through the United Nations rich countries pledged to provide 0.7 percent of their gross national income to financial aid. A handful of OECD nations had truly crossed this threshold by 2007. Denmark, Luxembourg, Norway, the Netherlands, and Sweden were among them. The largest economies in the world, the G7, all significantly underperformed the



UN target. If these nations achieved the goal, African would get a significant increase in development aid, which would spur its economic growth (Kwakye, 2010:2). As a result, aid is not enough to enable real development and the end of poverty in African nations.

A respondent stated that:

*“Lack of compliance of rich countries to met their actual promised targets, has affected the performance of development aid in African countries. Thus, he appeal to rich nations to forfil their promised targets so that there will be adequate financial resources to developing African countries in order to achieved development aid objective of eradicating poverty and promote economic growth”*  
(David, O. I 20/8/2020).

However, the increase in aid flows from donor countries to African countries has no bearing on quality of aid projects, their effectiveness on economic development and poverty reduction, because developed nations use aid to advance their strategic interests. Rich nations frequently choose recipients who will benefit them politically and economically rather than distributing aid according to where it is most needed. As a result, less help is given to developing nations than to those with moderate incomes.

Another issue affecting donor financing in African countries is debt and fair trade. Following the financial crises of the 1970s and 1980s, the topic of the indebtedness of African nations gained momentum. African nations cried out at this time that they could no longer afford to pay off their debts. Due to their significant debt loads and subpar economic performance, it was difficult for them to service their mounting bills (Heywood, 2011:401).

Additionally, the global financial crisis made it more difficult to encourage economic growth because it pushed wealthy nations to decrease their aid budgets. These hampered attempts to raise more money for development aid. In order to solve these socioeconomic challenges and restart the process, the World Bank (WB) and International Monetary Fund (IMF) took steps to organize the economic policies of African states. The IMF and the WB thus came up with Stabilization policies and Structural Adjustment Programs (SAP) which was an approach to rescue the debtor countries in Africa by ways of meeting their budgetary deficits. Ezrow, Frantz and Taylor (2011) pointed out that:

*“The IFIS (international financial institutions) imposed SAPS as a way to ensure debt repayment and economic structuring. Based on the neo- liberal economic agenda, the main objective of the SAPS was to modify the structure of states economy to foster higher growths rates while also lowering debts by reducing the role of the states.*

According to Ezrow, Frantz and Taylor (2011:52), the SAPs stabilization and adjustment measures included; a reduction in public expenditure, retrenchment of public sector workers, economic liberalization, currency devaluation, and privatization of SAPs was that the quest of economic growth through reduced state involvement would result in rising income and in return solve the socio-economic needs of African countries (Mqolomba, 2022:26).

The SAPs approach to development has sparked intense discussion among development experts and African nations. While proponents contended that the reforms were vital and had no other options, critics responded that the SAPs pay little attention to the social aspects of growth and the weaknesses of African countries (Heidues and Obare 2011:59).

Mkandawire and Soludo (1999) challenge the SAPs approach by arguing that African countries must compete in the global economy using both comparative advantages and a modified version of import substitution. They claim that, if this strategy had been implemented, African countries would have been better able to develop labor-intensive, high value-added industries that export their manufactured items to other nations. Additionally, they accused the SAPs of adopting policies that put the stability of African nations at danger by failing to comprehend the political ramifications of the transformation. As a result, the countries involved labeled the Washington Consensus Development Approach as being apolitical and overtly economic (Heidues and Obare 2011:59)

According to the World Bank (1994), countries that adhere to its recommendations have success with SAPs policy. Similar to this, Demery and Paternostro (2011) contended that SAPs were successfully implemented in African countries by stimulating growth and decreasing poverty. The success of these African nations hasn't been directly attributed to SAPs-related measures (Klasen, 2003). In an analysis of the effects of SAPs in Asian nations Khan (1995), documents that both SAPS and the privatization of state-owned businesses had had a negative influence on employment and economic growth. The scholar adds that during this time, there was a decline in growth, a rise in unemployment and an increase in the number of people living in poverty.

Additionally, Adelman (2000) posits that during this period of SAPs most of the underdeveloped countries witnessed uncontrolled inflation, exodus of capital, poor rates of investment, sharp drops in living standards, and significant rises in both urban and rural poverty. Heidhues and Obare (2011) draw the following conclusions from their evaluation of the effects of SAPs in Africa:

*Although theoretically solid, the neo-liberal model, on which SAPS were solely based, was riddled with problems and failed to adequately address obstacles to African economic progress. It is highly unlikely that a development strategy that is only created using this methodology will be successful in resolving the region's*

*pervasive poverty and underdevelopment (Heidhues and Obare 2011:62).*

It can be argued that the failure of SAPS to rescue the debtor countries by the way of meeting their budgetary deficits, it was because the SAPs policies were imposed. Rather SAP policies compounded the problems of the debtors' countries by squeezing out every possible income from these poorest African economies in order to offset the bilateral and multilateral debts (Muhanji, 2010:3).

In an attempt to address the pervasive unyielding effects of debt burden on African countries, creditor countries came up with the idea of the 1996 initiative for Heavily Indebted Poor Countries (HIPC), in which the World Bank (WB) and International Monetary Fund (IMF) agreed to forgive HIPC countries' loans. Some HIPC nations in Africa, including Uganda and Nigeria, were among the 29 nations that benefited from the debt relief in 2006 as a result of this effort (Heywood, 2011:402). As money donated for debt relief is typically factored into foreign development aid budgets, it has been argued that the program has further reduced demand to expand development aid

One of the difficulties facing the lack of performance by donors to boost the socioeconomic development of African countries has been the unmanageable debt conditions in which African countries found themselves. The international community's unfair trade practices have made it more difficult for donors to support economic development and better reduce poverty in African nations.

The global trading system's structural inequities consistently benefit the richest and most developed nations at the expense of the least developed and poorest nations on earth. These are sometimes linked to imbalances in trade agreements, whereby manufactured items in rich countries are comparatively expensive compared to those produced in Third world African nations. This was brought on by free trade policies, which deprive the populace of growing African nations of decent living standards and keep them ensnared in poverty.

Any initiatives that overlook the fundamental trade imbalance in the world should focus on providing debt relief and development aid. Fair trade should take the place of free trade in order to promote the expansion and development of African countries. Through fair trade, producers in African nations will receive a better deal while their wages and working conditions are protected. However, this won't be achievable until the global trading system has undergone major overhaul.

The dependency syndrome that affects many African nations is a result of certain industrialized nations taking advantage of the resources of less developed nations in order to grow economically. In exchange for investments and loans, the peripheral nations are compelled to offer the developed nations relatively cheap access to their markets, labor, and natural resources. This eventually results in a situation of continuous dependency through complex interactions between wealthy and developing nations (Adah & Abasilim, 2015:278).

Amin (1976) categorizes plantation economies, labor reserve economies, and colonial trade economies as the three types of African economy. These three classifications show how unbalanced the relationship is between the core and the periphery. Amin argues that the underdevelopment of African countries won't likely change unless they sever their ties to the global capitalist system.

African nations developed the Monrovia Declaration and the Lagos Plan of Action in the 1970s in response to poor economic growth in most countries in the continent. African leaders gathered in 1979 in Lagos, Nigeria and Monrovia, Liberia, under the auspices of the Organization of African Unity in order to create a strategy for the development of the continent, (OAU) (OAU, 1979). The Lagos Plan of Action for the Economic Development of Africa 1980-2000 placed a greater emphasis on collective self-reliance and regional ties through food self-sufficiency, a strong industrial base, the development of transportation and communications, and self-sufficiency in other basic necessities in order to facilitate regional integration and increase intra-African trade.

The Monrovia Declaration and Lagos Plan of Action, if properly implemented, were comprehensive and useful enough to arouse hope for a better future for African countries. However, there were certain implementation issues with both initiatives. Neither plan took seriously the need to significantly alter the political, economic, or institutional structures that many African nations gained after

gaining independence (Nhema & Znyama 2016:162). The LPA, on the other hand, rightly cleared the African leaders by attributing the difficulties to external factors.

As a result of this, LPA implementation was not effective due to the efficient upkeep of dependence systems through economic tools including loans, aid, investments, and trade conditions as laid forth by the international financial institutions such as the IMF and WB. It is a fact that, slavery and colonialism are external factors that have contributed to the underdevelopment of African countries, but African leaders they cannot be completely exonerated.

According to Shaw (1982), there were several internal conflicts since African states are not automatons that merely respond to "external" inputs and orders obstacles including corruption and poor governance that hampered effective growth in Africa. Additionally, these internal factors prevented two strategies from being implemented successfully. It was agreed that national governments would be in charge of carrying out the goals outlined in their individual development plans, but that regional organizations like the Economic Commission for Africa's Unity and others would be in charge of providing member states with technical support. However, very few governments have made an effort to include the agreed-upon goals of the Lagos Plan of action in their development planning exercise.

This might have happened as a result of the lack of social pressure to apply it as well as an effective monitoring and follow-up system. Many African governments did not feel forced to carry out its resolutions as a result (UN/ECA, 2011:1). The



Lagos plan of action remained little more than a statement of the long-term goals of the African governments, having little impact on the national policies of the various member nations.

The LPA provided further details on the declared policy goals outlined in the statement, which include the creation of priority sectors, skills and training for participation, and institutional development at the national, sub-regional, and regional levels. Zinyama and Nhema (2016): 162. The realization of all these objectives rest on governments' ability to secure financial resources externally and the effective way of how those resources would be utilized. However, dependence on foreign aid has been filled with problem and contradictions which bound to mortgage the future of the economy and also undermined the ability to realize the goals of the LPA. Still without foreign assistance and internal reforms the future for Africa appeared dim and filled with political and economic uncertainties, similarly to the type of predicable crisis which the Lagos plan attempts to avoid (Sakgoma, 2006).

The Berg Report's agenda for action, *Accelerated Development in Sub-Saharan Africa* was proposed in response to the World Bank's African governors' request for a study on sub-Saharan Africa's economic prospects in 1979 (World Bank 1981). The report examined developments since 1960, focusing in particular on advancements in infrastructure, health, and education.

The report's main source of concern was the persistent balance of payments deficits, which grew worse in the 1970s. The report argued that the slow rate of export growth in the 1970s was a major role in the growing current account deficits, even while external causes, particularly adverse shifts in the terms of trade, are acknowledged to have contributed to these deficits. According to Sender and Smith (1985:126), the report went on to say that policy biases against agriculture, export productions, the rigidity of African economies and rapid population growth which both increase consumption and decrease the exportable surplus were to blame for the poor export performance.

The Report recommended the following significant policy recommendations: devaluation, enhanced pricing incentives for agricultural and exports, less and more uniform industry protection, and a reduction in the use of direct restrictions.

The report also noted that the public sector is overextended given the lack of financial resources, skilled labor, and organizational capacity; as a result, the overextension had prevented the public sector from growing as quickly as it could have under different circumstances. Due to the Report's criticism of domestic economic policy in Africa, it was recommended that aid be increased, governments refrain from intervening in national economies, and market forces be allowed to prevail by removing restrictions on foreign commerce and currency exchange (Heidhues and Obare 2011:58).

Some scholars have, however, criticized the Berg Report, claiming that it neglected the Lagos plan by "neither building on its framework nor overtly rejecting it" (Browne and Cummings, 1984: 32). The Lagos plan was viewed as being too idealistic and impractical, as being too at odds with the World Bank's vision for how the international economic system should develop, and as having very few genuine supporters among African ruling circles overall. These are their three potential explanations for this neglect.

Due to this, the OAU, ECA, and ADB emphasized that the Berg Report's stated requirements for donor countries to help Africa handle its urgent economic challenges are inappropriate or unachievable and that they represent the beliefs of the major donors (Johnson, 1985: 64).

Colclough (1983) asserts that government spending on disadvantaged rural and urban populations serve to simultaneously advance both distributional and growth objectives. He adds that the state should take other action in place of cutting back on spending. The state should spend less on administration and defense and more on public services like education and health care. According to Daniel (1983), the World Bank's policies and the Report have recently made relatively little mention of the public sector's ability to redistribute wealth. He went on to show how the structural adjustment loans and other Berg Report recommendations are remarkably similar to the IMF's approach to conditionality and adjustment.

## **2.5 Summary and Conclusion**

This chapter discussed the historical trends of donor funding after the Second World War, Theoretical explanation of development aid, the challenges of development aid in Africa and the struggle against dependency have been addressed. This chapter traced the historical origin of donor funding in development assistance to European countries by The US after the end of Second War under the Marshall Plan beginning 1948.

It has been noted that the success of the Marshal Plan in rebuilding war ravaged Europe convinced leaders of developed nations to extend the same idea to developing nations. This chapter further explained the theoretical justification and debates among scholars for and against donor funding as the means of promoting economic growth in developing nations. Finally, the effect of development aid on African countries development and their struggle against aid dependency was examined. The next chapter examines the dynamics in Nigeria–India relations 1960-1998.

## **CHAPTER THREE**

### **DYNAMICS IN NIGERIA- INDIA'S DEVELOPMENT AID RELATIONS, 1960- 1998**

#### **3.1 Introductions**

In the chapter of this study the historical origin of development aid to the Marshall Plan of 1948 was traced. Theoretical justification on donor funding to developing countries was also examined. The study discussed the challenges of donor funding in African countries and the struggle against the aid dependency syndrome in African continent. In this chapter the dynamics in Nigeria- India development aid relationship between 1960 and 1998 will be discussed. The following areas will be captured; historical origin of the relationship, education, science and technology, manpower development, security, health and the economy.

#### **3.2 Historical Origin of the Relationship**

The British colonial rule over Nigeria and India was the same. This shows that Nigeria and India have had ties since before they gained formal independence. The foundation for the relationships between the two countries was British colonialism. According to Anirudha (1979: 264), around five million Indians moved to various British colonies in Africa, including Nigeria as a result of forced labor. Consequently post-independent present-day common convictions have continued to influence mutual interaction and cooperation between the two countries (Badejo, 1989: 405).

The achievement of independence by India in 1947 encouraged Nigerian nationalists in their struggles against colonial domination (Kura, 2009:1-31). India independence created national political awareness in Nigeria (Olusanya, 1985:88). Nigerian nationalists adopted late Mahatma Gandhi's method of non-violence in their demands for freedom from the British. In many African countries, the struggle for independence was characterized by military conflict and violence (Kura, 2009: 1-31).

A respondent also acknowledge that:

*India style of non-violence protests, boycott approach during its independence agitations has inspired many Nigerian nationalists to adopt the method of non- violence in their agitations for Nigeria's independence against British colonial rule (David O.I 20/8/2020).*

Nigeria joined a number of regional and global organizations after gaining independence in 1960. These included the Common Wealth, the UN, the World Trade Organization (WTO), and the Non-aligned Movement. Under the auspices of these organizations, Nigeria and India have worked together and on matters pertaining to developments, world peace, and security. The demands for the United Nations Security Council's reform have now been included in these cooperative efforts. Due to their shared characteristics, the two countries have established diplomatic, political, and economic ties.

The aforementioned has served as the foundation for cooperation between Nigeria and India in the area of development aid. Additionally, throughout the colonial era, these two nations have maintained their political and socioeconomic ties.

A respondent noted that:

*Similar historical experience, membership of various international organizations and the democratic system of governance were some of the major factors that shape and influence relations between India and Nigeria in the post-cold war era (Egya O.I 5/4/2020).*

### **3.3 India-Nigeria Economic Relations 1960-1998**

Economic relations between India and Nigeria began before the attainment of independence by Nigeria in 1960. The first commercial ties between the two nations were established in 1923 with the founding of the Indian trading firm K. Chellaram Company. K. Chellaram began his career in the textile industry before opening supermarkets and department shops in Nigeria's major towns, including Lagos, Ibadan, Onitsha, and Port Hacourt (Gopackrishna, 2008; 15-16). Since that time, the two nations' economic ties have improved. Currently, Nigeria is India's top commercial partner in Africa (Badejo, 1989:401).

India imports palm oil and exports cotton textiles and jute products to Nigeria. However, when crude oil began to replace Nigeria's other exports in the 1970s, things began to shift (Vasudevan, 2010:3-4). In addition to oil, Nigeria also sells to India cashew nuts, wood, cotton, pearls, rubber, and gum Arabic. Products made of paper and wood, textiles, plastics, chemicals, machinery, transport equipment,

pharmaceuticals, and other goods are all exported from India to Nigeria (Ibid, 2010:5). Nigeria has been importing a variety of semi-manufactured and capital goods from the start of its trading relations with India. Table 1 below demonstrates that Nigeria does not have a favorable trade balance with India. This is due to the fact that for the reviewed years, India's total visible imports have outpaced Nigeria's total visible exports to India.

**Table 1: Nigeria's Imports from Exports to India (N'000)**

<b>Year</b>	<b>Imports</b>	<b>Exports</b>	<b>Balance of trade</b>
1969	3532	40	-3492
1970	6064	30	-6034
1971	13614	24	-13590
1972	10870	114	-10756
1973	11466	122	-11344
1974	12132	92	-12040
1975	23790	1290	-22500
1976	36037	63	-35974
1977	33423	36	-33387
1978	43447	10	-43437
1979	24731	363	-24368
1980	N/A	N/A	N/A
1981	74354	694	-72660
1982	50284	5948	-44336
1983	41707	280	-41427
1984	26452	371	-26081
<b>TOTAL</b>	<b>411903</b>	<b>9441</b>	<b>-402462</b>

**Source:** Federal Republic of Nigeria Annual Abstract (Lagos: Federal of Office Statistics), 1958-1984.



Table 2 shows India export to and imports from Nigeria. Table 2 makes it obvious that India's trade balance was lopsided from 1981 to 1990. The reason for this, is that more goods were exported to Nigeria than were imported. Additionally, table 2 shows that in 1988, the trade balance between Nigeria and India was zero because visible exports by the countries were equal. Ironically, India began having a trade deficit with Nigeria between 1991 and 1995. This is due to the fact that its overall imports far outweighed its exports to Nigeria. This might be associated with India's increased overall crude oil imports from Nigeria.

Table 2 shows, however, that from 1981 to 1990, Nigeria's trade balance was unfavorable because its exports to India exceeded its purchase. Although there was never a period of time when trade was balanced, from 1991 to 1995, Nigeria gradually gained the upper hand in the trade equation as a result of its exports being more than its imports. This is mainly because during this period India increased its importation of crude oil from Nigeria.

**Table 2: Nigeria and India: Exports and Imports Analysis (Millions of Dollars)**

INDIA				NIGERIA			
YEAR	EXPORT	IMPORT	BALANCE OF TRADE	YEAR	EXPORT	IMPORT	BALANCE OF TRADE
1981	70	18	52	1981	1	120	-119
1982	94*	N/A	–	1982	1	107	-102
1983	89x	N/A	–	1983	N/A	98x	–
1984	80x	1	79	1984	1	88	-87
1985	72x	N/A	–	1985	2	79	-77
1986	58x	1	57	1986	1	63	-62
1987	52x	37	15	1987	1y	57	-56
1988	43x	43y	0y	1988	39y	44	-5
1989	51y	46y	5y	1989	42y	45	-3 x
1990	56y	49y	7y	1990	38y	67	-29
1991	104	125	21	1991	388	84	304
1992	148	625	477	1992	569	163y	406
1993	121	771	-650	1993	701	134	567
1994	128s	469s	-3495	1994	426y	132y	294
1995	72E	407.7 E	-335.7E	1995	308	80E	228

**Source:** Trade statistics (1988, 1995), IMF) publication services, Washington, DC 20431, USA.

NOTES: 5-6-11 months of Reported Data, 1-6 months of Estimates.

**Table 3: Indians imports of crude oil from Nigeria**

Years	Quantity(Million Barrels)
1994	23.424
1995	34.179
1996	60.295
1997	58.678
1998	67.142

**SOURCE:** Compiled from Guardian (2000), 6(7), 813, April 3p.1.

According to Table 3, India's imports of crude oil from Nigeria have been rising, eventually reaching 67,142 million barrels in 1998. Despite their geographical separation, this tendency benefited Nigeria because it boosted trade ties between the two countries.

Apart from Chellarams, there were other Indian investments in the areas of pharmaceuticals, plastics, engineering information technology, and communication. Indian investors also made significance investments in the textiles industry. The industries are mostly located in Kaduna, Kano and Lagos. The textiles industries provided employment for thousands of Nigerians.

Another interviewee stated that:

*India has significant presence in Nigeria's economy. The pharmaceuticals sector is served largely by drugs imported from*

*India, and in the textile industry it came second only to china (Ibrahim. O.I 10/7/2020).*

Gwammen (2020) asserts that India trade and investment activities have contributed to employment of generations in the country. However most of the employees are engaged on casual basis.

*“India’s development aid to Nigeria has contributed to the economic development of the country and it also assisted in creating job opportunities for the citizens even though most of the engaged workers are on casual.”(Gwammen, O.I. 15/1/2020).*

The banking industry in Nigeria is also supported by Indian investors. A branch of Bank of India was established in Nigeria in 1962; the branch later adopted the name Allied Bank. The second Indian Bank to be opened in Nigeria was the Indo-Nigeria Mercantile Bank which began business was in 1981. The takeoff capital of the Indo- Nigeria Mercantile Bank was 3 million US dollars 40% of which was catered for by the Indian State Bank.

In 1988 the Chartered Bank which later changed its name to Regent Bank was established. As part of development assistance India provided \$100 million to the Shagari administration in Nigeria as aid to finance its short and long term debts in 1984 (Daily Times, 1984).

Another respondent remarked that:

*The development aid given to Nigeria by India during the Shehu Shagari administration has transformed India to a semi donor country and the aid assistance is a turning point in the economic relations between the two countries (Yusuf. O.I 10/6/2020).*

### **3.4 Manpower Development, Science and Technological Aid**

India provided an institutional structure for enhancing development aid relations with developing countries through the Indian Technical and Economic Cooperation (ITEC) program beginning 1964. As opposed to the West and China, who distribute grants India funds capacity building initiatives are direct (Taylor, 2012:788). Nigeria has received technological support from ITEC through consulting initiatives. Examples include the development of the Nigerian steel sector by the Indian joint venture, the Metallurgical Consultancy (MECON) (Kura, 2009:1-31).

MECON was also engaged in the training of personnel, from delta steel complex and management of the railways in Nigeria through Rail India Technical and Economic services Ltd (RITES) (Badejo, 1989:412). Also under the ITEC scheme experts were sent to Nigeria to provide technical assistance through training of employees from government-owned businesses, the government's bureaucracy, and policymakers, as well as financial support for conducting feasibility studies, economic surveys, undertaking certain surveys, undertaking certain projects, and arranging study trips for individuals and groups to India (Vohra, 1980: 142).

In 1974, a delegation from Nigeria's oil corporation visited India to request for assistance in regard to training facilities for Nigerian engineers, geologists, and fertilizer industries. During the visit, plans were finalized for a unique training course at the Institute of Petroleum Exploration in Dehra-Dun. Additionally, Nigerians asked for training facilities for their steel industry technicians. Twenty two (22) Nigerian employees received training in oil and exploration as a consequence at Dehra-Dun in 1974. Additionally, certain staff members received hydrographic surveying training at the Hooghly River Development Board in India (Ibid 146-147).

In order to achieve technological transfer from India to Nigeria, the Indo- Nigeria joint commission was established on the 26<sup>th</sup> of December 1977. This commission had the objective of transfer of technology through encouraging technical training of Nigerians in joint projects in India in the industrial and technical fields. (Offor, 2010: 207-215). However, the objective of the commission is yet to be achieved, as Nigeria is still technologically weak as compared to India. This is attributed to India's tradition of using money to pay for services and expertise coming from its territories (Nigam, 2017 pp.17-25) By India providing training to Nigerian bureaucrats and technocrats, they have produced a few generations of policy influencers and decision-makers who were educated in India. Such personnel displayed a favorable attitude toward India. As a result this has helped India establish cordial economic relations with Nigeria (Mullen, 2013: 1-19).

### **3.5 India Military Assistance to Nigeria 1960- 1998**

Since the first Minister of Defense of Nigeria's first Republic (1960–1966), Alhaji Mohammad Ribadu, made a historic visit to India in 1961, India and Nigeria have had close defense cooperation. During the visit, he asked India for help in modernizing the Nigerian military. India is a force to be reckoned with militarily thanks to its nuclear capability. In 1963 and 1986, India aided Nigeria in the development of military training facilities around the nation, including the Nigerian Defense Academy (NDA) in Kaduna, the Command and Staff College (CSC) in Jaji Kaduna, and the Naval College in Port Harcourt. Indian military forces were dispatched to these institutions to train Nigerian military leaders.

The Indian Navy also provided training to Nigeria naval officers and sailors, and assisted the Nigerian Navy in establishing centers of excellence (India High Commission Abuja, 2020). Nigeria military officers that received training from India military institutions are in turn train Nigeria army.

Military officers from Nigeria received scholarships through this agreement to receive training in Indian military institutes. This include high ranking military officials such as Generals Murtala Mohammad, Olusegun Obasajo, Ibrahim Babangida, Brigadier General Mohammad Daku, Rear Admiral Augustus Aikomu, and Air Vice Marshal Ibrahim Alfa (Kura, 2009: 1-31). Most significantly, General Mohammad Buhari, the current president of Nigeria, had his training at the Defense Staff College Wellington in India in 1973 (The Hindu, April 04,

2015). India has helped Nigeria develop its iron and steel sectors so that it can supply the Nigerian military with equipment on the intermediate level.

### **3.6 India Educational Aid to Nigeria**

After the attainment of independence, Nigeria's target was to enhance its educational standards. This led to invitation of teachers from other developed countries to teach in Nigerian schools and universities (Vasudevan, 2010, 3-4). A memorandum of understanding (MOU) for the hiring of 500 Indian teachers in Nigeria was signed between India and Nigeria in 1975 (Vohra, 1980: 175). Indian nationals made up the majority of science instructors in Nigeria's secondary and higher education institutions in the 1970s and 1980s, especially in the Northern region of the country.

The Indian government started giving scholarships to Africa students since the mid-1950s under the Special Common Wealth African Assistance Program (SCAAP). The establishment of the scholarship scheme came at a time when Nigeria was in dire need of manpower. Under this scheme India allocated 85 places to Nigerians for various training programs annually. Five Nigerian students were financed by the Indian government to travel to India for undergraduate and graduate study.

Two junior and senior research fellowships were also granted annually to Nigerians under Indo- Nigeria cultural programs beginning 1984 (Mehra &



Yaruigam, 2015: 235). It is estimated that more than 5000 Nigerians are currently studying in India (Badejo, 1989: 409).

Another interviewee revealed that:

*The India scholarship to Nigeria students has help the country in training medical professional and engineers. Later India became the third largest country with highest number of Nigerian students abroad after United Kingdom and United States of America (Umar. O.I 4/5/2020).*

### **3.7 India Development Aid to Nigerian Health Sector 1960- 1998**

In the health sector the Nigeria government entered into a partnership with Apollo hospitals in cooperation with non- profit organizations to teach medical staff in India, including nurses, doctors, and technicians. In addition, the Indian government is actively involved in the training of medical professionals as part of the short-term courses provided to Nigerians through the ITEC program. IBUCAP, CEFATAX, MAGNAVIT, and Appeti tablets are just a few of the brands that Indian pharmaceutical businesses like Fanboy, Socomex Shalina Healthcare, and others offer under their 2000 brand names (Ibid 116- 117). Nigeria has not benefited from the training of health personnel and professionals by Apollo hospitals and the Indian government, because up till now Nigerians travel to India for medical treatment as a result of lack of medical facilities in Nigeria.

### **3.8 India-Nigeria Agricultural and Agribusiness Relations 1960 - 1998**

India has played a pivotal place in promoting Nigeria's agricultural non-oil exports. The Olam International is a well-known Indian enterprise operating in Nigeria's agricultural and agribusiness industry. Olam International is a top player in the world's food ingredient and agricultural raw material supply chains. Olam International Nigeria began doing business in Nigeria in 1989 by trading cashews, but as it expanded, it began to diversify into other agricultural products like rice and cotton. Olam international also deals with the supply of industrial raw materials and fertilizers (Osondu-oti 2015:117). The corporation has made significant investments in processing facilities and farmer out-grower programs all throughout Nigeria. Olam exports cashew nuts, cotton, cocoa, sesame, shea nuts, and ginger (Indian High Commission, Abuja 2013).

The majority of Nigeria's agricultural equipment is supplied by Indian businesses. Indian companies Mahindra and Mahindra (M & M) group and Angelic International provide small and medium-sized agro-processing plants with machinery for tractors, drilling and irrigation equipment, and other agricultural equipment that is suitable and economical for small holdings (Modi 2010 1-4 ). In order to serve the entire West African market, another Indian company, Solonika International Tractors Ltd (ITL), opened an assembly plant there (Wahi 200 9:28). Sonalka produces a variety of tractors with 30 to 90 HP as well as farm equipment.

KPL is another Indian business that manufactures equipment for farming and agro-processing. It provides Nigeria with pumps, valves, and other replacement parts (Modi, 2010:124). Additionally, India offers technical assistance by making its personnel available to do land tests and train Nigerian farmers. India doubled the number of training spots available to Nigeria under the ITEC program from 200 to 310 annually, including short-term training courses in agriculture and related fields (High Commission of India, Abuja 2017).

### **3.9 Summary and Conclusion**

In the chapter this study has traced the historical origin of India-Nigeria development aid relationship. India aid to Nigeria in education, science and technology and health has been examined. This chapter has also analyzed trade and investments relations between the two countries between 1960 and 1998. It has been noted that India assisted Nigeria in the area of economic, science and technology through the ITEC and SCAAP scheme in providing technical services in form of capacity building, and consultancy service. In the next chapter, India's development aid to Nigeria in the area of economic, health, security, education and technology from 1999-2007 will be discussed.

## **CHAPTER FOUR**

### **DYNAMICS OF INDIA'S DEVELOPMENT AID TO NIGERIA FROM 1999-2007**

#### **4.1 Introductions**

Chapter three traced the historical origin of development aid relationship between Nigeria and India from 1960 to 1998. The chapter also analyzed the trade and investment, security, health science and technology and manpower development in Nigeria. This chapter takes a look at the India's development aid relations from 1999 to 2007. It analyses the current activities of India government and Indian companies in Nigeria particularly in the extractive and manufacturing sectors. It also highlights the characteristics of the development aid relationship between India and Nigeria in the area of economic, agriculture, health, transport, security and technology.

#### **4.2 The Nature of India's Development Aid Relations with Nigeria after the 1990s Economic Reforms**

After independence, India's relations with Africa, Nigeria included, was primarily political and guided by the country's ideological and idealistic principles (Bhattacharya, 2010:67). As a result of the fall of the Union of Soviet Socialist Republics (USSR) and a severe national balance and payments crisis India began implementing pro-market economic policy reforms beginning 1991 (Bajpai: 2002:1) The changes allowed for more commerce and international investment in the economy (Ahluwalia 1994:1). The Indian economy became more robust as a result of these economic policy changes. India needed to find foreign markets, energy, and raw materials to support its rapidly expanding economy.

One of the respondents stresses that:

*The Indian economic reform was informed by its need for raw materials, market for its productions, as well as the need to create jobs for the growing population outside India and to contain Chinese economic power especially in the developing countries (Kabir, O. I. /5/6 2020)*

To face the post-cold war challenges, India shifted from the policy of ideological and idealistic to more realistic policies that attract investment and trading interactions with African countries particularly Nigeria. India has its attention in Nigeria for its energy (oil) as well as markets for its manufactured goods and also for investment opportunities for its companies (Osondu –Oti, 2016: 68-96).

A new impetus was seen in the development relations between India and Nigeria after India's economic reform and successful growth, as well as Nigeria's return to civilian administration in 1999. As soon as President Olusegun Obasanjo took office, he started image-cleansing and pursuing foreign direct investment to build up the nation's crumbling infrastructure following sixteen (16) years of military dictatorships. In 2000, the president traveled to a number of nations, including India, to promote investment (Osondu Oti 2015:114).

A respondent noted that:

*As the major economic power in Asia with the huge investment in African continent, India became a key player to Nigeria as the country searched for investment opportunities in its efforts to revive the economy under president Olusegun Obasanjo (Isyaku, O. I. 10/8/2020)*

In April 2000 the Indian government reciprocated Obasonjo's visit when the country's minister for External Affairs Singh visited Nigeria. During the visit the following agreements were reached: Nigerian joint commission which had been dormant since 1991 was reactivated. The \$85 million in aid that the Indian government had approved for Nigeria, the machine tool industry in Osogbo was reintroduced to help it recover. With India's temporary assistance to Nigeria, work on the establishment, modernization, and restoration of small and medium-sized companies in the disciplines of engineering, tool manufacturing, leather technology, weaving and textiles, medicine, carpentry, biogas, and metal began (Punch, 2000).

Nigeria expanded its crude oil exports to India during this time, which was anticipated to eventually result in a favorable trade balance between the two nations. At the time, Nigeria exported 25% or more of its crude oil to India. Each month, 3.66 million barrels were delivered, totaling 43.98 million yearly. India's direct government-to-government crude oil arrangement with the Nigerian Natural Petroleum Corporation was the fourth-largest of these contracts (NNPC)

The visits by Nigerian President Obasanjo in November 2004 and Indian Prime Minister Manmohan Singh in 2007 opened a new chapter in the bilateral relations on development aid. The pact made it possible for relations between the two countries to advance in the fields of power, steel, railroad, telecommunication, and medium-sized industries (The Guardian 2000).

Due to this, Indian oil corporations entered Nigerian bid rounds from 2005 to 2007 and took home six oil blocs. An inter-ministerial task force from the Indian government visited Nigeria in November 2005 to hold official talks. At the end of the conference, the Nigerian government and the Oil and Natural Gas Corporation of India signed a Memorandum of Understanding (ONGC). Videsh limited, and other India private companies including Essar, Sterling Group, and Sandesara were also part of the agreement.

In exchange for two offshore acreages and oil exploration rights, the ONGC and Mittal Energy Limited (OMEL) and Nigeria engaged into a \$6 billion infrastructure arrangement (Naidu, 2010:37). India's funding was referred to as a

"aid for oil strategy." The agreement's main provisions called for the sourcing of 450,000 BPD of equity oil and 200.00 BPD of equity gas over a 25-year period, totaling 650 BPD of oil + gas equivalent to 35.5 MT. In addition, India committed to upgrade Nigeria's railway lines and build a 2000 mw thermal power plant (Obi, 2009).

This agreement helped Indian oil companies to participate in Nigerian bid rounds from 2005 to 2007 and were successful in securing six (6) oil blocks (OPL 279,285 and OPL 297), two (2) for the British government (OPL 2005 and OPL 2006), and one (1) for Essar (OPL 226). Furthermore, an upstream business known as ONGC Videsh (OVL) purchased a 15% stake in block II of the joint development zone (IDZ) between Nigeria and Sao Tome & Principe in May 2007.

In accordance with a contract struck in May 2005, the Nigerian National Petroleum Corporation (NNPC) was to offer 40,000 (BPD to 10c). At the end of 2007, the contract supply was increased to 60,000 BPDC (Beri, 2010:905). The Indian oil companies that were awarded contracts to participate in the upstream and refining sectors of the oil and gas industry have been involved in the rehabilitation and maintenance of the Port Harvourt and Warri oil refineries through the provision of technical manpower and the training of Nigerian engineers. India also played a significant part in the restoration of the Lagos-Kano railway, which aided in boosting trade between Northern and Southern Nigeria



(Okeoguale, 2017:170). According to trade statistics the percentage of observable imports and exports between the two countries increased from 1999 to 2007

Table 4 shows that India exports to Nigeria have grown to \$544.68 million in 2004-2005 and \$903.48 million in 2006-2007, up from \$293.71 million in 1999-2000. Due to India's significant crude oil imports, the trade balance has favored Nigeria. However, India investment activities in Nigeria have exemplified the unequal relation as India has an edge over Nigeria. After Spain and the US, India is the country that imports the most crude oil from Nigeria (Indian business 2006). India has also risen to become Nigeria's fourth-largest non-oil export market (Abubakar & Shehu, 2019:47-50). Crude oil, metal scrap, aluminum, wood, hides, cashew nuts, iron and steel, cotton, and gum are among the main commodities from Nigeria that India purchases (Ibrahim & Shehu 2016).

**Table 4: Statistics of bilateral trade value in US & million between Nigeria – India**

Nigeria imports	200-2004 565.49	2004-2005 544.68	2005-2006 874.03	2006-2007 904.48
India				
Indian imports from Nigeria	75.64*	48.40*	72.46*	7026.93

**Source:** India High commission, Abuja (2011).

Note \* Excluding oil imports figures.

Table 5 below shows data for India's import of Nigeria's crude oil from 1999 to 2004.

**Table 5: India's imports of crude oil from Nigeria**

<b>Year</b>	<b>Quantity</b>	<b>Value in us &amp; million</b>
1999-2000	15.450	2597.7
2000-2001	12.570	2140.4
2001-2002	11.320	2001.9
2002-2003	11.578	2389.0
2003-2004	11.074	2393.0

Source: India High Commission, Abuja, Nigeria (2008)

#### **4.3 Other Indian Companies involved in Trade and Investments Activities in other sectors of Nigerian Economy**

Beyond oil commerce, Nigeria and India's economic relationships also involve investment in sectors including retail, telecommunication, health, steel, transportation, and security. More than 100 Indian companies have investments here, according to the Indian High Commissioner in Abuja.

Indians play a significant role in the retail sector of Nigeria and are the owners of several superstores in the country's major cities, including Abuja, Ibadan, Kano, Lagos, and Port Harcourt. Subsidiaries of the Dana group of companies, which engage in the plastics sales business, include Dana Plastics and Dana Foods.

Among the company's well-known goods are Danaco full cream milk, rice, Sun Yum quick noodles, juice, and fertilizers supplied by Stallion Group. In 1923, Chellarms began trading textiles. Since then, company has grown and branched into the production, promotion, and distribution of full-cream milk brands like Oldenburger and Real milk. Their products are highly patronized in Nigeria's consumer market (Osondu-oti 2015:114). The retail business has increased the choices available to Nigerian consumers and also created job opportunities for Nigeria citizens.

Another notable industry in Nigeria is telecommunications, which has the largest market on the continent of Africa. With Bharti Airtel investing \$600 million in Nigeria's mobile market after it acquired Zain telecoms Africa for \$10.76 billion. This encouraged Indian firms to become involved in the industry. The company has created job opportunities for thousands of Nigerians. In its Ibadan branch alone about 600 Nigerian graduates secured employment (Infinites, 2009: 49).

Indian participation in Zain Telecom has opened doors for India to enter other economic sectors in the information technology (IT) industry. For instance, in 1999 Nigeria welcomed the National Institute of Information Technology (NIIT), an Indian teaching facility with a Lagos branch. The IT service training they received has benefited a lot of Nigerians (Indian High commission Abuja, 2013). NIIT has 35 locations throughout Nigeria's several states, and it yearly trains close to 15,000 citizens of that country. The training qualifies students for lucrative IT

professions in the following areas: software development, networking, database certification, and multimedia application (Osondu-Oti 2015:117). One of the beneficiaries of NIIT training program Ahmed Eya stated that:

*“The training enable me to set up my own cybercafé business which I provide services such as phone call ,selling of global system of mobile (GSM) and computer accessories , provision of internet access and related services via dedicated computer’s other devices” (Eya, O.I.14/2/2020).*

An interviewee further reiterated that:

*India support to Nigeria in Information Technology has boost the usage and ease access to IT services and creates jobs to Nigerians who benefited from the training at National Institute of Information Technology of India. (Jibirin O.I. 10/7/2020).*

There have been many Nigerians who have traveled to India for medical care since many of them believe that India is the best country in which to receive medical care (Ogoh, Shaibu & Edegbo, 2015:9:15). The high standards in cardiology, orthopedics, nephrology, oncology, and neurosurgery combined with affordable medical treatments and favorable climatic conditions, accessibility of herbal medicine and high quality and sophisticated specialty hospitals facilitated medical tourism to India by Nigerians (James and Apurva, 2015: 45).

About 40,000 Nigerians receive visas each year, 80% of which are for medical tourism, education, and other travel, according to the India High Commission in Abuja. Over 5000 Nigerians travel to India each month for medical care, according

to Osahon Enabulele, president of the Nigeria Medical Association (Business Day, 18 March 2013). In addition, one of Nigeria's main sources of pharmaceuticals is India. Pharmaceutical products are imported to Nigeria by Indian pharmaceutical firms based in the country at relatively low prices (Ogoh, Shaibu and Edegbo, 2015: 9-16).

The over reliance of Nigerians on Indian medical hospitals for their medical treatment, and the importation of fake and substandard drugs by Indians to Nigeria is however raising concerns.

Similarly, Muhammad (2020) stated that:

*India has largest presence in the pharmaceutical industry in Nigeria, and the drugs- though are cheap but in some cases are found to be substandard: (Muhammad, O.I 10/5/2020)*

Indian's private hospitals and pharmaceuticals firms have also been involved in providing health infrastructure and facilities to Nigeria. In 2003, the Apollo group of hospitals which was one of the first Indian private hospital that have been providing consultancy services to some hospitals in Nigeria has further expanded the services of training medical doctors, nurses and other medical personnel. The Indian government through its ITEC programs provided Nigeria with specialized training in healthcare technologies such as bio-medical types of equipment, and medical informatics and also training on how to handle healthcare technology and

clinical equipment. This training includes public administration of healthcare sectors (James and Apurva 2019: 44).

Although India contributed to the training of Nigeria's medical personnel that has not address the shortage of medical professionals in the country. Nigerians still travel to India for medical follow up. The hospitals established in Nigeria by the Indians are out of the reach of common man. Furthermore, the domination of Nigeria's pharmaceutical industries by the Indian's products deepens Nigeria dependence on India.

Another area where India helped Nigeria expand was the steel industry. Nigerian machine tools for the nation are partnered with the Hindustan Machine Tools Company of India (HMT) (Kura 2009 1-31). In August 2004, the Indian business Global Infrastructural Holdings Limited (GIHL) was also granted the concession to manage the Ajaokuta Steel Company (iron processing mill). At the same time, Mr. Pramod Mittal, the principal shareholder of GHIL, received permission to manage the Nigerian iron ore mining company through his other company, Ispat industries limited (IIL).

The memorandum of understanding provided for the rehabilitation, generation and management of the steel complex for 10 years. The plant was rehabilitated and started production by November, 2004 with imported billets from Ukraine. In February 2005, the Nigerian government further hand over the delta steel company

to GIHL (people's daily 2011:04). By 2006 the GIHL started exporting the products to some West African countries.

Ajaokuta Steel Company also provided 65 MW of electricity to Power Holding Company of Nigeria (PHCN). The company's 85 megawatts (MW) of energy generated from the independent benefited Lokoja, Okene, Benin, and the neighboring areas (Ajateel, 2006.6). Nigeria realized seventy four million (874) in foreign exchange as a result of the exportation of steel. This help in boosting Nigeria's foreign exchange. Additionally, GIHL also provides the employment opportunities for thousands of Nigerians and foster transfer of technology (Agbu, 2007:62).

Similarly the leasing opens opportunities for other Indian companies to invest in the steel sector of Nigeria. For example Dana steel Rolling Mill Company an Indian firm, bought the Kastina Steel Rolling Mill Company in 2006 following the privatization procedure, which was owned by the Federal Government. The steel firm manufactures all-purpose steel for use in building. The steel industry in Nigeria has grown as a result. The company can produce 207,000 metric tons annually at its installed capacity (infinities 2011:56). At Ota Industrial Layout in Ogun State, another Indian company, Aarti Steel, built a cutting-edge wet flus continuous galvanizing line plant on more than 10 acres of land.

The company has invested in the production of fully hard galvanized products for the production of corrugated roofing sheets and galvanized planning sheets/coils

from 0.12 mm to 0.8 mm (Baghla 2009:36). Retailers export Aarti steel products indirectly through Cameroon, Niger, and Burkina Faso as well as direct to West African nations like Ghana, Republic of Benin, Senegal, and Chad (Baghla, 2011:34). The Company has generated direct job opportunities for about 750 Nigerians (Infinites, 2009:49)

Power generation projects are also being worked on by Indian firms. In 2004, the Indian business Skipper Electrical made a power investment in Nigeria. The business established a facility for transformer repair. Its principal clients include the transmission division of the power holding corporation as well as other domestic private firms (Infinites 2012:54). The investment of India in the power sector of Nigeria has increased the power supplier in the country.

A respondent interviewee remarked that:

*The Indian investment in power sector was impressive, however, the country is still struggling with unstable power supply (Maina, O. I. 20/5/2020)*

Indian automobile companies have also contributed to development of Nigerian transport system with wide spread use of Tata vehicles, Marticars Bajaji, Three – wheeled vehicles and two wheelers made by TVS motors and Ashok Leyland vehicles and tractors are manufactured by Mahindras (Vasudevan, 2010:2). These automobile companies have made impact in the life of many Nigerians. This was



collaborated by the representative Grover of TVS motors Indian in Nigeria by stating that;

*“Our motorcycles and tricycles, or Keke as they are popularly known, touch the lives of millions of Nigerians everyday taking them to work, school ,places of worship and other places of their daily lives activities and employment generation that our vehicles create”(Grover,2018:43)*

The Dana Group and Stallion are two further Indian firms that import vehicles into Nigeria. While Dana group handles the importation of cars from Hyundai, Honda, and Audi, Stallion group has been in charge of bringing in Kia vehicles. The Dana Company also operates airlines in Nigeria's major cities, including Lagos, Abuja, and Port Harcourt (Alao, 2011:101).This has contributed to the economic development of Nigeria. Sani Yahaya Official of National Union of Road Transport Workers (NURTW) Abuja, posit that:

*“Indian investment in Nigeria transport sector, has contributed to poverty alleviation in Nigeria, by creating employment for the riders of the motorcycles who earn a daily wages for conveying passengers” (Sani,O.I. 13/7/ 2020).*

Another respondent expatiates further that:

*The tricycles (KEKE NAPEP) imported from India has ease the transport and remain one major means of transportation system found in major cities across the county (Sale, O.I. 14/7/2020)*

Nigeria and India's defense connection was revitalized after the return of civil rule in 1999. As a result, the two nations signed a memorandum of understanding on defense cooperation in October 2007. The MOU covered area like counter-terrorism and counter-insurgency expertise sharing, equipment support, capacity building, and defense training (Kumar 2021:3). As a result of the agreement a number of Nigerian military officials and soldiers were trained to combat terrorism and urban guerrillas. Owuna (2020) stated that the training consists of:

*“Security and strategic studies, defence management, artillery, electronics, mechanical, marine and aeronautical engineering, anti-marine warfare and logistics management (Owuna, O.I 4/3/2020).*

Similar to this, the Indian government sent Nigeria military equipment valued more than \$1 million (Kura, 2009:3-9). The National War College (NWC) in Abuja, the Command Staff College (CSC) in Jaji, and the Nigeria Defense Academy (NDA) all received IT equipment from India. This was done to help the colleges keep up with modern communications methods (Abonyi, 2007). Nigerian military vehicles with armor and troop carriers are made by the Indian company TATA. The defense cooperation has been expanded to include the provision of weapons and ammunition as well as helicopters, trainer aircraft, and fast attack patrol boats, of which the Nigerian Navy has a sizable number in their fleet (Abubakar, 2010:129-143). Nigeria and India have maintained their military ties,

especially when it comes to equipping Nigeria's armed forces with modern weapons through training.

The training and installation of IT equipment by Indian government has further strengthened Nigeria military. However, engaging Indian in installation of IT equipment and re-professionalism of the military is an infringement on the national security. Ogbere (2020) posits that:

*“In installing sophisticated communication equipment and re-professionalization of Nigeria armed forces is not only making Nigeria armed forces dependent on India but a threat to national security” (Ogbere, O.I,15/3/2020)*

#### **4.4 India -Nigeria Agricultural Relations 1999 - 2007**

The Nigerian government, led by President Obasanjo, placed a great priority on the development of agricultural products and food security. This sector significantly increased Nigeria's gross domestic product and employed a sizable section of the labor force (GDP). To ensure food security, diversify the country's sources of foreign cash, and provide unemployed people with jobs, and the expansion of its development aid relationships were given priority. Nigeria sought foreign investments in 2000 to assist it reach this goal, create jobs, and increase productivity, including India's Foreign Direct Investment (FDI). (Modi 2010:123). Indian businessmen heeded the government of Nigeria's appeal for investment in the country's agricultural industry in order to increase farmer productivity, increase income levels, and reduce poverty in the country.

Olam Group and Popular Farms and Mills Ltd., a division of the Stallion Group of Companies with its Nigerian headquarters in Kano, are two Indian firms that have made investments in Nigeria's agricultural industry. The firms planted thousands of hectares of land, constructed mills and other equipment, distributed better rice seedlings to farmers in 16 states of Nigeria, and regularly trained thousands of farmers, creating jobs and reviving local economies. These Indian firms assistance has increased rice productivity, improved food security, created jobs, and saved foreign currency (Ugbudian, 2020:138-150).

While "Popular Farms and Mills Limited" operates, the "Olam Group" mostly works in Nassarawa, Niger, and Taraba state out of 16 states, including Kano, Kaduna, Yobe, Kebbi, Katsina, Abuja, Niger, Benue Taraba Adamawa, and Borno. Farmers received not less than 100 bags of rice seedlings from "Popular farms and Mills limited, "who also provided training to many of them in Yola, Adamawa state. The company's director, Pandian Balamurugan, reportedly said the following:

*“Such activity was in the Spirit of the bilateral agricultural cooperation between India and Nigeria and the main objective of the gesture was to boost their local rice production. (Ugbudian, 2020 138:150”.*

Balamurugan further stated that the aim of the campaign was to decrease rice imports while also eradicating rural farmer poverty and inspiring young people to

pursue careers in agriculture. In order to enhance rice output, they began to encourage both individual rice growers and farmers' cooperatives. The firm has helped 5,000 farmers in 16 states throughout the nation. One of the beneficiaries of the “Popular Farms and Mills Limited” a rice farmer in Kano Maigida Usman stated that:

*“The assistance of popular farms and Mills Limited is not only training and supply of good seedlings but they also buy my products, and this made the rice farming business becoming lucrative (Usman , O.I 20/7/2020).”*

Similar to this, Mahesh Nimje, the officer in charge of Farm Project "Olam" in Rukubi, Nasarawa, indicated that the business is heavily involved in assisting with the nation's ability to produce enough rice to ensure food security. One of the rice farmers who benefited from the assistance, Rose James, emphasized the following:

*Rice farming has become a big business due to the incentives and training provided by the Olam Group (James oral interview July 25th 2020).*

The Investments of Indian companies in Nigeria agricultural sector have enhanced rice production and improvement in social and economic status of Nigeria. This has however made Nigerian farmers to depend on Indian technology and seedlings instead of improving their own seedlings and technology.

#### **4.5 Summary and Conclusion**

In this chapter the development relations between Nigeria and India from 1999-2007 were analyzed. Indian government and companies' activities in Nigeria, especially in the area of agriculture, manufacturing, and extractive sectors of Nigeria economy were examined. India's economic reforms of 1990s that made the country to shift from idealistic ideology to realistic pro –market economic ideology were also analyzed. It was noted that these reforms led India to the quest for energy, raw materials and market for their economic demand. Finally, India's investment in steel, power, transport and energy sectors of Nigeria was discussed. The next chapter examines the impact of development aid relations between Nigeria and India and the cost benefits of the relationship of the two countries.

### **CHAPTER FIVE**

#### **IMPACT OF INDIA'S DEVELOPMENT AID RELATIONS TO NIGERIA AND INDIA**

##### **5.1 Introduction**

In Chapter four India's development aid relations between Nigeria, and India from 1999 to 2007 was analyzed. The chapter examines the Indian government and companies' activities in Nigeria particularly in the area of agriculture,

manufacturing and extractive sectors of Nigeria economy. The chapter also analyzes how India economic reforms of 1990s led to India quest for energy, raw materials and market for their economic demand. This chapter takes a look at the impact of India's development aid relations to Nigeria and India. Moreover, the chapter examines the cost benefit analysis of the relationship of the two nations.

## **5.2 Economic Impacts**

Economic development relation between Nigeria and India has both positive and negative impacts. Nigeria benefited from trade and Investment activities of Indian companies in the country. For instance, in trade, the majority of Nigeria's petroleum products are now imported by India. Currently, the world's largest importer (the United States) is researching alternate energy sources. India began importing crude oil from Nigeria in place of the United States, which had stopped buying that country's oil. (Olaniran, 2019; 152-160). By buying petroleum directly from Nigeria India was able to get the oil at cheaper rate and end the monopoly of major transnationals' as far as petroleum is concerned. However, Nigeria dependency on exporting its petroleum to India placed it in a vulnerable position.

Equally, India development aid relations with Nigeria has given it easy access to the Nigeria market for its products and provides help to its own business men in making overseas investments. For instance, India manufactured goods at reduced prices when compared with goods from Europe. This has ultimately benefited

Nigerian consumers. Indian investments in Nigeria have contributed in providing employment to Nigerians especially in the area of information and technology.

Indian IT firms for instance the National Institute for Information Technology (NIIT) established its office in Lagos in 1999 with 35 centers across different states in Nigeria and since then has trained 15,000 Nigerians in various computer programs. The program assisted a large number of Nigerian youths to secure profitable IT jobs. This has increased the number of certified IT professionals in Nigeria.

Furthermore, Indian firms are known to be the largest employer among other foreign firms in Nigeria. For instance, Bharti Airtel has employed more than 600 Nigerian graduates in its Ibadan branch. Indian owned Dana Group of companies generates direct employment opportunities for over 1800 Nigerians. Arti Steel an Indian Steel company in Ogun state has generated employment for 750 Nigerian people (Infinites, 2009: 49). Equally between 1962 and 1990 medium textiles Industries have provided 500 jobs and the Giants among them have generated employment for 7918 to Nigerians.

From the above it can be noted that Indian investment activities in Nigeria have contributed to the creation of jobs and adding value to the Nigeria economy (Wapmuk, 2012:122-133). However, many Nigerians working in Indian companies are engaged as casual workers, and only few are on permanent employment. The workers are also paid low wages and with poor working



conditions in the industries. This casts doubt on Indian readiness to assist Nigeria in its development agenda (Osondu-oti, 2016:68-96).

On-trade relations, Nigeria imports from India are at reduced prices and this affect domestic producer. The influx of Indian goods results to reduce local outputs, factory closures and job losses, and this further leads to de-industrialization in Nigeria and a threat to its economic development (Ibid; 68-89).

In the area of Agriculture Nigeria benefited from a number of Indian companies. The Olam International Nigeria Limited is the largest exporter of rice; cashews, sesame, shea nuts, and ginger to Nigeria are examples of non-oil items. Olam has also made significant investments in processing facilities and farmer out-grower initiatives in Nigeria. Similar to this, Olam and Popular Firms and Mills Limited, a division of Stallion Groups of Companies, developed mills and machinery on thousands of hectares of land, gave Nigerian rice farmers new, improved seedlings, and enrolled thousands of farmers in regular training.

The Mahindra and Mahindra (M & M) group, Angelique Internal, and Sonalika International Tractors Ltd provide agricultural machinery and equipment for small to medium-sized agro processing firms. The firms operations in Nigeria have improved the country's ability to produce rice, provide food security, create jobs, and conserve foreign currency. However, this forced Nigerians to rely on rice production and agricultural technology from India.

In the transport sector of Nigeria's economy, Indian automobile companies contributed a lot. For instance Tata vehicles, Bajaj, Tricycle wheel vehicles (*keke*) are playing a role in transporting goods and persons both in urban and semi-urban areas in Nigeria (Business highlight of 7<sup>th</sup> February 2019). India serves as an alternative source as US- the largest importer of oil from Nigeria intensified efforts towards developing alternative energy sources.

Furthermore, India's investment in Nigeria serves as a revenue base for the government in addition to Job creation for Nigerians. However, the Nigeria's industrial sector is dominated by India companies, especially the pharmaceutical sub-sector. This created a new form of neo-colonial dependency whereby Nigeria depends more on the supply of medicines from India to satisfy the needs of Nigeria's patients.

### **5.3 The impact of India Development Aid Relations to Nigeria on Manpower Development, Education, Science and Technology and Infrastructural Development**

Nigeria benefited from professional trainings and scholarships offered by Indian government to develop the capacity of Nigerian professionals. The capacity building of Nigerian professionals has benefited from the scholarships provided by the Indian Council for Cultural Relations (ICCR), the Indian Technical and Economic Cooperation (ITEC), the Special Commonwealth African Assistance

Program (SCAAP), and other organizations (Osondu-Oti, 2016:88). To increase the capacity of Nigerians in the fields of science and technology, all trainings are carried out both in India and Nigeria and are funded by the Indian government.

At the Dehra-Dun Institute of Petroleum Exploration, 22 Nigerian engineers and geologists received training in oil and exploration in 1974. Bureaucrats and technocrats from Nigeria were granted 85 spots each year for various training programs under the SCAAP plan of the Indian government. Similar scholarships were given to 20 Nigerian students by the Indian Council of Cultural Relations (ICCR) to complete their undergraduate and graduate degrees in India.

India profited from the expertise transferred to Nigeria to address job vacancies, particularly in teaching health and agricultural services, and Nigeria gained from the capabilities provided by India (Osondu oti- 2016:88). As an illustration, 500 Indian instructors were engaged in Nigeria's secondary schools in 1975, particularly in Northern Nigeria (Vohra 1980; 175). This was particularly true of courses in arithmetic, chemistry, physics, and English literature (Vasudevan 2010; 3-4). Nigeria surpassed self-sufficiency in terms of teachers starting in the 1980s. On infrastructure development India established Rail India Technical and Economic Services Ltd. to provide consulting services for restoring and reorganizing the management of Nigerian railways (Badejo, 1989:401). Technical knowledge was also transferred to Nigerians by the Indian experts working in various fields in Nigeria.

Nigeria thus benefited educationally from its relationship with India about development funding. Nigeria also profited from Indian investment operations, which are a crucial source of the urgently required funds, typically followed by equivalent knowledge transfer and increased Commerce (Osondu Oti, 2016:88). For instance, the Nigerian LNG terminal received support from India's National Thermal Power Corporation (NTPC). The Metallurgical Engineering Consultancy of India (MECON) provided consulting services to the Aladja Delta Steel Plant (Bakare, 2005:6). Additionally, in order to produce the machine components necessary for the nation's industrial growth and the revitalization of its railway infrastructure, the Hindustan Machine Tools Company of India partnered with the Osogbo Nigeria Machine Tools Industry (Offor, 2010; Alumonah 2009).

Ajaokuta Iron and Steel Corporation is managed by the Indian iron and steel company Global Infrastructure Holdings Limited (GHIL), whilst Kastina Steel Rolling Mills and Aarti Steel Company, which was founded by an Indian at Ota Industrial Layout in Ogun State, are managed by Dana Still Rolling. However, because Nigeria is still technologically behind, the goal of technical transfer through Indian investment in Nigeria has yet to be realized.

Nigeria would not really benefit from the transfer of technological know-how that these Indian corporations would have provided because of the casualization and underemployment of Nigerians working for them (Olaniran 2019:159). It is in India's best advantage for Nigeria to continue trading basic items for industrial

goods with that country. Thus, this raised a point of concern on the genuineness of Indian readiness to assist Nigeria in its development efforts. Despite India's support to Nigeria in the technological sector, the goal of technology transfer has not been achieved as Nigeria's technology sector remains underdeveloped.

#### **5.4 The Impact of India Aid to Nigeria Health Sector**

Nigeria gained from India's development assistance relationships in the domain of healthcare as well. In the 1970s and 1980s there were a large number of Indian doctors and paramedics working in Nigeria Hospitals. Nigerian doctors and paramedics benefited from the training of health personnel and professionals provided by Apollo hospitals and the Indian government. Doctors and other medical professionals learned more about the newest technologies and cutting-edge medical procedures (Reddy 2018:8-10). However, despite the contribution of the Indian government and Apollo hospitals in training Nigerian medical personnel, that have not addressed the shortage of medical professionals in the country, this makes Nigerians still travel to India for medical treatment.

According to Osahon Enabule of the Nigeria Medical Association (NMA over 5000 Nigerians travel to India each month for medical care, This has significant economic advantages for India. Additionally, there are significant players in the Nigerian pharmaceutical industry; both commercial and public health facilities rely largely on medicines and other medical supplies made in India.

However, the issue of concern about the importation of drugs to Nigeria by Indian pharmaceutical firms was part of fake and substandard drugs. Many Nigerians believe that India is where the majority of fraudulent and poor quality pharmaceuticals come from. Furthermore, the over reliance on India for pharmaceutical products it further deepens Nigeria dependence on India. In the health sector, Nigeria benefited from training of its medical professional through support from India. But, the relationship between the countries opens opportunity for many Nigerians to travel to India for medical tourism mostly through referral. Today, Nigerians seeking medical care frequently travel to India. This translates into huge economic benefit for India.

### **5.5 The Impact of India Aid to Nigeria Security Sector**

Since 1960s India has been aiding Nigeria in security. India has helped Nigeria to develop its armed forces, by supporting Nigeria in the establishment of military training institutions for military personnel (Owuna, 2020 oral interview). For instance, India helped Nigeria create the Naval College in Port Harcourt in 1986 and the Command and Staff College (CSC) Jaji Kaduna in 1963 as part of the Nigeria Defense Academy (NDA). Additionally, India trained soldiers from Nigeria in its top military training facilities (Reddy 2018:8-13). The training includes anti-marine welfare and logistics management in addition to security and strategic studies, defense management, artillery, electronic, mechanical, marine, and aeronautical engineering (Beri, 2003:216-230).

In 2007, some Nigerian military officers and soldiers received training on how to fight terrorism and Urban Guerrillas. Another defense benefit for Nigeria from the India aid was the installation of its equipment at Nigeria Defense Academy (NDA), Command and Staff College Jaji (CSC), and National War College (NWC) Abuja which enabled them to catch up with the present day technological era. However, engaging Indian in setting up military institutions, equipment and training of the military personnel will make Nigeria armed forces susceptible and vulnerable to machinations of India. As Nigeria struggle to contain various security threat from non-state armed groups the training received by Nigeria soldiers from India has enhanced the military's ability to combat insurgency and other types of criminality in Nigeria.

### **5.6 The Asymmetric Nature of the Relationship**

It is evident that India and Nigeria's relationship with regard to development aid exhibits an asymmetric form of interdependence. The socioeconomic situation in the country has demonstrated that Nigeria is still a notable member of the least developed countries (LDC), while India is categorically a newly industrialized country (NIC) (Akinrinade & Ogden, 2010:39-66). India is hence in a favorable position when negotiating relations with Nigeria on the basis of commerce, technology, and security. (Harshe, 2019:201).

Examples of the asymmetric nature include India's import of raw materials and export of finished items to Nigeria. Nigeria, for instance, imports commodities that

affect indigenous producers such as wood, textiles, plastics, chemicals, machinery, transport equipment, pharmaceuticals, and drugs in addition to oil, cashew nuts, timber, gum Arabic, cotton, and pearls to India. (Vasudevan, 2010:8). Indeed, the fundamental asymmetry in the relationships makes imperialism possible.

Even though India has purchased more crude oil from Nigeria since 1991, Nigeria has historically benefited from the trade balance between the two nations. However, Indian economic operations in Nigeria have demonstrated what may be called an uneven partnership where India has a competitive advantage over Nigeria (Kura, 2009: 1-20). Agbu (2008) contends that exporting raw materials to industrialized countries in exchange for industrial goods is not in the best interests of developing countries over the long term.

Ironically, the structure of trade relations between Nigeria and India is marked by the sale of Nigerian crude oil and agricultural raw materials in exchange for Indian industrial goods. This type of relationships works better for Indian corporations than for Nigerian ones (Ogah, Shaibu & Edegbo, 2015:9-16). As a result, Nigeria is yet to meaningfully benefit from the development aid partnership with India in the vital fields of scientific and technical growth, undermining the much-touted shared benefits to Nigeria (Agbu, 2008:45).

India and Nigeria now have an uneven relationship in terms of development aid. This poses a threat to Nigeria's long-term economic growth (Akinirade & Ogen,



2010:39-66). According to Gasiorowski (1985), trade interdependence between Least Developed Countries (LDCS) and New Industrialized Countries (NICS) like India is inherently asymmetric. This is because asymmetric interdependency is primarily a relationship of dominance rather than reciprocal collaboration. Additionally, giving development aid typically offers the donor's considerable control over the recipient.

### **5.7 Summary and Conclusion**

In this chapter the impact of India's development relations to Nigeria and India was assessed. The chapter evaluated the benefits derived by both countries from the relationship. The asymmetric nature of the India's development aid relations with Nigeria was also analyzed. It has been pointed out that the development aid relations were skewed towards India. This was as a result of India being more economically advanced than Nigeria. Additionally, it was shown that Nigeria has not yet reaped the full benefits of its aid links with India in crucial fields like science and technology. The chapter made the argued that Nigeria had benefited from the trade balance since 1991. Due to India's advantage over Nigeria, Nigeria's economic activities have shown what can be called an uneven relationship. In a nutshell, for Nigeria to benefit from the Indian development aid relations the present structure of their relationship should be redesigned to allow equal participation and transparency.



## **CHAPTER SIX**

### **SUMMARY, CONCLUSION, AND RECOMMENDATIONS**

#### **6.1 Introduction**

This chapter provides a summary of the study and conclusion derived from the findings as well as the recommendations that are suggested as a result of the findings. The summary provided here covers the previous chapters and the conclusions given are based on the study premises outlined in the Chapter one.

#### **6.2 Summary**

The research begins with the introductory note on Nigeria India relations within a triple contribution of theoretical framework realism, dependency and underdevelopment. According to realists, all states promote their national self-strategic interests through the use of power. Dependency and underdevelopment theory on the other hand belief that, some countries of the world are underdeveloped because they have continuously served to brace up the economic and political interest of the other countries. This study noted that the development aid relations between Nigeria and India are skewed towards India. This informed the basis of employing realism, dependency and underdevelopment theories in analyzing development aid relations between Nigeria and India.

This study strove to explain the efforts of Nigeria to address the socio-economic development situation of the country after attainment of her independence in October 1960. Nigeria after Independence was faced with problem of how to

improve the living standard of its citizens through the provisions of infrastructures and other socio-economic development. To address the situation Nigeria adopted the strategy of seeking for development aid from donor nations. This made Nigeria to enter into development aid relationship with India. It has been demonstrated how this approach of getting development aid from developed countries to underdeveloped nations gave rise to intense debates among intellectuals whether or not development aid can lead to socio-economic transformation. Some scholars are of the view that development aid creates dependency syndrome whereby the recipient countries depend on donor countries while other scholars are of the belief that it can induce development if the recipient countries have good political and economic policies.

The study traced the historical origin of India-Nigeria development aid relationship. It examined India aid to Nigeria in education, science and technology, agriculture, health, security, and we also analyzed the trade and Investment relations between the two countries from 1960 to 1998. It has been noted that India as one of the most developed economies in the developing countries has committed her human and financial resources to Nigeria Socio-economic development through the ITEC and SCAAP schemes. These initiatives provided technical services in form of capacity building and consultancy services.

This study evaluated the nature of India's development aid relations with Nigeria from 1999 to 2007. It has been shown how India's economic reforms of the 1990s

influenced its development aid relationship with Nigeria. The needs for abundant supply of energy and raw materials, access to overseas market for trade and investments are the fundamental factors that influenced Indians public and private companies' involvement in the manufacturing and explorations of Nigeria crude oil, and trade and Investment. This was the case in the Nigeria economy sector, especially in telecommunications, pharmaceutical, steel, textiles, automobile and power. It was noted in the study that both Nigeria and India benefited from the development aid relations. Nigeria benefited from Indian investments in the areas of Pharmaceuticals, telecommunications, retail business, sale of vehicles and oil and gas sectors.

Nigerians now have more employment options because to Indian investment, especially in the information and technology sectors. The National Institute for Information Technology (NIIT), an Indian IT company, has trained 15,000 people in a variety of computer systems. There were a lot of Indian teachers, paramedics, nurses, and doctors working in Nigerian hospitals and schools in the 1970s and 1980s. By aiding Nigeria in the establishment of its numerous military institutions, the training of military personnel, and the revival of companies like the Machine Tool Company and Delta Steel Complex, India has assisted Nigeria in developing its armed forces.

Similar to how Tata and Bajaj vehicles have helped Nigerians go to their daily activities, three-wheeler vehicles produced by Indian automakers have also helped the country's transportation infrastructure flourish. The study's conclusions

indicate that India has profited from its aid relationships with Nigeria. India exploited the aid relationships for economic purposes to access the markets for its produced goods, raw materials, and energy requirements. Nigeria has received significant investments from Indian businesses.

In the study, it has also been stated that the relationships between Nigeria and India in terms of development aid have been asymmetrical, which has ultimately helped India's economy. The study also noted that India's increased oil imports from Nigeria contributed to the favorable trade balance that Nigeria experienced in the 1990s. However, India's investment efforts in Nigeria have shown that there is, perhaps, an unequal relationship between the two countries, one in which India has the upper hand.

### **6.3 Research Premises and Conclusion**

From the findings of this study the following conclusions were drawn.

The study revealed that the development aid relations between the two countries benefited India more than Nigeria, even though the trade balance between Nigeria and India was in favor of Nigeria. This is because India is economically more advanced than Nigeria. The development aid relations made India to gain access to energy, raw materials for its Industries, and access to overseas market for its industrial goods and outlet for reinvestment of its surplus capital, and also using Nigeria as export base for its manufactured goods to neighboring African

countries. The Indian trade and Investment activities created job opportunities which Indian nationals benefited more than Nigerians because of their expertise.

On whether Nigeria is getting more underdeveloped because of India development aid the study revealed that the asymmetric nature of the relationship has hampered the development of Nigeria. Such asymmetry is manifested in the import of manufactured goods from India, while Nigeria exports to India are mainly primary commodities.

This is because of the level of technological advancement and economic potency of India place it in an advantageous position. This led to the flooding of Nigerian market with cheap Indian goods, which affect the domestic producers who cannot compete with the abundance of cheap imported goods. Consequently, Nigerian producers are forced to go out of business. It has been noted that, instead of India development aid to facilitate the socio-economic development of Nigeria, it further undermined the development of the country. The study pointed out that, while Indian investment abound in various sectors of Nigeria economy such as agriculture, the iron and steel industry, textiles, oil and gas and pharmaceutical, while Nigerian investments in India is marginal. This has created unequal trade and Investment relationship between Indian and Nigeria, this further underdeveloped Nigeria economy.

It was also observed that, the casualization and underemployment of Nigerians working in Indian companies was a deliberate act by Indian expatriates not to

transfer their technological know-how to Nigerians, which is against the development aid objectives that all train Expatriate labor employed by any firm in Nigeria must have, suitable qualified Nigerian assistant working in tandem in order to be mentored and for real skills transfer to take place. Nigeria is yet to benefit from such arrangements and this raised doubts about the commitment and sincerity of India on the transfer of technology to Nigeria. Nigeria should not be misled that development aid relations between Nigeria and India will naturally translate into a momentous improvement in the quality of life of Nigerians.

Though Nigeria and India have been in development aid relations for many years, the relationship could be endangered if the present asymmetric nature of trade and Investment relations between the two nations continuous. It will be of no use for Nigeria to replace a one-sided economic relation with the Western Europe for a similar relation with India only because India is from south. It was noted that prominence of experts as a component of development aid is an instrument of perpetuating dependency given the advantage of knowledge and technological development in India over Nigeria.

On the misused of India's development aid to Nigeria. The study observed that the perennial backwardness and underdevelopment of Nigeria was also as a result of the internal problems such as, bad leadership, greed and corruption. For instance, the development aid and the surplus revenue that Nigeria benefited from its trade with India was misused due to poor governance, Lack of transparency,



accountability, and bloated government spending by corrupt government officials who transfer public funds to their private bank accounts, only little earmarked for infrastructure, science and technology, education, and healthcare development.

This corruption and official linkages are the major hindrance to economic development in Nigeria, a condition that retarding the great potentials of development aid in promoting growth and economic development in Nigeria. It was also observed that political instability, lack of better conditions of services including impressive salary packages, bonuses and allowances to the serving officers frequently made Nigeria to face the problem of brain drain where by the Nigerian professionals that received advanced training through the Indians development aid to Nigeria migrate to other countries for greener pasture.

This study provides insights for the policymakers at the governmental level and it concur with studies which unveiled dependency features between the core and the Periphery. The development aid relations of Nigeria and India were exploitative and has created dependence situation. India's development aid has failed to alleviate poverty in Nigeria.

## **6.4 Recommendations**

From the above discussions and conclusions, the following recommendations are made by this study.

The current development aid relation between Nigeria and India is skewed and it is a threat to the sustainable socio- economic development of Nigeria. Therefore, the relationship has to be restructured to allow for transparency and compliance to all legal procedures in all contracts and investments commitments in line with international best practices. This can be done through negotiation between Nigeria and India by the institutions that handle foreign policy.

- Nigeria has to develop its own models for its development, fashioned out of its peculiar and complex histories, rather than wait for inscription of development models from India.
- For Nigeria to benefit from the aid relations with India, Nigeria needs to diversify its economic activities. Instead of limiting themselves to importation of finished products from India to Nigeria. They should make use of the proceeds from its commodity trade to invest in the area of agriculture, human capital and establishment of technological research and development centers, and industrialization. This will enable them to gain from exporting their raw materials and made in Nigeria products.
- There should be a deliberate policy by Nigeria government to encourage India to share their expertise's and technological know- how to invest in Nigerians' human capital and in its inadequate and dilapidated socio-

economic infrastructures to scale up diversification of Nigerian economy.

Since there aid relations are for the mutual benefits of the two countries.

- Nigeria has to address the issue of mismanagement of development aid, by embarking on policy and institutional reforms that will solve the problem of corruption, governance and lack of transparency and accountability by the government officials.

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This day 19 February 2020

This day, 22 August 1999

Vanguard, 28 March 2019

## APPENDICES

### Appendix I: Interview Guide

#### A) Respondents' information

Name.....

Nationality.....

Occupation.....

Place of work.....

#### B) The main features of Nigeria-India relations.

- 1) In your own view what factors have led to the Nigeria- India relations since 1960?
- 2) Mention ways in which India politics and economy have affected her development aid relations with Nigeria?
- 3) Explain different types of India aid given to Nigeria?
- 4) What are the modes of implementation of India development aid to Nigeria?
- 5) What is the interest rate of loans to Nigeria?
- 6) What is grace period of repayment of loans?
- 7) Is India's development aid to Nigeria attached with conditions?

#### C) Trends in India's foreign aid to Nigeria 1960-1989

- 1) How did India relate with Nigeria before her independence 1960?
- 2) When did India open her diplomatic mission in Nigeria?

- 3) What motivate India to established development aid relations with Nigeria?
- 4) What are the factors that continued to motive India's development aid relations with Nigeria?
- 5 Explain the contribution of India aid to economic, education, political, health, technology, and security of Nigeria?
- 6) What are the changing trends in development aid relations between India-Nigeria from 1960-1989?

**D) Dynamics of India's development aid after 1989**

- 1) Explain the different aid given to Nigeria by India from 1989 to 2007? With examples
- 2) What are the major changes in the development aid relations between India and Nigeria?
- 3) What are the factors that are responsible for the change?
- 4) What are the major characteristics of India aid relations to Nigeria at this period?
- 5) How does India's development aid influence development process in Nigeria?

**E) The impact of India development aid on Nigeria development**

1. What do you consider to have been the contributions and challenges between India and Nigeria development aid relations?
2. What are the factors that you think have continued motivating the relationship between India and Nigerian development aid? Please give details
3. How do these perspectives affect the political and economic relations between India- Nigeria development aid?
4. What is the actual value of aid Nigeria has received from India?
5. How did India begin disbursing development aid to Nigeria?

**F) Benefits of India by giving aid to Nigeria**

1. What are the achievements of giving aid to Nigeria by India?
2. What is the importance of aid to Nigeria by India? Explain in details?
3. How have they affected development aid prospects?
4. What factors hinder the performance of India economic political social and cultural relations with Nigerian?
5. How can the weaknesses of Nigeria- India relations be strengthened?

**Focus group discussion for stakeholders**

1. In your own view, what factors led to Nigeria- India relations?
2. What do you think are the challenges facing India- Nigeria relations?
3. How is India foreign aid of assistance to Nigeria development?
4. How does the relationship between India and Nigeria contribute to India development?
5. In your own view what is the concept of development aid to Nigeria?
6. What are the major characteristics of India Nigeria relations?
7. What factors do you think contribute to relationship between India and Nigeria aid?
8. What are the major achievements between India- Nigeria development aid relations?
9. What are the weaknesses of India and Nigeria relations in terms of development aid?

**Appendix II: Budget**

<b>MATERIALS / SERVICES</b>	<b>QUANTITY</b>	<b>TOTAL COST (Naira)</b>	<b>TOTAL COST (KSH)</b>
Stationary Pens	10	7400	2,000
Tape recorder	2	66,600	18,000
Flash disk	2	11,100	3000
Photocopies, printing and binding		222,000	60,000
Papers	4	14,800	4,000
Purchase of relevant books	10	74,000	20,000
Archival research		111,000	30,000
Transport (flight ticket)	60days	296,000	80,000
Accommodation of researcher in Kaduna kano and lagos in Nigeria	30 days	74,000	20,000
Cost of producing final document		74,000	20,000
Miscellaneous expenses		55,500	15,000
Research assistants	30 days	37,000	10,000
<b>TOTAL COST</b>		<b>1,043, 400</b>	<b>282,000</b>



**Appendix III: Study Timeline**

<b>ACTIVITY</b>	<b>OCT 2018</b>	<b>AUG 2018</b>	<b>SEP 2019</b>	<b>OCT 2019</b>	<b>NOV 2019- DEC 2020</b>	<b>JAN 2021</b>	<b>FEB 2021- JAN 2023</b>	<b>FEB 2023</b>
Developing Proposal Document								
Literature Review								
Proposal Submission and Defense (at Departmental)								
Proposal Submission and Defense (Post-Graduate Committee)								
Submission of Proposal for Registration								
Data Collection								
Data Analysis								
Thesis Writing								
Final Thesis Submission								

**Appendix IV: List of the Respondents**

<b>s/no</b>	<b>Names of respondents</b>	<b>Place</b>	<b>date</b>
1.	Akor James	Abuja	5/1/2020
2	Adam Musa	Abuja	6/2/2020
3	David Kaika	Kaduna	20/8/2020
4	Egya Aliyu	Minna	5/4/2020
5	Sufi Kabir	Kano	10/1/2020
6	Ibrahim Sabo	Kaduna	10/7/2020
7	Gwammen Y. Alex	Kaduna	15/1/2020
8	Yusuf Odu	Abuja	10/6/2020
9	Umar Ebeshi	Abuja	4/5/2020
10	Kabir Abdulrahman	Lafia	5/6/2020
11	Isyaku Muhammad	Lafia	10/8/2020
12	Eya Ahmad	Abuja	14/2/2020
13	Jibirin Osu	Abuja	10/7/2020
14	Mohammad Ismail	Keffi	10/5/2020
15	Maina Bala	Minna	20/5/2020
16	Owuna, O. Yahaya	Nasarawa	4/3/2020
17	James Ruth	Rukubi	25/7/2020
18	Usman Musa	Kano	20/7/2020
19	Sani Yahaya	Abuja	13/7/2020
20	Sale Ramatu	Kano	14/7/2020
21	Ogbere Adamu	Nasarawa	15/3/2020

**Appendix V: Research Approval from Kenyatta University**

**KENYATTA UNIVERSITY  
GRADUATE SCHOOL**

E-mail: [kubps@yahoo.com](mailto:kubps@yahoo.com)  
[dean-graduate@ku.ac.ke](mailto:dean-graduate@ku.ac.ke)  
 Website: [www.ku.ac.ke](http://www.ku.ac.ke)

P.O. Box 43844, 00100  
 NAIROBI, KENYA  
 Tel. 810901 Ext. 57530

**Internal Memo**

**FROM:** Dean, Graduate School  
**TO:** Mr. Usman U. Koku  
 C/o Department of Hist. Arch. & Political Studies  
 KENYATTA UNIVERSITY

**DATE:** 31<sup>st</sup> January, 2022  
**REF:** CS2F/31935/15

**SUBJECT: APPROVAL OF RESEARCH PROPOSAL**

This is to inform you that the Graduate School Board at its meeting 2<sup>nd</sup> October, 2019 approved your Ph.D. Research Proposal entitled "Development Aid Relations Between Nigeria and India 1960-2007".

You may now proceed with your Data collection, subject to clearance with the Ministry of Foreign Affairs.

As you embark on your data collection, please note that you will be required to submit to Graduate School completed supervision Tracking Forms per semester. The form has been developed to replace the progress Report Forms. The Supervision Tracking Forms are available at the University's Website under Graduate School webpage downloads.

By copy of this letter, the Registrar (Academic) is hereby requested to grant you substantive registration for your Ph.D. studies.

Thank you.

  
**REFBEN MURIUKI**  
**FOR: DEAN, GRADUATE SCHOOL**

c.c. Chairman, Department of History, Archaeology & Political Studies  
 Registrar (Academic) Att; Mr. Richard Chweya

Supervisors:

1. Dr. Isaiah Oduor  
 C/o Department of Hist. Arch. & Political Studies  
 KENYATTA UNIVERSITY
2. Dr. Edward Kisiang'ani  
 C/o Department of Hist. Arch. & Political Studies  
 KENYATTA UNIVERSITY

RM/cao

**Appendix VI: Research Authorization from Kenyatta University**



KENYATTA UNIVERSITY  
GRADUATE SCHOOL

E-mail: [kubps@yahoo.com](mailto:kubps@yahoo.com)  
[dean-graduate@ku.ac.ke](mailto:dean-graduate@ku.ac.ke)  
Website: [www.ku.ac.ke](http://www.ku.ac.ke)

P.O. Box 43844, 00100  
NAIROBI, KENYA  
Tel. 8710901 Ext. 57530

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Our Ref: C82F/31935/15

Date: 7<sup>th</sup> October, 2019

The Ministry of Foreign Affairs,  
ABUJA, NIGERIA

Dear Sir/Madam,

RE: RESEARCH AUTHORIZATION FOR MR.USMAN U. KOKU - REG. NO. C82F/31935/15

I write to introduce Mr. Koku who is a Postgraduate Student of this University. He is registered for a Ph.D. degree programme in the Department of History, Archaeology & Political Studies in the School of Humanities & Social Sciences.

Mr. Koku intends to conduct research for Ph.D. thesis entitled, "Development Aid Relations Between Nigeria and India 1960-2007".

Any assistance given will be highly appreciated.

Yours faithfully,

  
PROF. ELISHIBA KIMANI  
DEAN, GRADUATE SCHOOL



RM/cao

**Appendix VII : Research Introduction Letter from Ministry of Foreign Affairs Nigeria**

**MINISTRY OF FOREIGN AFFAIRS**

**ASIA AND PACIFIC DIVISION  
TAFAWA BALEWA HOUSE  
ABUJA**

P.M.B. 130, Garki – Abuja  
Tel. No. (09) 5230367  
Telegram: External Abuja



Ref. No:DI-17/3 VOL.III  
Date: 20<sup>th</sup> January, 2020

TO WHOM IT MAY CONCERN

**INTRODUCTION LETTER IN RESPECT OF MR. USMAN U.KOKU**

I wish to introduce the bearer Mr. Usman Koku, a postgraduate student of Kenyatta University Graduate School, Department of History, Archaeology and Political Studies in the School of Humanities and Social Sciences in Nairobi, Kenya.

2. Mr. Koku is conducting a research for a Ph.D. degree programme with the thesis entitled, "Development Aid Relations between Nigeria and India 1960-2007".

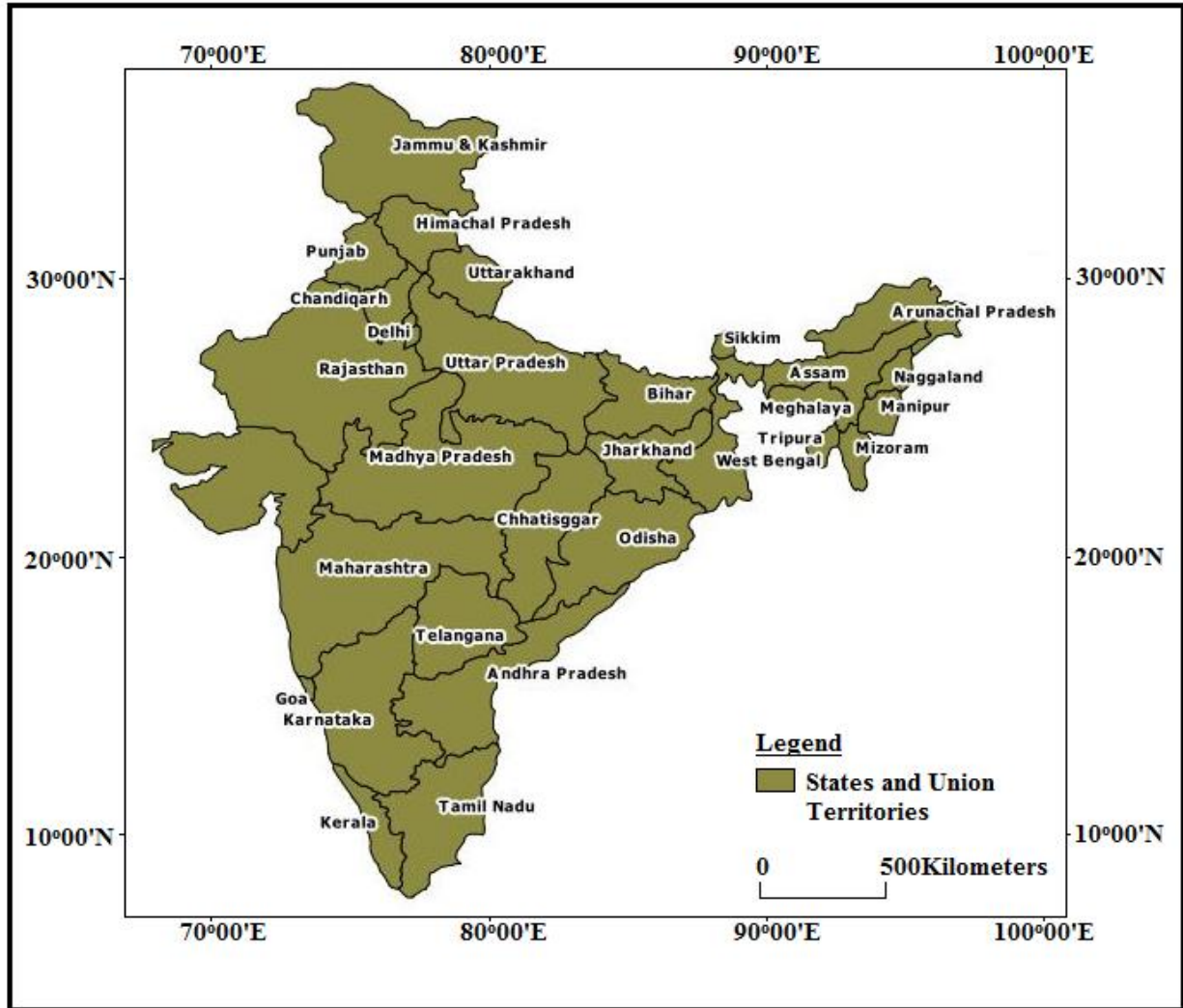
3. Grateful accord necessary assistance that will help him with the research.

A handwritten signature in black ink, appearing to read "A.U. Dewa".

**A.U. Dewa (Ms.)**  
Assistant Director (APD)

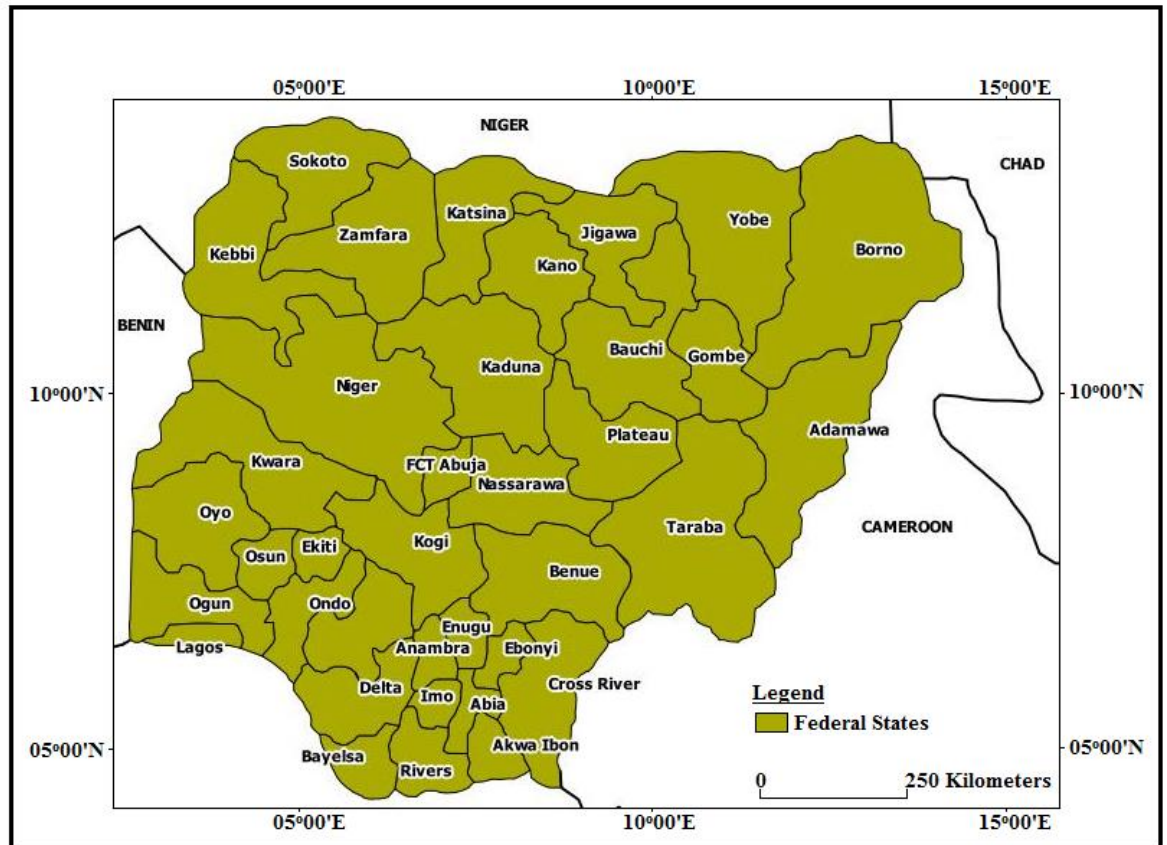
**For: Honourable Minister**

**Appendix VIII: Study Area Map**



**Map of the Republic of India**

**Source: Google Maps 2019.**



**Map of The Federal Republic of Nigeria**

**Source: Google Maps 2019**