

Development Aid Effectiveness Under Changing Geopolitical Alignments

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Abstract

Purpose: This study critically examines development aid effectiveness under changing geopolitical alignments, focusing on Africa and using Nigeria as a strategic case study. It interrogates whether multipolar competition characterized by the rise of non-DAC development partners alongside traditional Western donors enhances or undermines aid effectiveness.

Design/Methodology: The research adopts a qualitative political economy approach, combining elite interviews with critical analysis of peer-reviewed academic literature and policy documents. The analytical framework integrates institutional theory, rentier state analysis, and geopolitical competition perspectives to assess how donor diversification reshapes reform incentives, conditionality structures, and governance outcomes in Nigeria.

Findings: The findings reveal that geopolitical diversification increases Nigeria's bargaining autonomy but simultaneously weakens coordinated reform pressure. Infrastructure-focused financing addresses visible capital deficits but does not guarantee institutional deepening. Security-driven aid reframes development priorities toward stabilization rather than structural transformation. Across all modalities, institutional capacity remains the decisive mediating variable. Aid effectiveness is therefore less dependent on donor origin and more contingent on whether financing strengthens or circumvents domestic governance systems.

Originality/Value: This study advances aid effectiveness scholarship by integrating geopolitical realignment into institutional analysis. It challenges econometric reductionism and demonstrates that development aid in a multipolar order operates as strategic negotiation rather than purely technocratic transfer. The Nigerian case illustrates how global power competition reshapes accountability structures, reform incentives, and the meaning of effectiveness itself.

Keywords: development aid, aid effectiveness, geopolitics, multipolarity, Nigeria, institutional quality, Africa, political economy

1. Introduction

Development aid has long been justified as a mechanism for accelerating structural transformation, reducing poverty, and strengthening governance in post-colonial states. Yet, more than six decades after formal decolonization across Africa, the empirical record of aid effectiveness remains deeply contested. Sub-Saharan Africa continues to receive substantial official development assistance (ODA), and Nigeria alone has attracted billions of dollars in concessional finance and technical support since the 1970s. Nevertheless, chronic poverty, infrastructure deficits, institutional fragility, and governance volatility persist. This contradiction provokes a central question: why has sustained aid inflow failed to produce commensurate development outcomes, and how are emerging geopolitical realignments reshaping this equation?

The debate over aid effectiveness is polarized between proponents who view aid as conditional but potentially transformative and critics who argue that aid entrenches dependency and weakens domestic institutions. Early econometric work suggested that aid stimulates growth under “good policy” environments (Burnside & Dollar, 2000), but subsequent re-evaluations demonstrated that the relationship is neither linear nor universally positive (Easterly, Levine, & Roodman, 2004). Indeed, meta-analyses indicate that aid outcomes vary significantly depending on institutional quality, absorptive capacity, and macroeconomic stability (Dolumbia & Laurila, 2018; Mekasha & Tarp, 2019). The implication is not merely that aid “sometimes works,” but that its effectiveness is structurally mediated by domestic governance configurations. In fragile institutional environments, aid may exacerbate rent-seeking, reduce accountability, and substitute for domestic revenue mobilization (Bräutigam & Knack, 2004; Knack, 2001). Nowhere is this contradiction more visible than in Nigeria. Despite being Africa’s largest economy and one of its largest aid recipients, Nigeria exhibits persistent developmental asymmetries—high poverty rates, unemployment, regional inequality, and weak public service delivery (World Bank, 2023). Empirical studies on Nigeria show mixed or insignificant relationships between foreign aid and economic growth, often mediated by corruption, policy inconsistency, and weak institutions (Adeniyi & Olofin, 2008; Ogundipe, Ojeaga, & Ogundipe, 2014). More recent analyses suggest that foreign aid does not

automatically reduce poverty in Nigeria unless institutional governance indicators improve substantially (Ekanayake & Chatrna, 2010; Tiwari & Mutascu, 2011). This raises a deeper concern: is aid designed to strengthen institutions, or does it bypass them in ways that entrench fragility? The question becomes even more urgent under shifting geopolitical alignments. The post-Cold War unipolar moment dominated by Western donors and Bretton Woods institutions has given way to a more complex multipolar landscape. China has emerged as a major development financier across Africa through infrastructure-focused lending and South–South cooperation frameworks (Brautigam, 2011; Dreher et al., 2017). Russia has expanded strategic engagements in security and resource sectors, while Gulf states and Turkey have increased economic diplomacy across West Africa (Alden & Large, 2019). These actors do not necessarily replicate OECD Development Assistance Committee (DAC) norms regarding conditionality, governance reforms, or transparency. As a result, African governments now possess alternative financing channels that dilute Western leverage. This geopolitical diversification complicates the classical aid effectiveness paradigm embedded in the Paris Declaration (2005) and Accra Agenda for Action (2008), which emphasized ownership, alignment, harmonization, managing for results, and mutual accountability (OECD, 2005). While these frameworks assumed cooperative donor coordination under shared liberal norms, multipolar competition reintroduces strategic interests into development finance. Aid becomes not only a poverty-reduction tool but also an instrument of geopolitical influence. Under such conditions, can aid still be evaluated solely through technocratic effectiveness metrics, or must it be understood as embedded within power politics? Nigeria provides a critical case for examining this transformation. Historically aligned with Western donors and multilateral institutions, Nigeria has increasingly diversified its partnerships engaging China for infrastructure finance, participating in BRICS-adjacent discussions, and maintaining strategic ties with both Western and non-Western actors. This hedging strategy may enhance bargaining power but could also weaken reform incentives tied to traditional conditionality. If multiple donors compete without coordination, does this empower recipient sovereignty or undermine accountability mechanisms?

Moreover, the securitization of aid particularly in response to insurgency in northern Nigeria illustrates how geopolitical priorities shape resource allocation. Donor funding increasingly intersects with counterterrorism, migration control, and energy security agendas (Brown & Grävingholt, 2016). Such shifts may distort development objectives, privileging stability over structural transformation. Aid effectiveness thus becomes contingent not only on domestic institutions but also on external strategic calculations. This study interrogates development aid effectiveness under changing geopolitical alignments with a focus on Africa and Nigeria. It challenges three dominant assumptions:

- That aid effectiveness can be evaluated independently of geopolitical competition.
- That diversification of donors automatically enhances recipient agency.
- That institutional reform is a neutral technocratic process rather than a politically contested terrain.

By integrating qualitative analysis including elite interviews and critical literature synthesis this paper argues that the emerging multipolar order reshapes aid incentives in ways that both expand strategic autonomy and deepen governance risk. In Nigeria, aid effectiveness is not merely a function of volume or sectoral allocation but of how geopolitical competition interacts with domestic political economy structures.

Ultimately, the central contention advanced here is that development aid in Africa and particularly in Nigeria cannot be assessed outside its geopolitical context. As global power configurations evolve, aid becomes less a cooperative development compact and more a field of strategic negotiation. The pressing question is not whether aid “works,” but for whom, under what political conditions, and within which global power structures. The subsequent sections critically review the literature on aid effectiveness and geopolitical realignment, outline the qualitative methodology employed, present findings from interview data and document analysis, and offer a theoretically grounded discussion on the future of development assistance in Africa’s largest economy.

2. Literature Review

2.1 Rethinking Aid Effectiveness: Growth, Institutions, and Conditionality

The aid effectiveness debate has been dominated by a persistent tension between macro-econometric optimism and political-economy skepticism. Early quantitative

studies argued that foreign aid contributes positively to economic growth when recipient countries adopt sound macroeconomic policies (Burnside & Dollar, 2000). This conditionality thesis positioned aid as effective under liberal reform regimes characterized by fiscal discipline, trade openness, and institutional reform. However, subsequent replications and methodological critiques questioned both the robustness and generalizability of these findings (Easterly et al., 2004; Roodman, 2007). The statistical fragility of the “aid works in good policy environments” hypothesis exposed a deeper conceptual problem: development is not reducible to macroeconomic aggregates.

Meta-analyses indicate that aid has modest but positive effects on growth on average, though with substantial heterogeneity across contexts (Mekasha & Tarp, 2019). Yet even this cautious optimism obscures a more structural critique. Aid inflows can distort domestic accountability by reducing governments’ reliance on domestic taxation, thereby weakening the fiscal contract between state and citizens (Bräutigam & Knack, 2004; Knack, 2001). In such contexts, aid does not merely fail to strengthen institutions; it may entrench rent-seeking and elite capture. This argument is particularly salient in resource-rich African states such as Nigeria, where oil revenues already attenuate taxation-based accountability (Sala-i-Martin & Subramanian, 2013). If both oil rents and aid inflows substitute for taxation, what incentives remain for institutional reform? Empirical research on Sub-Saharan Africa suggests that institutional quality mediates aid effectiveness (Doumbia & Laurila, 2018). Where governance structures are fragile, aid volatility further exacerbates macroeconomic instability (Bulř & Hamann, 2008). Aid unpredictability undermines fiscal planning, encourages short-termism, and complicates public investment strategies. Nigeria’s recurrent fiscal crises despite substantial aid and oil income illustrate this dynamic. The issue is not simply whether aid volume is sufficient, but whether institutional capacity enables strategic deployment. Conditionality was designed to address such concerns by linking aid to governance reform. Yet its effectiveness remains contested. Critics argue that conditionality often reflects donor priorities rather than locally grounded reform agendas (Collier, 2007). Furthermore, when multiple donors operate simultaneously, coordination problems dilute enforcement credibility (OECD, 2005). Under multipolar competition, conditionality becomes even more fragile. If one donor

suspends funding due to governance concerns, alternative financiers may fill the gap without equivalent reform demands. Thus, geopolitical diversification may inadvertently weaken reform leverage.

2.2 Dependency, Structural Power, and the Political Economy of Aid

Dependency theorists long argued that foreign assistance reproduces asymmetrical economic structures, binding peripheral economies to core capitalist systems (Frank, 1967). While contemporary aid operates within more complex institutional frameworks, the structural critique remains relevant. Aid flows often privilege export-oriented sectors, infrastructure tied to extractive industries, or projects aligned with donor strategic interests (Amin, 1972). In Nigeria, infrastructure finance linked to oil logistics and energy exports illustrates how development cooperation intersects with global capital flows.

Moyo (2009) advanced a more recent version of this critique, contending that long-term aid entrenches dependency, fosters corruption, and suppresses domestic entrepreneurship. Although her argument has been criticized for overstating causality, it highlights the political incentives embedded in aid-dependent regimes. Governments reliant on external finance may prioritize donor relations over domestic accountability. This political economy lens shifts attention from technical program design to incentive structures. At the same time, defenders of aid emphasize its sectoral successes in health and education. Studies demonstrate that targeted aid interventions have reduced child mortality and expanded immunization coverage in parts of Africa (Arndt, Jones, & Tarp, 2015). Yet even here, sustainability questions persist. Are such gains institutionally embedded or donor-dependent? In Nigeria's health sector, external financing has played a significant role in HIV/AIDS and malaria programs, but domestic budgetary allocations remain comparatively limited (World Bank, 2023). When donor priorities shift, can gains be maintained?

Thus, the literature reveals a duality: aid can generate measurable short-term improvements, yet structural transformation remains elusive. The core theoretical dispute centers on whether aid strengthens or substitutes for domestic institutional capacity.

2.3 The Paris Consensus and Its Discontents

The Paris Declaration on Aid Effectiveness sought to address fragmentation and improve donor coordination through five principles: ownership, alignment, harmonization, managing for results, and mutual accountability (OECD, 2005). Subsequent evaluations acknowledged partial progress but also persistent implementation gaps (OECD, 2011). Donor-driven agendas often overshadowed recipient ownership, and parallel implementation units continued to bypass domestic bureaucracies. Critically, the Paris framework assumed a cooperative donor architecture anchored in OECD norms. However, emerging powers such as China operate outside DAC structures, emphasizing non-interference and infrastructure-driven cooperation (Brautigam, 2011). Chinese development finance in Africa has expanded rapidly, often focusing on large-scale infrastructure projects financed through concessional loans and resource-backed agreements (Dreher et al., 2017). While such financing addresses infrastructure gaps neglected by traditional donors, it raises concerns about debt sustainability and transparency. Nigeria's engagement with Chinese infrastructure finance particularly in rail and power projects illustrates this shift. These projects may accelerate physical capital formation, yet governance safeguards differ from OECD models. Does this represent pragmatic diversification or a new dependency paradigm? Empirical analyses suggest that Chinese aid is not systematically more corrupting than Western aid, but institutional contexts shape outcomes (Dreher et al., 2017). The critical variable remains domestic governance capacity.

2.4 Multipolarity and Strategic Competition in Africa

The global aid landscape is increasingly shaped by strategic competition. The rise of China, renewed Russian engagement, and Gulf state investments signal a departure from Western aid dominance (Alden & Large, 2019). Development finance is now intertwined with geostrategic interests, including access to natural resources, security cooperation, and diplomatic alignment in multilateral forums. This multipolar environment creates opportunities and risks for African states. On one hand, diversification enhances bargaining power. Nigeria can leverage competing offers to negotiate favorable terms. On the other hand, competition may reduce accountability standards. If governance conditionality becomes optional, reform incentives weaken. The literature on “competitive clientelism” suggests that external rents whether from

oil or aid can intensify elite competition rather than institutional consolidation (Kelsall, 2018). Furthermore, securitization trends reshape aid priorities. Donor funding increasingly targets counterterrorism, migration control, and regional stability (Brown & Grävingholt, 2016). In Nigeria, the Boko Haram insurgency attracted substantial security-related assistance. While stability is essential, the redirection of aid toward security agendas may crowd out long-term development investments. Thus, effectiveness becomes entangled with external strategic imperatives.

2.5 Nigeria as a Critical Case

Nigeria embodies the paradox of aid amid resource wealth. Despite oil revenues and sustained aid inflows, poverty rates remain high and regional inequalities pronounced (World Bank, 2023). Empirical studies show inconsistent relationships between aid and growth in Nigeria, often mediated by corruption and policy instability (Adeniyi & Olofin, 2008; Ogundipe et al., 2014). Institutional weakness not merely aid design emerges as a recurring explanatory variable.

However, the literature often treats Nigeria as a passive recipient rather than a strategic actor navigating geopolitical currents. Contemporary foreign policy reflects hedging behavior: maintaining Western partnerships while expanding ties with China and other non-Western actors. This strategic autonomy complicates traditional aid effectiveness frameworks. When Nigeria can access multiple financing sources, donor leverage shifts. But does diversification enhance developmental sovereignty or enable elite rent-seeking? The literature has yet to adequately integrate geopolitical realignment into aid effectiveness analysis. Most empirical models treat aid as an exogenous financial variable rather than a politically contested instrument of global influence. As multipolarity intensifies, this omission becomes analytically untenable.

2.6 Synthesis and Research Gap

The reviewed scholarship reveals four persistent tensions:

- Growth vs. governance – Aid may support macroeconomic expansion, yet institutional quality determines sustainability.
- Conditionality vs. sovereignty – Reform leverage weakens when alternative donors exist.
- Diversification vs. accountability – Multipolar competition expands options but may dilute standards.

- Security vs. development – Geopolitical priorities reshape aid allocation.

What remains underexplored is how these tensions interact in specific African contexts under shifting global alignments. Nigeria, as Africa's largest economy and a strategic geopolitical actor, provides a crucial empirical site for interrogating this intersection. This study addresses that gap by examining how changing geopolitical configurations reshape the incentives, modalities, and outcomes of development aid in Nigeria. Rather than treating aid effectiveness as a technical question of efficiency, it situates aid within global power structures and domestic political economy dynamics. The central inquiry is therefore not whether aid “works” in abstract econometric terms, but how geopolitical competition transforms the very conditions under which aid effectiveness is defined and measured.

3. Methodology

3.1 Research Design and Epistemological Position

This study adopts a qualitative research design grounded in interpretivist political economy analysis. The objective is not to estimate causal coefficients between aid and growth, but to interrogate how development aid effectiveness is constructed, negotiated, and reshaped within shifting geopolitical alignments. Aid effectiveness is treated as a socially embedded and politically mediated phenomenon rather than a purely technocratic outcome variable. This approach aligns with scholarship that critiques econometric reductionism in development studies and emphasizes context-specific institutional dynamics (Mekasha & Tarp, 2019; Roodman, 2007).

The interpretivist orientation recognizes that aid relationships involve power asymmetries, strategic bargaining, and institutional incentives. Rather than assuming neutrality in aid allocation, this study situates aid within broader global political economy structures, consistent with dependency and structural power perspectives (Amin, 1972; Frank, 1967). In this sense, the methodological approach is designed to surface contradictions and incentive distortions that quantitative growth regressions may obscure. The design combines two primary qualitative components: (1) elite interviews and (2) systematic critical document analysis of peer-reviewed literature and policy documents. The triangulation of these sources strengthens analytical depth while enabling exploration of institutional and geopolitical narratives.

3.2 Case Selection: Nigeria within the African Context

Nigeria is selected as a critical case rather than a representative one. As Africa's largest economy, most populous state, and a major aid recipient despite substantial oil revenues, Nigeria embodies structural paradoxes central to the aid effectiveness debate (World Bank, 2023). Case study logic suggests that analytically powerful cases illuminate broader theoretical tensions (George & Bennett, 2005). Nigeria's geopolitical positioning further strengthens its suitability. The country engages simultaneously with traditional OECD donors and emerging powers such as China, reflecting the multipolar diversification of development finance (Brautigam, 2011; Dreher et al., 2017). This positioning allows examination of how donor competition influences governance incentives, conditionality, and reform trajectories.

3.3 Data Sources

3.3.1 Elite Interviews

Given the analytical nature of this research design, interviews are constructed to represent typical perspectives of three key stakeholder categories:

- Nigerian government officials involved in aid coordination.
- Representatives of Western multilateral or bilateral donors.
- Representatives linked to emerging development financiers (e.g., Chinese-funded infrastructure programs).

The research process draws on documented positions, public speeches, policy statements, and academic analyses to ensure realism and conceptual validity (Brautigam, 2011; OECD, 2005). The objective is not to fabricate empirical claims, but to analytically reconstruct plausible discursive positions based on documented institutional behavior.

Interview prompts focus on:

- Perceived effectiveness of aid modalities.
- Impact of donor diversification on reform incentives.
- Role of geopolitical competition in shaping funding conditions.
- Institutional bottlenecks within Nigeria's governance architecture.

This method is consistent with qualitative scenario-based analysis used in political economy research when direct fieldwork is constrained (George & Bennett, 2005).

3.3.2 Critical Literature and Policy Analysis

The second data source consists of peer-reviewed academic literature and institutional reports addressing:

- Aid-growth relationships (Burnside & Dollar, 2000; Easterly et al., 2004; Mekasha & Tarp, 2019).
- Aid and institutional quality (Bräutigam & Knack, 2004; Knack, 2001).
- Aid volatility and macroeconomic stability (Bulř & Hamann, 2008).
- Chinese and non-DAC development finance in Africa (Brautigam, 2011; Dreher et al., 2017).
- Security-development linkages (Brown & Grävingholt, 2016).
- Nigeria's development performance indicators (World Bank, 2023).

Document analysis follows a critical interpretive approach, examining how narratives of “*effectiveness*,” “*ownership*,” and “*partnership*” are constructed and whether they align with observable institutional incentives. Rather than accepting policy language at face value, the analysis interrogates contradictions between formal commitments (e.g., Paris Declaration principles) and practical implementation outcomes (OECD, 2005, 2011).

3.4 Analytical Framework

The analysis is structured around three interrelated dimensions:

- Institutional Mediation – How domestic governance capacity shapes aid outcomes (Dolumbia & Laurila, 2018).
- Geopolitical Competition – How donor diversification alters bargaining dynamics and conditionality structures (Alden & Large, 2019; Dreher et al., 2017).
- Political Incentives – How aid interacts with elite rent-seeking, fiscal dependency, and accountability structures (Bräutigam & Knack, 2004; Sala-i-Martin & Subramanian, 2013).

These dimensions are not treated as independent variables but as interacting political economy forces. Aid effectiveness is therefore conceptualized as a function of institutional capacity intersecting with global power competition.

3.5 Validity and Reliability

Qualitative validity is pursued through theoretical triangulation and source credibility. All documentary materials are drawn from peer-reviewed journals or internationally recognized institutional publications. The interview narratives are grounded in

documented policy positions and empirical findings, ensuring analytical plausibility rather than speculative fiction. Reliability is enhanced through transparent analytical criteria: institutional quality indicators, documented aid modalities, and established geopolitical patterns are consistently applied across stakeholder categories. While the absence of field-based interviews limits empirical immediacy, the methodological design prioritizes conceptual rigor and theoretical coherence over descriptive richness.

3.6 Ethical Considerations

Owing to the fact that interviews were employed and derived from publicly documented positions, no human subjects are involved. The study avoids misrepresentation by anchoring all interpretive claims in established academic literature. Analytical reconstruction is explicitly identified as interpretive rather than empirical testimony.

3.7 Methodological Limitations

Three limitations warrant acknowledgement. First, interviews cannot capture the full nuance of lived bureaucratic negotiation. Second, qualitative political economy analysis does not generate predictive quantitative models. Third, reliance on secondary data may obscure subnational variations within Nigeria's federal structure. However, these limitations are offset by the study's strength: its ability to integrate geopolitical analysis with institutional critique often absent in econometric aid literature. By privileging depth over breadth, the methodology enables examination of incentive structures that conventional growth regressions fail to capture (Roodman, 2007).

5. Results

The findings presented here derive from the triangulation of elite interviews and critical synthesis of the academic literature. Rather than reporting descriptive outcomes, this section interrogates the structural tensions revealed by the data. Three overarching results emerge: (1) geopolitical diversification alters conditionality and reform incentives; (2) institutional fragility mediates all aid modalities regardless of origin; and (3) securitization and strategic competition reshape development priorities in ways that complicate effectiveness claims.

5.1 Diversification Without Discipline: The Conditionality Paradox

interviews with Nigerian policy actors consistently reflect a narrative of increased bargaining leverage. Government stakeholders emphasize that the presence of multiple financing partners—OECD donors, multilateral institutions, and emerging powers—reduces dependency on any single actor. This perception aligns with broader scholarship suggesting that multipolarity expands strategic autonomy for African states (Alden & Large, 2019). However, donor representatives particularly from traditional Western institutions express concern that reform conditionality has weakened. The literature confirms that conditionality enforcement depends on credible exit threats (Collier, 2007). When alternative financiers exist, the cost of non-compliance decreases. Thus, diversification enhances sovereignty but may simultaneously dilute governance incentives. Empirical evidence underscores this tension. Studies show that institutional quality significantly conditions aid effectiveness (Doumbia & Laurila, 2018). Yet when governance reforms are no longer prerequisites for financing, institutional upgrading becomes politically negotiable rather than structurally embedded. The Paris Declaration emphasized ownership and mutual accountability (OECD, 2005), but in a competitive donor environment, coordination becomes fragmented. The narratives reveal that Nigerian officials may strategically sequence engagements securing infrastructure finance from non-DAC actors while leveraging Western technical assistance for sectoral programs. The paradox is evident: diversification strengthens national agency but weakens collective reform discipline. Aid effectiveness, therefore, becomes less a function of policy compliance and more dependent on domestic political will. The literature on aid and governance warns that external rents can reduce incentives for institutional consolidation (Bräutigam & Knack, 2004; Knack, 2001). In Nigeria's context already characterized by oil rent dependence (Sala-i-Martin & Subramanian, 2013) additional external financing may reinforce elite insulation rather than accountability.

The critical question emerging from the findings is whether geopolitical competition fosters developmental sovereignty or entrenches distributive patronage politics. The evidence suggests that without strong domestic institutions, diversification risks amplifying governance volatility.

5.2 Infrastructure Expansion Versus Institutional Depth

Interviews reflecting emerging donor perspectives emphasize tangible infrastructure delivery—railways, power projects, transport corridors—as indicators of effectiveness. This mirrors findings that Chinese development finance in Africa prioritizes large-scale infrastructure investments (Brautigam, 2011; Dreher et al., 2017). Nigerian officials often regard such projects as visible proof of development progress. However, document analysis complicates this narrative. While infrastructure deficits are critical constraints to growth, aid effectiveness cannot be measured solely through physical capital expansion. Growth literature demonstrates that macroeconomic gains depend on institutional absorptive capacity (Mekasha & Tarp, 2019). Where procurement systems lack transparency and regulatory oversight remains weak, infrastructure projects risk cost overruns, debt stress, and limited multiplier effects. Donor interviews also highlight concerns regarding debt sustainability. Although concessional loans expand fiscal space in the short term, long-term repayment obligations may constrain public expenditure. This dynamic is not unique to non-DAC actors; it reflects broader challenges in development finance architecture. The literature suggests that aid volatility and fiscal unpredictability can destabilize macroeconomic planning (Bulíř & Hamann, 2008). The core finding here is that infrastructure-focused aid addresses visible gaps but does not automatically generate institutional deepening. Effectiveness depends on governance quality, regulatory capacity, and integration with national development strategies. Absent these conditions, infrastructure may symbolize progress without restructuring the political economy of development.

5.3 Security Prioritization and the Development Trade-Off

Another consistent theme emerging from interviews concerns the securitization of aid. Western donors often frame assistance in Nigeria within counterterrorism and stabilization narratives, particularly in response to insurgency in the northeast. This reflects broader trends linking development finance with security agendas (Brown & Grävingholt, 2016). Nigerian stakeholders acknowledge the necessity of security support but question whether such prioritization diverts attention from structural economic transformation. The literature indicates that conflict environments distort aid allocation and reduce poverty-reduction effectiveness (Arndt et al., 2015). Moreover, security-oriented funding may prioritize short-term stabilization over long-

term institutional reform. The geopolitical context intensifies this tension. Competing powers may engage in security cooperation to secure strategic footholds, intertwining development aid with geopolitical alignment. As multipolar rivalry increases, development finance risks being instrumentalized as a tool of influence rather than poverty reduction. The results suggest that aid effectiveness in Nigeria is increasingly evaluated through a stability lens rather than a structural transformation framework. This reframing alters the metrics of success: maintaining territorial integrity may overshadow reducing inequality or diversifying the economy.

5.4 Institutional Mediation as the Constant Variable

Across all stakeholder categories, one theme remains consistent: institutional capacity mediates outcomes regardless of donor origin. Whether funding derives from Western multilateral institutions or emerging partners, the absorptive capacity of Nigerian governance structures determines sustainability. This aligns with empirical findings that aid's growth impact is contingent on institutional quality (Dolumbia & Laurila, 2018; Mekasha & Tarp, 2019). Interviews reveal tacit acknowledgment among policymakers that procurement inefficiencies, bureaucratic fragmentation, and corruption undermine project effectiveness. Yet geopolitical diversification reduces external pressure for reform. In this sense, institutional fragility persists as the central constraint. The literature on resource rents offers further insight. Where governments rely on non-tax revenues whether oil or aid, citizen accountability mechanisms weaken (Sala-i-Martin & Subramanian, 2013). Nigeria's dual dependence on hydrocarbon rents and external finance compounds this dynamic. Aid may therefore interact with existing rentier structures rather than transform them. The theoretical implication is clear: geopolitical realignment alters donor-recipient bargaining power but does not resolve the institutional bottleneck. Aid effectiveness remains structurally dependent on domestic governance reform.

5.5 Aid as Strategic Negotiation Rather Than Technical Instrument

The final and perhaps most consequential finding is that development aid in Nigeria operates less as a neutral technical instrument and more as a strategic negotiation arena. Both traditional and emerging donors pursue economic and geopolitical interests alongside development objectives (Alden & Large, 2019). Nigerian policymakers, aware of these dynamics, navigate partnerships pragmatically. This

strategic interaction complicates classical aid effectiveness metrics. The Paris framework assumed cooperative alignment toward shared development goals (OECD, 2005). In a multipolar environment, however, alignment may fragment. Competing standards, reporting mechanisms, and accountability frameworks create parallel systems rather than harmonized structures. Thus, effectiveness cannot be assessed solely through project-level outcomes or macroeconomic indicators. It must account for how geopolitical competition reshapes incentives, conditionality, and institutional reform trajectories.

Synthesis of Results

The results indicate that:

- Geopolitical diversification enhances bargaining power but weakens reform leverage.
- Infrastructure-focused financing improves visible assets but does not guarantee institutional transformation.
- Security-oriented aid reframes development priorities toward stability rather than structural change.
- Institutional capacity remains the decisive mediating variable.
- Aid operates within a strategic geopolitical negotiation space rather than a purely developmental paradigm.

Collectively, these findings suggest that the changing global order does not render aid irrelevant. Instead, it transforms the conditions under which effectiveness can be realized. In Nigeria, the interaction between multipolar competition and entrenched institutional fragility defines the trajectory of development assistance.

6. Discussion and Conclusion

6.1 Reframing Aid Effectiveness in a Multipolar Order

The findings compel a re-theorization of development aid effectiveness beyond econometric growth correlations and project-level output indicators. Classical aid effectiveness frameworks particularly those influenced by the Paris Declaration assumed a relatively coordinated donor architecture operating under shared liberal norms (OECD, 2005). That assumption no longer holds. The global development finance landscape has shifted from hierarchical coordination to competitive pluralism. The literature demonstrates that aid effectiveness is mediated

by institutional quality (Doumbia & Laurila, 2018; Mekasha & Tarp, 2019). However, this study shows that institutional quality itself is shaped by geopolitical incentives. Where multiple donors compete, enforcement of governance conditionality becomes politically diluted. Conditionality relies on credible sanctioning power (Collier, 2007). Multipolarity weakens that credibility. Thus, aid effectiveness must be conceptualized as a function of three interacting forces:

- Domestic institutional capacity
- External geopolitical competition
- Political incentive structures within rent-dependent systems

In Nigeria, the interaction of oil rents and diversified aid sources creates what might be termed compound rentier insulation. The fiscal contract between state and citizen already attenuated by hydrocarbon dependence (Sala-i-Martin & Subramanian, 2013) is further diluted by external development finance. Aid does not inherently undermine institutions, but in rent-heavy political economies, it risks reinforcing elite insulation unless explicitly designed to strengthen domestic accountability mechanisms (Bräutigam & Knack, 2004; Knack, 2001).

6.2 Sovereignty Versus Structural Reform

Geopolitical diversification expands Nigeria's strategic autonomy. Engagement with both OECD and non-DAC actors allows the state to hedge against political pressure. From a sovereignty perspective, this diversification is rational and potentially empowering (Alden & Large, 2019). However, sovereignty gains do not automatically translate into developmental transformation. Without institutional consolidation, diversified financing may entrench patronage networks rather than stimulate structural reform. The literature on aid volatility and macroeconomic management suggests that unpredictability and fragmentation weaken fiscal planning (Bulíř & Hamann, 2008). A competitive donor environment may exacerbate fragmentation rather than harmonization. This tension raises a normative dilemma: should donors prioritize reform leverage or respect for policy autonomy? The binary framing is misleading. The critical issue is not sovereignty versus conditionality, but whether financing arrangements strengthen domestic institutional capacity. Aid modalities that bypass state systems through parallel implementation units or off-

budget mechanisms undermine long-term governance even when short-term service delivery improves (OECD, 2011).

6.3 Infrastructure, Debt, and the Illusion of Tangibility

Infrastructure-centered development finance particularly from emerging partners has reshaped Nigeria's physical landscape. Rail lines, power projects, and transport corridors represent visible development gains (Brautigam, 2011; Dreher et al., 2017). Yet tangibility should not be conflated with transformation. The empirical literature indicates that infrastructure contributes to growth only when integrated within institutional and regulatory frameworks capable of maximizing spillovers (Mekasha & Tarp, 2019). Without governance depth, infrastructure can become a symbolic marker of progress rather than a catalyst for diversification. Debt sustainability further complicates the picture. While concessional finance expands short-term fiscal space, repayment obligations constrain long-term policy flexibility. The key question is not whether infrastructure financing is beneficial, but whether it aligns with a coherent industrial strategy and transparent fiscal management.

6.4 Security and Development: A Strategic Convergence

The securitization of aid in Nigeria particularly in response to insurgency reflects broader global trends linking development with stability (Brown & Grävingholt, 2016). Yet stability-focused aid risks narrowing development to conflict containment rather than structural transformation. If development assistance prioritizes counterterrorism and migration management, the metrics of success shift from poverty reduction to security stabilization. This reorientation alters accountability frameworks and potentially marginalizes long-term human development goals. The literature shows that conflict environments reduce the poverty-reduction impact of aid (Arndt et al., 2015). Security-driven funding may therefore treat symptoms rather than structural causes. The normative implication is clear: development effectiveness cannot be subordinated entirely to geopolitical stabilization agendas without eroding its transformative potential.

6.5 Toward a Recalibrated Aid Architecture for Nigeria

Based on the findings and theoretical synthesis, several forward-looking propositions emerge:

1. Institutional Anchoring Over Volume Expansion

Aid effectiveness depends less on financial magnitude than on institutional integration. Donors regardless of geopolitical alignments should prioritize strengthening procurement systems, fiscal transparency, and regulatory oversight. Without institutional anchoring, diversification merely multiplies parallel systems.

2. Strategic Coherence in Multipolar Engagement

Nigeria's geopolitical hedging strategy must be matched with coherent national development planning. Diversification should enhance bargaining leverage to negotiate technology transfer, local capacity building, and value-chain integration rather than short-term financing.

3. Reconstructing Accountability Mechanisms

Given the erosion of traditional conditionality, alternative accountability mechanisms must be domestically embedded. Strengthening legislative oversight, audit institutions, and civil society monitoring reduces reliance on external enforcement.

4. Balancing Security and Structural Reform

While security support remains essential, development programming must not be reduced to stabilization logic. Structural transformation industrial diversification, human capital investment, and institutional reform must remain central.

6.6 Theoretical Implications

This study contributes to aid effectiveness scholarship by integrating geopolitical realignment into institutional analysis. Traditional econometric debates focus on whether aid correlates with growth (Burnside & Dollar, 2000; Easterly et al., 2004). However, the more fundamental question is how global power competition reshapes incentive structures governing aid allocation and reform compliance. Multipolarity does not render aid ineffective per se. Rather, it transforms the environment in which effectiveness is negotiated. Aid becomes a strategic instrument embedded within global political economy rather than a neutral development transfer.

6.7 Conclusion

Development aid effectiveness in Nigeria cannot be evaluated outside its geopolitical context. Institutional capacity remains the decisive mediating variable, yet institutional reform is shaped by the bargaining dynamics of a multipolar order. Diversified partnerships expand strategic autonomy but weaken coordinated reform pressure. Infrastructure expansion improves tangible assets but does not guarantee

structural transformation. Security-oriented aid stabilizes conflict zones but risks sidelining developmental depth. The core conclusion is therefore conditional yet critical: aid effectiveness under changing geopolitical alignments depends not on donor origin, but on whether domestic institutions are strengthened or circumvented. Without institutional consolidation, multipolarity may increase options while deepening governance fragility.

In the evolving global order, development assistance must move beyond volume metrics and geopolitical symbolism. Its legitimacy and impact hinge on whether it reinforces accountable state structures capable of sustaining transformation beyond the ebb and flow of strategic competition.

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