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# **The Politics of Soft Power, Public Diplomacy and Poverty Alleviation in Nigeria**

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**Felix Chidozie CHIDOZIE,**  
Department of Political Science and International Relations,  
Covenant University

**MOGBOLU Nesochi Immanuel**  
Department of Political Science and International Relations,  
Covenant University

## **Abstract**

This paper examines the nexus between foreign aid as an instrument of soft power and diplomatic relations, focusing on their implications for poverty alleviation in Nigeria. Drawing on Joseph Nye's theory of soft power and supported by secondary data, the study argues that foreign aid serves a dual purpose: as a mechanism for economic development and as a strategic tool for influence through which donor nations pursue diplomatic and geopolitical objectives. The analysis highlights how countries such as the United States, China, and members of the European Union employ aid to shape Nigeria's policy orientation, governance practices, and global alignments. Findings reveal that although foreign aid has contributed to key sectors such as health, education, and infrastructure, its effectiveness in reducing poverty remains constrained by weak institutional frameworks, policy misalignment, and donor-driven conditionalities. The paper concludes that integrating soft power diplomacy with Nigeria's national development priorities and enhancing transparency, ownership, and accountability in aid management are essential for achieving sustainable poverty alleviation.

**Keywords:** Development Policy, Diplomacy, Foreign Aid, Poverty Alleviation, Soft Power.

## **Corresponding Author:**

Felix Chidozie CHIDOZIE, Department of Political Science and International Relations, Covenant University. Email:  
[nesochi.mogbolups@stu.cu.edu.ng](mailto:nesochi.mogbolups@stu.cu.edu.ng)

## Introduction

Foreign aid plays a crucial role in addressing the persistent challenges of poverty in Nigeria. As Africa's most populous nation, Nigeria continues to grapple with deep-rooted socioeconomic issues such as unemployment, poor income equality. In this context, foreign aid, comprising financial, technical, and material support from donor countries and international organizations has become a major instrument for advancing development and reducing poverty (Arthika, 1969).

However, despite decades of substantial aid inflows, poverty remains widespread across Nigeria. The nation's dependence on external assistance raises questions about the sustainability and effectiveness of aid in promoting self-reliant growth (Malawi & Malawi Poverty Alleviation Coordination Unit, 1995). Corruption, weak institutions, poor coordination, and mismanagement have often hindered the impact of foreign aid, leading to inefficiencies and poor targeting of the most vulnerable populations (Woods, 2008). Moreover, while aid has supported key sectors such as health, education, and agriculture, limited investment in human capital and entrepreneurship has restricted its long-term benefits.

Foreign aid also serves as a tool of soft power and diplomacy, allowing donor countries to pursue both humanitarian and strategic interests (Nye, 2023; Berridge, 2015). This dual function complicates its developmental role, as the political motives behind aid can influence project priorities and outcomes. Understanding how these dynamics affect Nigeria's poverty reduction efforts is therefore vital for designing more effective and sustainable aid policies. This study examines the relationship between foreign aid and poverty alleviation in Nigeria, focusing on how governance quality, institutional capacity, and political factors shape the effectiveness of aid. It seeks to answer the following research questions: How does foreign aid influence poverty alleviation in Nigeria? What political and institutional factors affect the effectiveness of foreign aid in achieving sustainable poverty reduction?

## 2.0 The Concept of Foreign Aid

Foreign aid refers to the transfer of resources, including financial assistance, technical expertise, goods, and services, from one country to another with the goal of promoting economic development, reducing poverty, addressing humanitarian crises, and fostering positive change in recipient nations (Rost & Clarke, 2024). In today's interconnected world, it remains a critical pillar of global cooperation, allowing nations and institutions to respond collectively to economic instability, climate change, pandemics, and conflicts. Donor countries, often working through multilateral institutions, now use aid not only to

advance development but also to strengthen global stability, reduce migration pressures, and promote peacebuilding in fragile regions.

Foreign aid can be categorised by its source and mode of delivery. According to Li (2020), bilateral aid involves direct state-to-state assistance often shaped by diplomatic priorities, geopolitical interests, and historical ties, such as the strategic partnerships between the United States and Ukraine, or between China and several African nations under the Belt and Road Initiative. Multilateral aid, by contrast, pools resources from multiple donor countries through global institutions like the United Nations, the World Bank, the International Monetary Fund, and regional development banks, which distribute assistance based on global development frameworks such as the Sustainable Development Goals (SDGs).

Official Development Assistance (ODA) remains the most formal mechanism through which developed countries transfer concessional financial resources to developing ones. Schabbel (2007) notes that ODA typically includes grants and low-interest loans intended to promote economic welfare and structural transformation. In contemporary practice, ODA has evolved to include debt relief and blended finance, supporting developing nations grappling with high external debt and limited fiscal space. Humanitarian aid, as Feeny and McGillivray (2011) describe, remains essential in responding to crises such as the Syrian and Sudanese conflicts or the global displacement caused by the 2023 earthquakes in Turkey and Morocco, providing emergency food, medical assistance, and shelter. Likewise, technical assistance continues to underpin development through knowledge transfer and capacity building, as seen in the deployment of medical teams, digital infrastructure training, and governance reform initiatives in low-income countries.

The objectives of foreign aid are increasingly multifaceted. Poverty alleviation remains central, focusing on improving access to education, healthcare, and clean water, while addressing systemic inequalities. Economic development objectives have expanded to include digital transformation, energy transition, and job creation through private sector investment. Humanitarian and peacebuilding aims have become intertwined, as aid now supports conflict prevention, reconstruction, and social cohesion in war-torn regions. Sustainable development has gained prominence in the 2020s, with donors incorporating climate finance, renewable energy investment, and disaster resilience into aid agendas to align with the Paris Agreement and the 2030 Agenda for Sustainable Development.

Funding for foreign aid now reflects this complexity. Traditional government allocations remain the backbone, but new financing models such as green bonds, climate funds, and blended finance are increasingly employed to leverage private investment. International organisations mobilise large-scale contributions for multilateral programmes, while NGOs and philanthropic foundations, including the Bill

& Melinda Gates Foundation and regional humanitarian networks, complement state efforts. Moreover, public-private partnerships have become central to innovation in aid delivery, particularly in global health, education technology, and sustainable agriculture, demonstrating that in a rapidly changing global environment, the future of aid lies in collaboration, adaptability, and shared responsibility.

Despite its noble intentions, the effectiveness of foreign aid has been the subject of ongoing debate among scholars and practitioners. Several factors determine whether aid achieves its intended outcomes. One crucial element is country ownership, which requires that aid initiatives align with the recipient nation's development strategies and priorities. When local authorities and institutions are involved in the design and implementation of aid projects, they are more likely to succeed and remain sustainable. Similarly, good governance characterised by transparency, accountability, and efficient public administration is essential for the optimal use of aid resources. Without these, corruption and mismanagement can erode the developmental impact of assistance.

In addition, harmonisation and coordination among donors are critical for reducing duplication of efforts and administrative costs. Fragmented aid activities often result in inefficiencies and poor results. Effective monitoring and evaluation mechanisms are equally vital to track progress, assess outcomes, and inform future programming. Sustainability remains the ultimate measure of success. Aid interventions should empower recipient countries to generate their own resources, strengthen institutions, and build self-reliant economies rather than perpetuate dependency.

## **2.1 The Impact of Foreign Aid on Economic Growth**

According to Pankaj (2005), foreign aid is a subject of intense debate in global development discourse and international politics, and while it may be useful for economic development in the initial stages, development comes through indigenous efforts and negotiating aid requires caution of donor motives and recipient countries' own interests. Foreign aid has been a subject of significant debate regarding its impact on economic growth in recipient countries. Proponents argue that foreign aid can stimulate economic growth by providing crucial financial resources, technical expertise, and infrastructure development. Critics, on the other hand, question its effectiveness and suggest that aid may create dependency and hinder domestic economic progress. Understanding the complex relationship between foreign aid and economic growth is essential for assessing its potential benefits and limitations.

Foreign aid can contribute to economic growth in several ways. First and foremost, aid can fill resource gaps by providing additional financial capital that recipient countries may lack. These funds can be

allocated towards investment in infrastructure, such as transportation networks, power plants, and communication systems, which are essential for economic development, Feeny and McGillivray (2011). By addressing these infrastructure deficiencies, foreign aid promotes productivity, facilitates trade, and attracts private sector investment, all of which can lead to increased economic output. Moreover, foreign aid can support human capital development, such as investments in education and healthcare. Aid can be directed towards improving educational systems, expanding access to quality education, and enhancing vocational training. By developing a skilled workforce, aid contributes to increased productivity, innovation, and the development of industries that can drive economic growth. Similarly, investments in healthcare, through aid-funded programs and infrastructure development, can enhance the health and productivity of the population, leading to higher economic output.

Foreign aid can also play a role in reducing poverty and inequality, which can have positive spillover effects on economic growth. Aid can be used to fund social safety net programs, poverty reduction initiatives, and targeted interventions that improve the welfare of disadvantaged populations. According to (Burnside & Dollar, 1998) by alleviating poverty and reducing income inequality, foreign aid can enhance social stability, promote social cohesion, and create an environment conducive to economic growth. However, it is important to recognize that the impact of foreign aid on economic growth is not automatic or guaranteed. Several factors influence the effectiveness of aid in promoting economic growth. Effective governance, transparency, and accountability are crucial for ensuring aid funds are efficiently allocated and effectively utilized. Sound economic policies, including trade liberalization, investment promotion, and fiscal discipline, are necessary to create an enabling environment for aid to have a transformative impact on the economy (Woods, 2008). Additionally, aid effectiveness is enhanced when it is aligned with recipient countries' development priorities and strategies.

According to Burnside and Dollar (1998), aid can stimulate growth when directed toward countries with sound policies and transparent governance. Similarly, Tarp (2006) observes that well-targeted aid can enhance human development indicators by improving access to education, healthcare, and infrastructure. Conversely, critics argue that aid is not always effective in addressing long-term poverty because of challenges such as poor institutional capacity, corruption, and the political conditionalities often attached to aid (Easterly, Ritzen, & Woolcock, 2006; Woods, 2008).

Globally, donor countries have used aid both as a humanitarian tool and as an instrument of influence. For instance, Scandinavian nations such as Sweden and Norway adopt a developmentalist approach, offering untied aid focused on human rights, education, and gender equality (Olsen, Carstensen, & Høyen, 2003). By contrast, major powers like the United States and China blend developmental

objectives with diplomatic strategy, using aid to project their influence, build alliances, and advance national interests (Bräutigam, 2011; Liu, 2022).

Furthermore, aid dependency and the potential for aid to crowd out domestic investment are concerns that need to be addressed. Overreliance on aid can create disincentives for recipient countries to mobilize domestic resources and implement necessary reforms. To mitigate these risks, aid should be provided alongside efforts to strengthen domestic revenue mobilization, promote private sector development, and enhance local institutions and capacities.

The relationship between foreign aid and international influence has become increasingly central to global development diplomacy. As Nye (2023) articulates, modern power is no longer exercised primarily through coercion or material dominance but through attraction, persuasion, and legitimacy. Within this framework, foreign aid functions as one of the most visible instruments through which states extend influence while advancing developmental and humanitarian objectives. When donor assistance is regarded as fair, transparent, and beneficial, it enhances the donor's moral authority, strengthens diplomatic relationships, and deepens trust between nations.

Development assistance thus serves a dual purpose: it facilitates socioeconomic progress in recipient countries while simultaneously advancing the donor's strategic and ideological interests. Nye (2004) observes that generosity and credibility are central to sustaining this form of attraction, allowing aid to function both as a humanitarian mechanism and as a tool of diplomacy. Donor countries that design aid programmes based on accountability, partnership, and respect for recipient autonomy tend to generate long-term goodwill, policy convergence, and alignment of interests. Empirical examples across regions reinforce this interconnection between soft power and development. The United States, through the United States Agency for International Development (USAID), links its assistance programmes to the promotion of democratic governance, human rights, and open-market principles which are values that reflect its global identity as a champion of liberty and opportunity (Nye, 2023). China's Belt and Road Initiative (BRI) provides another manifestation of this dynamic by combining infrastructure development, trade facilitation, and cultural diplomacy to expand its influence across Asia, Africa, and Latin America (Liu, 2022). Likewise, the European Union employs development aid as a normative instrument to promote regional stability, democracy, and institutional reform, reinforcing its image as a global promoter of good governance. Japan's Official Development Assistance (ODA) strategy, grounded in peacebuilding and technological cooperation, reflects its post-war pacifist identity and long-term commitment to sustainable development (Shiga, 2023).

Beyond these major powers, other states also deploy aid as an element of their foreign policy strategies. In the Middle East, Qatar and the United Arab Emirates have integrated development assistance into their cultural diplomacy, supporting education, humanitarian relief, and reconstruction programmes that elevate their international reputations and regional legitimacy (Shiga, 2023). In Sub-Saharan Africa, China's aid model, focused on infrastructure and trade rather than political conditionalities has strengthened South–South cooperation and deepened Beijing's diplomatic footprint (Bräutigam, 2011; Skeldon, 2012). These comparative cases demonstrate that foreign aid operates simultaneously as a humanitarian mechanism and as a strategic tool of influence, with its success depending on the balance between genuine developmental goals and the donor's soft power objectives.

Diplomacy, therefore, shapes the scale, nature, and effectiveness of aid inflows. Through bilateral and multilateral frameworks, states engage in negotiations that determine the direction and conditionalities of foreign assistance. These engagements serve both humanitarian and strategic purposes, influencing not only development outcomes but also foreign policy alignment. As Berridge (2015) notes, diplomacy provides the platform for sustained dialogue, coordination, and accountability between donor and recipient states. Effective diplomatic management ensures that aid programmes are not only aligned with Nigeria's national development plans but also embedded in mutual trust and shared responsibility. The relationship between foreign aid, soft power, and diplomacy highlights how global influence and local development are closely connected. When aid is transparent, mutually respectful, and aligned with recipient priorities, it can drive sustainable poverty reduction and strengthen diplomatic ties. However, if dominated by donor interests, it risks reiterating dependency rather than partnership (Okoronkwo, Victor, & Eyitayo, 2016). Genuine progress, therefore, depends on transforming soft power into shared, credible, and cooperative development outcomes.

## **2.2 Challenges and Limitations of Foreign Aid in Poverty Alleviation**

Foreign aid plays a crucial role in supporting poverty alleviation efforts in developing countries (Skeldon, 2012). However, it also faces several challenges and limitations that can hinder its overall effectiveness. Understanding these obstacles is essential for designing more targeted, sustainable, and impactful aid programmes that address both immediate needs and long-term development goals.

One of the primary concerns surrounding foreign aid is the risk of creating aid dependency in recipient countries (Malawi & Malawi Poverty Alleviation Coordination Unit, 1995). When aid becomes a major source of government revenue, it can reduce incentives for domestic resource mobilisation, hinder self-

sufficiency, and perpetuate reliance on external assistance. To mitigate this, aid initiatives should prioritise sustainable development, capacity-building, and the gradual transition toward economic independence.

Another key challenge is the lack of country ownership. Effective poverty alleviation depends on recipient nations taking full responsibility for their development strategies. Yet, in many cases, aid programmes are designed externally, leading to a mismatch between donor priorities and local realities. Genuine partnerships between donors and recipients are necessary to ensure active participation, contextual relevance, and alignment with national development plans (Nye, 2017).

Aid effectiveness and coordination also remain persistent concerns. Fragmentation among multiple donors, overlapping programmes, and inconsistent policy frameworks often result in inefficiencies and duplication of efforts. To enhance effectiveness, better coordination mechanisms such as harmonising aid interventions, aligning them with national priorities, and strengthening information-sharing are essential. Corruption and governance weaknesses further undermine the impact of aid. Mismanagement and diversion of funds reduce accountability and erode public trust, ultimately limiting aid's contribution to poverty alleviation. Strengthening governance structures, ensuring transparency, and implementing robust monitoring systems are crucial for ensuring that aid reaches its intended beneficiaries.

Foreign aid also suffers from a limited focus on structural issues that sustain poverty (Bukari, Mordzeh-Ekpampo, & Kauza-Nu-Dem Millar, 2025). Too often, assistance targets short-term welfare measures rather than addressing deeper systemic problems such as unequal trade relationships, income inequality, and social injustice. A more holistic approach that combines immediate poverty reduction with structural reform is necessary for achieving sustainable change. Another limitation lies in short-term funding cycles and financial volatility. Many aid programmes depend on annual budgetary decisions or shifting donor priorities, which can disrupt long-term planning and implementation. To enhance stability, aid should be based on predictable, flexible, and multi-year funding commitments that allow for continuity and strategic planning.

Cultural and contextual understanding is also essential (Nye, 2004). The lack of cultural sensitivity in aid implementation can lead to limited acceptance and poor results. Programmes designed without regard to local traditions, norms, and socio-economic contexts often fail to resonate with target communities. Aid effectiveness improves significantly when initiatives are community-driven, locally adapted, and rooted



in respect for cultural diversity (Nye, 2008). The measurement and evaluation of aid outcomes remain complex. Accurately assessing aid effectiveness requires reliable data, well-designed monitoring systems, and sufficient time to evaluate long-term impacts. Weak institutional capacity for data collection and the difficulty of establishing causality further complicate this process (Atitianti, Asiamah, Arthur, & Duku, 2024).

By recognising and addressing these challenges, foreign aid can be made more effective and sustainable. A comprehensive, context-specific approach, one that integrates good governance, long-term funding, cultural sensitivity, and structural reform will help ensure that aid contributes not only to temporary relief but to lasting poverty reduction and equitable development.

Existing literature extensively explores the role of foreign aid in development, yet it lacks sufficient analysis of how soft power dynamics and diplomatic strategies shape the effectiveness of aid in achieving sustainable poverty alleviation, particularly within the Nigerian context and this is where this article becomes relevant.

### **2.3 Theoretical Framework: Soft Power Theory**

This study adopts Soft Power Theory as its guiding theoretical foundation. Developed by Joseph Nye (1990) and expanded by Alexander Vuving (2017), the theory explains how states achieve influence through attraction rather than coercion. Within this framework, foreign aid is conceptualised as an instrument of attraction, serving to build legitimacy, trust, and diplomatic goodwill, while poverty alleviation represents the measurable developmental outcome of that influence. While Nye introduced the concept of soft power, Alexander Vuving expanded its analytical depth by identifying the mechanisms through which attraction is generated and utilized. Vuving outlines three “power currencies” that constitute the sources of soft power: benignity which he defined as the perception that a state acts generously, helping others without coercion or exploitation, brilliance which is the admiration of a state’s competence, success, or technological advancement that others seek to emulate and beauty, referring to the appeal of a state’s culture, ideology, or moral values.

Foreign aid encapsulates all three. Scandinavian donors, for instance, project benignity through untied aid and humanitarian engagement in post-conflict societies such as South Sudan and Afghanistan. Japan’s ODA projects reflect brilliance through visible success in infrastructure and technology-driven development. Meanwhile, the United States and the European Union often invoke beauty by tying aid to democratic ideals, gender equality, and human rights promotion (Vuving, 2017; Baldwin, 2020). These

examples illustrate that the effectiveness of aid depends not only on the financial magnitude of assistance but also on the perceptions it generates. Aid that embodies generosity, competence, and moral appeal facilitates lasting partnerships, while aid perceived as self-interested can erode trust and diminish influence. Vuving's framework thus complements Nye's conceptualisation by explaining how the currencies of attraction translate into real-world diplomatic and developmental outcomes.

Soft Power Theory provides a compelling lens for examining how donor countries use aid to project values and gain credibility, and how these strategies can contribute to or limit effective poverty reduction. The theory's emphasis on perception and legitimacy aligns directly with the study's objectives, which seek to understand not just the economic but also the political and diplomatic dimensions of foreign aid. By focusing on soft power, this research acknowledges that aid effectiveness is determined not solely by financial flows or technical inputs but also by the moral authority, governance quality, and mutual respect embedded in donor–recipient relations.

### **3.0 Methodology**

This study employed a qualitative descriptive research design anchored on Joseph Nye's Soft Power Theory (1990) and Alexander Vuving's expansion (2019) to examine how foreign aid influences poverty alleviation through attraction, legitimacy, and cooperation rather than coercion. Using secondary data from books and peer-reviewed journals, international development reports, and institutional publications, the research conducted a systematic literature review and thematic content analysis to identify patterns linking aid effectiveness with governance, ownership, and sustainability. The study ensured validity through triangulation of multiple credible sources and adhered to APA 7th edition ethical standards, providing a theoretically coherent and policy-relevant foundation for understanding the soft power dimensions of foreign aid in driving poverty reduction.

## **4.0 Discussion of Findings**

### **4.1 Foreign Aid and Poverty Alleviation**

Aid contributes to poverty alleviation through multiple, mutually reinforcing channels: direct financing for social services, infrastructure investments that lower transaction costs and open markets, and human-capital interventions that raise long-term productivity. The role of aid in education, health, and

infrastructure is foundational to sustained welfare improvements including student mobility, infrastructure and human capital (Mittelmeier, 2025).

Evidence from literature illustrates that Japan's ODA, EU programmes, and targeted humanitarian responses enhance aid's capacity to deliver both immediate relief and longer-term gains when programmes are well-designed and integrated into recipient systems (Bukari, Mordzeh-Ekpampo, & Kauza-Nu-Dem Millar, 2025). Also, donor states often use education, scholarships and development programmes to cultivate goodwill, norms, and network, outcomes that are not strictly economic but that influence policy choices and institutional orientation in recipient states. This soft-power dimension helps explain divergence in donor strategies such as Western conditionality versus China's infrastructure-first approach (Nye, 2004).

Various constraints however, limit the capacity of aid. One of such is dependency and sustainability. Sustained inflows without complementary domestic reform can blunt incentives for revenue mobilisation and institutional reform (Nye, 2017). Programmes that create recurring external support risks reduce long-run policy autonomy unless paired with clear exit strategies and capacity transfer. Another is lack of country ownership and alignment. Multiple studies (Bukari, Mordzeh-Ekpampo, & Kauza-Nu-Dem Millar, 2025; Crook, 2003) indicate that when donor priorities are insufficiently aligned with domestic plans, projects underperform. Local ownership encompassing meaningful participation in design, implementation, and evaluation, correlates strongly with programmatic sustainability and better poverty alleviation outcomes.

Donor proliferation and poor harmonisation generate duplication and administrative burden, undermining collective impact (Vuving, 2009). This fragmentation in coordination often produces small, short-term interventions rather than large, coherent sectoral investments required for transformational change. Corruption and weak institutional capacity is another challenge. Weak governance and accountability siphon resources away from intended beneficiaries. Even technically sound aid projects fail if monitoring, procurement transparency, and local delivery systems are compromised.

Furthermore, there is limited focus on structural causes as many aid interventions treat symptoms such as cash transfers, emergency relief, and short trainings, rather than deeper structural impediments including but not limited to inequitable trade regimes and dysfunctional fiscal systems. The result, is modest welfare gains but limited structural transformation unless aid is then embedded within

macroeconomic and policy reform agendas (Mittelmeier, 2025). Methodological difficulties in attributing poverty outcomes to specific aid inputs, especially where multiple actors and time lags are involved is also a challenge. It is therefore advocated that stronger monitoring & evaluation (M&E) frameworks are developed and used to better capture long-term outcomes and social returns.

#### **4.2 The Role of Foreign Aid in Nigeria's Economy**

Foreign aid plays a significant role in Nigeria's economic development by providing vital financial resources, technical expertise, and institutional support necessary for national growth and poverty reduction. As Africa's most populous country and one of its largest economies, Nigeria faces numerous socioeconomic challenges, including infrastructural deficits, weak institutions, and high poverty levels (Atitianti, Asiamah, Arthur, & Duku, 2024). In this context, foreign aid serves as an essential complement to domestic revenue, helping the country to implement development programmes, strengthen governance, and address critical areas such as education, healthcare, and rural development.

One of the most direct contributions of foreign aid to Nigeria's economy lies in financial assistance and resource mobilization. Through grants, concessional loans, and debt relief, donor nations and international agencies have helped the Nigerian government bridge fiscal gaps, finance public investment, and stimulate economic activity. These resources have expanded the country's budgetary capacity, allowing increased expenditure on priority sectors such as infrastructure, education, and social welfare (Barratt, 2007).

Infrastructure development represents another major channel through which foreign aid has supported Nigeria's growth. Aid-funded projects have contributed to the construction and rehabilitation of roads, bridges, ports, and airports, thereby facilitating trade, enhancing connectivity, and fostering regional integration. Similarly, donor-supported investments in energy infrastructure, particularly in electricity generation and distribution have been crucial in addressing Nigeria's persistent power shortages, which hinder industrialization and economic productivity (Bräutigam & Knack, 2004).

Foreign aid has also played a transformative role in human capital development. By financing initiatives in education and healthcare, aid programmes have improved access to quality schooling, enhanced literacy rates, and strengthened the health system. Investments in teacher training, school infrastructure, and medical facilities have helped to build a skilled and healthy workforce capable of driving innovation and economic progress (Burnside & Dollar, 1998).

In terms of private-sector growth, aid has facilitated entrepreneurship and job creation by supporting small and medium-sized enterprises (SMEs) through access to capital, technical training, and capacity-building. These efforts promote diversification beyond the oil sector, stimulate industrial development, and foster long-term economic sustainability (Bräutigam & Knack, 2004). In the agricultural sector where a majority of Nigerians derive their livelihood, foreign aid has contributed to rural transformation by enhancing farming techniques, improving access to markets, and supporting value-chain development. Such interventions have boosted food production, strengthened agribusiness, and advanced food security objectives (Campbell & Rabie, 1989).

Moreover, foreign aid has been instrumental in Nigeria's poverty reduction and social welfare efforts. Through initiatives such as conditional cash transfers, social safety nets, and livelihood programmes, aid has directly targeted vulnerable populations, improving their income stability and living conditions (Bräutigam & Knack, 2004). Beyond financial assistance, technical aid and capacity-building programmes have strengthened public institutions by improving governance, policy formulation, and project implementation capacity. These initiatives enhance transparency, accountability, and effective resource management within government and civil society structures (Campbell & Rabie, 1989).

Foreign aid has played a crucial role in addressing humanitarian and post-conflict challenges in Nigeria. In response to crises such as internal displacement, insurgency, and natural disasters, aid has provided emergency relief including food, shelter, healthcare, and sanitation while also supporting long-term recovery, peacebuilding, and reconstruction. These interventions have been central to stabilizing affected communities and rebuilding the socioeconomic fabric of conflict-prone regions (Burnside & Dollar, 1998).

Soft power and diplomacy converge in the design, negotiation, and implementation of foreign aid. Nigeria has become a focal point for global aid diplomacy due to its demographic weight, resource endowment, and strategic importance in Africa. Donor countries such as the United States, China, and members of the European Union have used aid to advance their developmental cooperation while reinforcing their geopolitical relationships with Nigeria. For instance, USAID's investments in education, health, and governance reflect American ideals of democracy and accountability, while China's infrastructure and technology-based aid under the Forum on China–Africa Cooperation (FOCAC) projects its image as a development partner committed to Africa's growth. The European Union's support for governance and electoral reform similarly reflects its broader objective of promoting institutional resilience and policy convergence.

## **5.0 Policy Implications and Recommendations**

The perception and quality of donor engagement (the essence of soft power) shapes whether aid is welcomed, sustained, and locally leveraged. Melissen (2020), Mathew (2022) and Man (2020) suggest that aid perceived as respectful of local agency and culturally sensitive produces stronger buy-in and generates local multiplier effects while aid perceived as conditional, extractive, or politically opportunistic breeds resistance and weak uptake. Donors need to prioritise benignity, competence, and moral appeal to convert resources into sustainable developmental returns.

Aid should be aligned with national strategies and build genuine ownership. Donor programmes must be co-designed with recipient stakeholders to ensure relevance and sustainability. This includes joint planning, national M&E systems, and capacity-transfer components. Predictable multi-year funding allows recipient governments and communities to plan investments in infrastructure, education systems, and value chains that yield durable poverty-reducing outcomes. Short, volatile planning and funding often undermines impact. Embedding transparent procurement, community oversight, and independent audits in programme design will mitigate leakages and improve service delivery. Education and skills programmes including scholarships and exchange-based capacity building are high-leverage areas that can be invested in to produce sustained returns. Also, using digital and hybrid models will broaden access. Following the pandemic, evidence (Vuving, 2019) shows that virtual and hybrid programme elements can expand reach, reduce cost barriers, and sustain partnerships even when physical mobility is constrained. These models can democratise access to development inputs and knowledge transfer.

## **6.0 Conclusion: Foreign Aid, Soft Power, and a Pathway Forward**

In conclusion, foreign aid remains an essential tool for poverty alleviation and human development but its effectiveness is often undermined by weak governance, policy misalignment, and donor-driven priorities. While aid provides vital resources for infrastructure, education, and welfare, persistent challenges such as dependency, poor coordination, and limited local ownership hinder its transformative impact. Reimagining aid through the lens of soft power, as articulated by Nye and Vuving, highlights the importance of attraction, credibility, and shared values over coercion or dependency. When foreign aid is guided by transparency, mutual respect, and alignment with national priorities, it becomes a genuine partnership that strengthens governance, builds capacity, and promotes sustainable growth. Ultimately, integrating soft power diplomacy with sound development strategies can turn foreign aid into a force for long-term transformation and global equity.

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### **Authors' Bio**

**Dr. Felix C. Chidozie** is a Senior Lecturer and former Head of the Department of Political Science and International Relations at Covenant University, Nigeria. His research focuses on international relations, governance, migration, and African politics, with numerous publications advancing scholarship in these fields.

**Mogbolu Nesochi Immanuel** holds a B.Sc. in Political Science and an M.Sc. in International Relations, with research interests in soft power and international academic exchanges. He is passionate about global engagement, youth development, and leveraging diplomacy for cross-cultural collaboration and educational advance