

Foreign Aid to Nigeria and Domestic Obstacles:

A Review of Anambra State Education Sector

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Research Article

Abstract

The study investigated the effect of foreign aid on the development of different sectors of the Nigerian economy. Particular emphasis was laid on the educational sector of Anambra State. Survey research method was adopted. Data collected were analyzed using Chi-square parametric statistics. Many factors were found to militate against the effectiveness of foreign aid in achieving development. Among the factors were corruption, poor policies and institutional framework as well as poor utilization of development fund. Based on the findings, recommendations were made. These include the need for the establishment of a sound institutional framework and infrastructural facilities; also there is the need for a reform of the educational sector of Anambra state as well as all sectors of the Nigerian economy.

Keywords: Foreign Aid, Educational Sector, Politics, Corruption, Infrastructure, Anambra State, Nigeria.

Introduction

Economic aid is a post-war phenomenon. It started as a means of narrowing the gap between poor nations and advanced industrial societies. It was meant to ensure better utilization of world resources – a means of transferring technological know-how to developing nations and a major weapon for winning the Cold War. This is an economic development strategy influenced by developed economies during the late 1940s, following the success of the Marshall Plans (Chukwuemeka, 2005: 55). In 1970, the world's richest countries agreed at the United Nations General Assembly to give 0.7% of their Gross National Income (GNI) as official international aid annually to help the developing countries to grow out of poverty by 2015.

Foreign aid represents an important source of finance in most countries in Sub-Saharan Africa (SSA), including Nigeria, where it can supplement low savings, narrow export earnings and thin tax bases. Foreign aid stimulates economic growth by supplementing domestic sources of finance such as savings, thus increasing the amount of investment and capital stock in the country. Foreign aid also increases investment in physical and human capital, capacity to import capital goods or technology and it is also associated with technology transfer that increases productivity of capital and promotes indigenous technical change (Njeru, 2003: 123). All these are influenced by external, climatic, political and institutional conditions. Foreign aid can have positive effect on economic growth, through public expenditure, if properly channelled to the productive sectors of the economy (Oduanya, Abiola, Jegede, 2011: 39).

Nigeria, which is a developing country is characterized by low level of income, high level of unemployment, low industrial capacity utilization, high poverty level, high rate of illiteracy, poor infrastructural facilities, just to mention a few of the various problems the country is often faced with. Nigeria which was one of the richest 50 countries in the early 1970s has retrogressed to become one of the 25 poorest countries at the threshold of the twenty first century. It is ironic that Nigeria is the sixth largest exporter of oil but at the same time hosts the third largest number of poor people after China and India (Igbuzor, 2006: 140).

In addressing these problems, foreign aid has been suggested as a veritable option for stimulating growth by supplementing meagre domestic sources of finance of the country. While some countries which have benefited from foreign aid at one time or the

other, have grown (China, South Korea), many countries in Africa including Nigeria, have remained backward. Nigeria has continued to benefit from all sorts of foreign assistance, yet socio-economic development has remained dismal.

Statement of the Problem

Although foreign aid plays an important role in enhancing growth and development, it is ironic to note that after years of channelling resources to the developing countries, little development has taken place. Many factors have been assumed to be obstacles militating against development in the educational sector in Nigeria via foreign aid. One of these factors is corruption. The aid meant for carrying out development programmes and projects in various sectors is embezzled by the government officials whose role is to ensure the implementation of such programmes or projects. This is an obstacle to efforts aimed at developing the country through foreign aid (Chukwuemeka, 2005: 258).

There is also the problem of misappropriation and poor utilization of foreign aid. The aid meant for development is assumed to be not judiciously utilized, it is misused and often times diverted for non-aided projects (projects other than those for which the aid was originally provided, thus making aid ineffective in achieving development.

Another factor assumed to be militating against the effectiveness of foreign aid is that of poor institutional framework for monitoring and evaluating the inflow and utilization of foreign aid. According to Chenery and Strout (1997: 400), the capacity to make productive use of external resources depends on numerous factors, one of which is the existing institutional capacity. When the institutional framework is lacking, it cannot make productive use of the foreign aid given to it and this invariably hinders development. The inability of policy implementers to effectively utilize foreign aid funds has created serious obstacles to the development of the education sector in Anambra State of Nigeria.

Objectives of the Study

The overall aim of this study is to examine the effect of foreign aid on the development of different sectors of the Nigerian economy with particular emphasis on the educational sector of Anambra state. The specific objectives of the study are to:

- 1) Examine the institutional framework of the Ministry of Education in Anambra State that is responsible for monitoring and evaluating the inflow and utilization of foreign aid.
- 2) Determine the extent corruption has affected the implementation of foreign aid in the educational sector of Anambra State.
- 3) Provide recommendations on effective foreign aid administration.

Hypotheses

For the purpose of this study, we put forward the following hypotheses:

Hypothesis 1

Hi: Corruption is one of the factors that militate against the effectiveness of foreign aid in the educational sector of Anambra State of Nigeria.

Ho: Corruption is not one of the factors that militate against the effectiveness of foreign aid in the educational sector of Anambra State of Nigeria

Hypothesis 2

Hi: Poor institutional framework is one of the factors militating against the effectiveness of foreign aid in the educational sector of Anambra State.

Ho: Poor institutional framework is not one of the factors militating against the effectiveness of foreign aid in the educational sector of Anambra State.

Literature Review

Conceptual Framework

Chukwuemeka (2005: 231) defines aid as grants or loans undertaken by the government for the promotion of development. Included in this is technical aid/co-operation, economic aid, military aid. It may be a government loan or government guarantee to cover payments due to private exporters. Aid does not include private capital movement, be it loans or investment not guaranteed by the creditors government.

Singer and Ansari (1988: 43) express the aid concept in a broader sense, indicating that aid can be given in the form of preferential tariffs by developed countries opening their markets widely to exports from less developed countries (LDCs) or by offering import subsidies to the LDCs. They argue that most LDCs if given the choice would prefer not expansion of aid, but rather trade concessions in that form of raising and stabilizing the prices of their major export commodities and/or revision of the tariff structure of developed countries to enable them export more.

Lancaster (1999: 48) defines foreign aid as a "transfer of concessional resources, usually from a foreign government or international institution, to a government or non-governmental organization in a recipient country. It may be provided for a variety of reasons, including diplomatic, commercial, cultural and developmental." Todaro and Smith (2004:148) define foreign aid as "encompassing all official grants and concessional loans in currency or in kind, that are broadly aimed at transferring resources from the developed nations to the less developed nations on development and income distribution grounds."

The standard definition of foreign aid comes from the Development Assistance Committee (DAC) of the Organization for Economic Co-operation and Development (OECD), which defines foreign aid (or the equivalent term, foreign assistance) as financial flows, technical assistance, and commodities that are:

- i. designed to promote economic development and welfare as their main objective (thus excluding aid for military or other non-development purposes); and
- ii. are provided as either grants or subsidized loans.

Grants and subsidized loans are referred to as "concessional financing," whereas loans that carry market or near-market terms (and are therefore not foreign aid) are "non-concessional financing." According to the DAC, a loan counts as aid if it has a "grant element" of 25% or more, meaning that the present value of the loan must be at least 25% below the present value of the comparable loan at market interest rates (usually assumed by the DAC – rather arbitrarily – to be 10% with no grace period). Thus, the grant element is zero for a loan carrying a 10% interest rate, 100% for an outright grant, and something in-between for other loans.

In all cases, it is noted that the definition of aid (whether foreign or development) is largely donor-driven and based on the intentions of those giving the aid rather than those using it – the recipients. This uncontested, donor-driven approach has always been the donors who decide how much aid to give and the form in which it is to be given (Randel, Mark, Shaw 2000: 348, Riddell, 2007: 231).

Aid Effectiveness

The effectiveness of foreign aid is the subject of much debate in development economics. Some economists argue that aid does not significantly increase economic growth rates or improve human development indicators (Boone, 1996: 125). Others, on the contrary, believe it does, especially when the recipient country implements appropriate policies (Burnside and Dollar, 2000: 66). Still others would argue, for example, that the effects of bilateral and multilateral aid are markedly different – while one type may promote growth and development, the other one may not (Ram, 2003: 312; Cassen 1994: 50; Sender 1999: 341).

In a study of International Development Agency (IDA) data from 1971 to 1990, Boone (1996: 87) found that most foreign aid had no significant effect on basic development measures such as infant mortality or primary schooling ratios, although some particular programmes (immunization and research, for instance) could be effective. Thus, finding that most foreign aid is consumed, rather than invested, and that aid receipts increase the size of government without influencing health indicators. These discouraging findings constitute, in researchers' view, strong evidence of government failure, whose incentives to improve human development indicators are insufficient, aid inflows notwithstanding.

In a widely cited study, Burnside and Dollar (2000:651) found out that aid has a positive effect on economic growth in developing countries with good fiscal, monetary and trade policies, but it is rather ineffective when policies are poor. The researchers interpret foreign aid as an income transfer, which can be invested to produce growth or dissipated in unproductive government expenditure. Their findings indicate that one way to increase the effectiveness of aid would be to make it more systematically conditional on the quality of the recipient countries' policies.

Ram (2003:34) criticizes Burnside and Dollar methodology and argues against constraining the coefficients for the effects of bilateral and multilateral aid to be equal

Ram (2005:31) found that, if the coefficients for the effect of bilateral and multilateral aid on economic growth rates are separate and unconstrained, the estimated parameters would change significantly. The bilateral aid parameters are estimated to be positive, whereas the estimated effect of an increase in multilateral aid is negative. Both parameters are sizeable, suggesting that there is a dramatic difference between the effects of the two aid components on growth rates. Ram (2003:31) suggests that the positive effects of bilateral aid on growth are derived from a better understanding by the donors of the recipients' needs.

Factors Inhibiting Aid Effectiveness: donors- side

Factors that inhibit the effectiveness of aid from the donors' side include:-

- **Increasing volatility of aid flows over time** – volatility of aid flows has been rising and this factor is estimated to reduce the effectiveness of IDA by around 20% (Knack and Rahman, 2004: 67; Hermias and Kharas, 2008:45).
- **Donor collusion** – while harmonization of donor activity is encouraged to counter the adverse effects of fragmentation, an unintended side effect is the evolution of collusion among donors. There is safety in numbers and when donors acting in harmony fail to achieve the goal of lasting poverty reduction, it is easier to point the finger of blame at the recipient country. Donor agencies therefore tend to feel no pain from their failures (Easterly, 2002; Hermias and Kharas, 2008:70).
- **Lack of accountability in a sectorial context** – donor agencies performances have been assessed in the light of individual projects rather than overall sector performance. This lack of enhanced accountability has led to numerous flash-in-the-pan “success stories” which are really just “development experiments” that fail to achieve the expected impact because of a lack of scaling up (Hermias and Kharas, 2008:24).
- **Aid recipients preferences** – At present, very few development agencies undertake systematic client survey and where these are done, the results have little bearing on actual programmes. Recipient countries are also not at liberty to substitute aid from one donor for a (more desirable) programme offered by

another partner without losing overall aid resources (Hermais and Kharas, 2008:98; Lancaster, 1999:214).

- **Parallel systems for aid delivery and burdensome donor requirements** – on the premise of ensuring accountability and transparency in the utilization of funds, donors continue to build parallel systems to deliver aid attached with burdensome requirements even where recipient capacities are strong, taxing the limited administrative resources of recipient nations (Easterly, 2002:43; Mass, Smith, Endel, 2006:66).
- **Tying of aid** – this involves giving of aid (loan or grant) and mandating that such aid be spent on the goods and services from the donor country rather than on the recipient's choice of goods or services. This inhibits the effectiveness of aid.
- **Commercial and political interest of donors** – White (1995:73) concurs that the donor country's commercial and political interests occasionally determines aid volume and patterns and this serves to corrupt the purely developmental objectives often professed by the donor themselves.

Factors Inhibiting Aid Effectiveness – Recipients' Side

Mosley, Elis, Johnson (2002: 45) show that the differential impact aid might have is dependent upon the recipient country's characteristics which include corruption, inequality and the composition of public expenditure. It has been argued that development assistance availed to developing countries does not often reach the actual needy on account of corruption of the bureaucracy and officials of developing countries.

According to Alesina and Weder (2002:90), "there is no value in providing large amounts of money to a country with poor policies." Recipient countries are more often than not beleaguered by poor institutional development, inefficiencies and bureaucratic failures (Alesina and Dollar, 2000: 98; Riddell, 2007:45).

Chronicles of the challenges that inhibit aid effectiveness include:

- a. Weak institutions and policies (Dollar, 1999: 45)
- b. Conflict (Randel, Mark, Shaw, 2000:56)

- c. Lack of commitment to pro-poor strategies (Knack and Rahman, 2004:59)
- d. Limited absorptive capacity (Killick, 1991:88)
- e. Shortage of skilled manpower: less than 10% of aid recipient are considered as having the sound framework required to monitor and assess development results and then a quarter, link their development strategies with their national budget (Kharas, 2008:55)
- f. Poor incentive to work in rural (and the most impoverished) parts of the country (Devarajan and Renikka, 2004:123; Mosley, 2002:245)
- g. Lack of precision in public spending: - most studies on the incidence of public spending in health and education reveal that less than 20% of the benefit reach the poorest; most accrue to the rich and middle class (Devarajan and Renikka, 2004:456).
- h. Lack of participation of beneficiaries in initiating poverty focused projects (Mosley, 2002:33)
- i. Lack of access to available services (Birdsall, 2005:33)

Problems Associated with Foreign Aid

Although foreign aid plays an important role in the development of less developed countries, it also has certain problems associated to it. These problems are:

- The inflow of foreign aid can lead to aid dependency, which serves to hamper growth and development. Ambe (2013:234) asserts that foreign aid dependency is simply a continuation of Africa's economic marginalization and dependence on the western – dominated world economy, and this is an impediment to real economic and political development.
- Foreign aid serves as an instrument for projecting the commercial and political interests of the donors rather than that of the recipients. Hjertholm and White (2003:44) wrote that "the developmental objectives of aid programmes have been distorted by the use of aid for donors' commercial and political advantage."

- Foreign aid encourages the dumping of obsolete machines and technology into the economies of developing countries.
- Foreign aid encourages capital flight and corruption.

An Overview of Anambra State Educational Sector

The Ministry of Education is in charge of supervision and policy formulation on educational matters in Anambra state. The Ministry makes decisions concerning the mobilization and allocation of resources, approves programmes and annual work budget, analyses result and progress in implementing educational programmes, deals with issues requiring inter-ministerial decision, promotes teaching of science and technology and capacity building for manpower development. It provides for vocational and educational guidance, school service and supplies, physical education in schools and quality control through inspection of schools.

The educational system in the state, before the present administration experienced deep crisis for many years, vital literacy indicators revealed a deplorable condition. Adult literacy rate was relatively poor at 37%. Only 50% of school age children were in school from 2001-2002, while enrolment ranged between 10% and 30%. There has been an increasing rate of school dropout in recent years and the quality of education has fallen significantly at all levels.

The schools, at all levels, lacked teachers and basic infrastructures, including teaching aids and recreation centres. They suffer from overcrowding, poor quality products and school curricula have been inadequate. This sector has equally been burdened by frequent industrial disputes and strike actions (2001-2002). It suffered from poor management, manifested in poor sectorial allocation, multiplicity of agencies with duplicated functions and inadequate coordination.

The major problem facing Anambra State in the educational sector is that of dwindling male enrolment in schools. Majority of the boys within school age in Anambra state are sent to learn trade such as apprentices rather than being enrolled in school. Within the past five years, the resource allocation policy of school government has not been geared towards addressing this anomaly. The enrolment ratio of male to female has been in the downward trend. Disparities between rural areas became more pronounced following the introduction of school fees. Rather than addressing the issue

of sectorial budget, which has been on the decline, the government has introduced the "one school, two principal" system for junior and senior secondary schools, respectively, thereby increasing the cost of running these schools without a corresponding increase in the budgetary allocations in the sub-sector. Most of the primary schools, both public and private, lack the enabling structure for teaching and learning. Research is almost non-existent, while the sector has witnessed more strikes in the state than any other sector.

The recent attempt at introducing free education at the primary and secondary school levels has its attendant increase in enrolment resulting in existing facilities in public schools being over stretched. The constraint associated with education in the state, like improving the infrastructural facilities, were paid lip service, even in the urban town which has high enrolment figures, with the result that the existing facilities are visible overstretched.

In analyzing the state of primary and secondary education in Anambra State, it is pertinent to note that there is a serious decline in both the enrolment of school children in schools and quality of education.

Factors Militating Against Good Quality Education in the State

The quality of education is different from the standard of education. In discussing the standard of education, we are comparing two or more different standards at a time; for instance, population, infrastructure, exposure, enabling or militating environmental factors, *et cetera*. The militating factors against good quality education in Anambra State include: inadequate funding, un-conducive learning environment, absence of health and sanitation facilities, paucity of basic instructional materials, non-motivation of teachers, and high male dropout rate from schools.

The decline in the quality of education is further accentuated by poor teaching quality, irrelevant and overloaded curriculum, poor record keeping, lack of instrument for measuring learning outcomes, examination malpractices and political instability.

Foreign Aid to the Educational Sector (Ministry of Education) Anambra State

The above situation analysis of primary, secondary and tertiary education is the reason the State asked for intervention aid from the United Nations agencies. Various forms of foreign aid have been made available to the Anambra state educational sector in order to provide quality education, eradicate poverty, educate every child, and care for every child to ensure the best possible start in life. Various development programmes and projects were put in place and sponsored by various multilateral agencies such as the United Nations Children's Fund (UNICEF), United Nations Development Programme (UNDP), United Nations Educational, Scientific and Cultural Organization (UNESCO) and World Bank.

Two hundred Non-Formal Education (NFE) programme centres, reinforced teaching skills, lifesaving skills, toy construction, eighty classroom blocks with one hundred and fifty classroom and conveniences were constructed. In all, over eight hundred persons, including children in schools and households, were made contact with and, thus benefited from the programme. The sector also seeks intervention aid from the World Bank through Education for All (EFA) programme to resuscitate quality education in Anambra state. All the projects are well focused.

It is envisaged that with the effective implementation of the state strategies and co-operation of the donor agencies, an enabling and school friendly environment to make learning and teaching easier for the pupils and teachers will be created in the Anambra State educational sector. Also, the Millennium Development Goals and Education for All goals of achieving universal primary education and reducing illiteracy to the barest minimum will be realized by 2015.

Methodology

Research Design

The design of the study is a descriptive survey. It is a type of research in which the variables involved are studied in their natural settings without treatment or under the control of researchers.

Population of the Study

The population of the study comprised the 327 staff of the Ministry of Education in Anambra State.

Sample Size

A sample is a part of a population observed for the purpose of making inference on the population. In view of this, the researcher chooses a sample size using the Taro Yamani formula. According to Yamani (1964:44), to determine a sample from a population;

$$n = \frac{N}{1 + N [e]^2}$$

Where

n = sample size

N = population size

e = error limit

l = constant

$$\begin{aligned} n &= \frac{N}{1 + N [e]^2} \\ n &= \frac{327}{1 + 327 [0.0025]} \\ n &= \frac{327}{1 + 0.8175} \\ n &= \frac{327}{1.8175} \end{aligned}$$

$$n = 179.91$$

Approximately n = 180

Method of data collection

A questionnaire, face to face interview and focus group discussion were the major instrument used for the collection of data.

Method of Data Analysis

The data collected were analyzed using the weighted mean and chi square parametric test. The decision rule is that items with mean values of 3.00 and above were accepted and hence given a positive interpretation, whereas items with mean values of less than 3.00 were rejected and given a negative interpretation.

Data presentation and analysis

What is the effect of foreign aid on the development of the Anambra State educational sector?

In order to ascertain the opinion of the respondents on the effect of foreign aid on the development of the Anambra State educational sector, 172 respondents responded to the questions. The results are presented in table 1.

TABLE 1: Analysis of the respondents' opinion to research question one

S/N	Items	\bar{X}	Decision
1	Foreign aid has a positive effect on the development of the educational sector of Anambra state because it has helped to provide finance and technical know-how to carryout development programs and projects.	2.27	Rejected
2	Foreign aid has a negative effect on the development of the Anambra state educational sector because it has led to aid dependency and serves to promote only the political and commercial interests of the donors, hence hindering sustainable development.	2.53	Rejected
3	Foreign aid has no effect on the growth and development of the Anambra state educational sector.	2.56	Rejected

4	Foreign aid has had a positive effect on the growth and development of the Anambra state educational sector due to its sound policy environment.	4.10	Accepted
5	Foreign aid has had a negative effect on the Anambra state educational sector due to its poor policies and institutional framework.	2.08	Rejected

Source: Field Survey, 2013.

The information contained in Table 1 reveals that all question items, except for one, were rejected by the respondents. The accepted question item has a mean value of 3.32 and, based on the decision rule, it is accepted and given a positive interpretation. This means that the respondents who are workers in the Ministry of Education are of the view that foreign aid has a positive effect on the development of Anambra State educational sector, but it is dependent on a sound policy environment.

What are the factors militating against the effectiveness of Foreign Aid in achieving sustainable development in Anambra State educational sector?

Respondents' opinions were also sought concerning the factors militating against the effectiveness of foreign aid in achieving development in the educational sector of Anambra State. The results are shown in table 2.

TABLE 2: Analysis of the respondents' response to research question two

S/N	Items	\bar{X}	Decision
6	Poor infrastructural facilities and institutional frame work of Anambra state educational sector serves as an obstacle against the effectiveness of foreign aid	2.38	Rejected
7	Corruption on the path of the government officials serves as a factor militating against the effectiveness of foreign aid	2.51	Rejected
8	Poor utilization and misappropriation of funds (foreign aid) makes it ineffective in achieving sustainable development in Anambra state educational sector.	2.42	Rejected

9	Weak aid co-ordination, programming, and management practices in the Anambra state educational sector. hinders foreign aid effectiveness	2.22	Rejected
10	All of the above.	3.83	Accepted

Source: Field Survey, 2013.

Data contained in Table 2 shows that four (4) out of five (5) question items were rejected by the respondents with the mean value ranging from 2.22 to 2.5, while the fifth question item was accepted with a mean score of 3.83.

Based on the decision rule, it will be accepted and given a positive interpretation. This means that the respondents are of the opinion that corruption, weak aid co-ordination, programming and management practices, misappropriation and poor utilization of funds, poor institutional framework and infrastructural facilities are the factors militating against the effectiveness of foreign aid in the educational sector of Anambra State.

In what way and manner is Foreign Aid utilized by the educational sector of Anambra state?

Respondents were asked to state their views on the way foreign aid is utilized by the educational sector of Anambra State. The results are reflected in Table 3:

TABLE 3: Analysis of the respondents' response to research question three

S/N	Items	\bar{X}	Decision
11	Foreign aid is poorly utilized and managed by the ministry of education	2.68	Rejected
12	Foreign aid is diverted for the personal use of the government officials / bureaucrats.	2.86	Rejected
13	Foreign aid is judiciously utilized as prescribed for carrying out development programmes and project.	2.94	Rejected
14	Most times foreign aid is misappropriated and shared between aided and non-aided projects (that is, projects other than that for which aid is provided).	3.84	Accepted

15	Foreign aid is often wasted and squandered on irrelevant programmes and projects.	2.15	Rejected
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Source: Field Survey, 2013.

Table 3 shows that the question items with the mean scores 2.15 to 2.94 were rejected by the respondents, while the question item with the mean score of 3.84 was accepted and given a positive interpretation. This means that the workers are of the view that most times the fund given as aid are misappropriated and shared between aided and non-aided projects.

What role does the government officials play in ensuring development in the Anambra State educational sector?

Respondents were asked to state their opinion on the role of government officials in ensuring development in the educational sector of Anambra state.

TABLE 4: Analysis of respondents' response to research question four

S/N	Items	\bar{X}	Decision
16	The government officials ensure that foreign aid is properly disbursed to all the units and departments within the educational sector to ensure proper development.	4.02	Accepted
17	They embezzle the funds meant for carrying out development projects and keep it for their personal use.	1.74	Rejected
18	They ensure that the fund is properly utilized for the purpose for which it is meant.	2.26	Rejected
19	They spend the funds on un-aided projects.	2.09	Rejected
20	They establish sound policies and frame work to promote aid effectiveness.	2.13	Rejected

Source: Field Survey, 2013.

From table 4, it is clear that four of question items with mean scores of 1.74 to 2.26 were rejected by the respondents, while the question item with a mean score of 4.02 was accepted and given a positive interpretation. This means that the workers in the Ministry of Education are of the view that government officials ensure that aid funds are properly disbursed to all units departments within the educational sector to ensure proper development.

Does the Ministry of Education in Anambra state have a sound institutional framework for monitoring and evaluating the inflow and utilization of foreign aid?

Respondents were asked to state their opinion on whether the Ministry of Education has a sound institutional framework for monitoring and evaluating the inflow and utilization of foreign aid. The results are shown in Table 5.

TABLE 5: Analysis of the respondents' response to research question five

S/N	Items	\bar{X}	Decision
21	The ministry of education has a sound institutional framework which monitors and evaluates the inflow and utilization of foreign aid	2.30	Rejected
22	The ministry of education has no institutional frame work that monitors and evaluates the inflow and utilization of foreign aid.	1.81	Rejected
23	The ministry of education has a poor institutional framework that monitors and evaluates the inflow and utilization of foreign aid.	4.18	Accepted
24	The effectiveness of the institutional framework responsible for monitoring and evaluating the inflow of foreign aid is affected by the bureaucratic inefficiencies in the ministry.	1.9	Rejected

Source: Field Survey, 2013.

Table 5 shows that four of the question items with mean scores of 1.81 to 2.30 were rejected by the respondents, while the question item with mean score of 4.18 was accepted and given a positive interpretation. This means that the workers in the Ministry of Education are of the view that the ministry education has a poor institutional framework that monitors and evaluates the inflow and utilization of foreign aid.

How can Foreign Aid be better developed to achieve sustainable development in the educational sector of Anambra State?

Respondents' views were sought on how foreign aid can be better deployed to achieve sustainable development in the educational sector of Anambra state. The results are presented in Table 6:

TABLE 6: Analysis of the respondents' response to research question six

S/N	Items	\bar{X}	Decision
25	By reforming the entire educational sector, to eliminate corruption and bureaucratic inefficiencies.	4.33	Accepted
26	Setting up sound infrastructural facilities and institutional framework for recording, evaluating and monitoring the inflow and utilization of foreign aid to ensure transparency and accountability.	3.32	Accepted
27	Periodic review of the records and accounts of the inflow of foreign aid in order to ensure its proper utilization.	3.84	Accepted
28	Punishing offenders for misappropriation and embezzlement of funds	4.02	Accepted
29	Formulation of sound fiscal, monetary and trade policies to ensure aid effectiveness.	4.18	Accepted
30	Establishment of capacity development activities in order to strengthen aid programming, co-ordination and management practices.	3.53	Accepted

Source: Field Survey 2013.

Table 6 shows that the whole question items were accepted by the respondents. The mean score of the items range from 3.32 to 4.33. This means that the workers in the Ministry of Education are of the view that foreign aid can be better deployed to achieve sustainable development in the educational sector of Anambra state by employing all of the above stated processes.

Test of Hypotheses

Hypothesis 1

Hi : Corruption is one of the factors that militate against the effectiveness of foreign aid in the educational sector of Anambra State of Nigeria.

Ho : Corruption is not one of the factors that militate against the effectiveness of foreign aid in the educational sector of Anambra State of Nigeria.

Hypothesis 2

Hi: Poor institutional framework is one of the factors militating against the effectiveness of foreign aid in the educational sector of Anambra State.

Ho: Poor institutional framework is not of the factors militating against the effectiveness of foreign aid in the educational sector of Anambra State.

Having presented, interpreted and analyzed the data using the weighted mean with the five Point Likert-scale method, it is important to validate the two research hypotheses using the chi-square method.

Where;

Ho: Null hypothesis

Hi: Alternative or Research hypothesis

To test the validity of the hypotheses, the chi-square (χ^2) will be used.

$$\chi^2 = \frac{\sum (O - E)^2}{E}$$

Where

E = Expected frequency

O = Observed frequency

\sum = Summation

A contingency table is constructed to calculate the expected frequency, using the formula

$$E = \frac{RT \times KT}{N}$$

N

Where

RT = Row total

KT = Column total

N = Grand total

Degree of freedom is given by $(R-1)(K-1)$ R = Row, K = Column at 5% level of significance.

We shall reject the null hypotheses and accept the alternative hypotheses if the calculated value is greater than the tabulated value that is $\chi^2_c > \chi^2_t$ or we shall accept the null hypotheses and reject the alternative hypotheses if $\chi^2_c < \chi^2_t$.

Test of hypotheses 1

To test hypotheses 1, a contingency table is prepared based on the responses to question 4.

TABLE 7: Opinion of the workers in the Ministry of Education on the effect of Foreign Aid in the sector

Responses	Male	Female	Total
Strongly agree (SA)	82	18	100
Agree (A)	15	25	40
Undecided (UD)	1	1	2
Decided (D)	4	6	10
Strongly Disagree (SD)	5	15	20
Total	107	65	172

Source: Field Survey, 2013.

To get the expected frequency;

$$E = \frac{RT \times KT}{N}$$

a. $\frac{100 \times 107}{172} = 62.20$

b. $\frac{40 \times 107}{172} = 24.88$

c. $\frac{2 \times 107}{172} = 1.24$

d. $\frac{10 \times 107}{172} = 6.22$

e. $\frac{20 \times 107}{172} = 12.44$

f. $\frac{100 \times 65}{172} = 37.79$

g. $\frac{40 \times 65}{172} = 15.11$

h. $\frac{10 \times 65}{172} = 3.78$

i. $\frac{20 \times 65}{172} = 7.56$

j. $\frac{40 \times 65}{172} = 15.11$

The degree of freedom is given as $[R - 1] [K - 1]$; R = row; K = column; at 5% level of significance.

$$DF = [2 - 1] [5 - 1]$$

$$DF = 1 \times 4 = 4$$

In the contingency table (Table 7), we have found the expected frequencies. The observed frequency and expected frequency are shown in Table 8.

TABLE 8: Computed chi-square (χ^2) for hypotheses one

O	E	O-E	(O-E) ²	$\frac{(O-E)^2}{E}$
82	62.20	19.8	392.04	6.30
15	24.88	-9.88	97.61	3.92
1	1.24	-0.24	0.06	0.05
4	6.22	-2.22	4.93	0.79
5	12.44	-7.44	55.35	4.45
18	37.79	-19.79	391.64	10.36
25	15.11	13.5	182.25	12.06
1	0.76	0.24	0.06	0.08
6	3.78	2.22	4.93	1.30
15	7.56	7.44	55.35	7.32
			TOTAL	46.63

Source: Field Survey, 2013

The tabulated or critical value of χ^2 at 0.05 level of significance and DF = 4 is 9.488. Since the calculated value of 46.63 is greater than the critical value of $\chi^2 = 9.488$, the alternate hypothesis is accepted.

Test of Hypotheses 2

To test hypothesis 2, a contingency table is prepared based on the responses to question 10, to calculate the expected frequency, using the formula:

$$E = \frac{KT \times RT}{N}$$

Where

RT = Row total

KT = Column total

N = Grand total

TABLE 9: Opinion of the workers in the ministry of education on the factors militating against the effectiveness of foreign aid in the sector

Response	Male	Female	Total
Strongly Agree (SA)	40	30	70
Agree (A)	15	35	50
Undecided (UD)	13	7	20
Disagree (D)	12	6	18
Strongly Disagree (SD)	4	10	14
Total	84	88	172

Source: Field Survey, 2013.

To get the expected frequency:

$$E = \frac{RT \times KT}{N}$$

N

a. $\frac{70 \times 84}{172} = 34.18$

172

b. $\frac{50 \times 84}{172} = 24.41$

172

c. $\frac{20 \times 84}{172} = 9.76$

172

d. $\frac{18 \times 84}{172} = 8.79$

172

e. $\frac{14 \times 84}{172} = 6.83$

172

f. $\frac{70 \times 88}{172} = 35.81$

172

g. $\frac{50 \times 88}{172} = 25.58$

172

$$h. \frac{20 \times 88}{172} = 10.23$$

172

$$i. \frac{18 \times 88}{172} = 9.21$$

172

$$j. \frac{14 \times 88}{172} = 7.16$$

172

Degree of freedom is given by (R-1) (K-1) R = Row, K = Column at 5% level of significance.

$$DF = [2 - 1] [5 - 1]$$

$$DF = 1 \times 4 = 4$$

From the contingency Table 9, we have found the expected frequencies. The observed frequency and expected frequency are shown in Table 10.

TABLE 10: Computed chi-square (χ^2) for hypotheses two

O	E	O - E	(O - E) ²	$\frac{(O - E)^2}{E}$
40	34.18	5.82	33.87	0.99
15	24.41	-9.41	88.55	3.63
13	9.76	3.24	10.50	1.08
12	8.79	3.21	10.30	1.17
4	6.83	-2.83	8.01	1.17
30	35.81	-5.81	33.76	0.94
35	25.58	9.42	88.74	3.47
7	10.23	-3.23	10.43	1.02
6	9.21	-3.21	10.30	1.12
10	7.16	2.84	8.07	1.13
			TOTAL	15.72

Source: Field Survey, 2013

The tabulated or critical value of χ^2 at 0.05 level of significance and DF = 4 is 9.488. Since the calculated value of 15.72 is greater than the critical value of $\chi^2 = 9.488$, the alternate hypothesis is accepted.

Summary of the Findings

- (1) The study revealed that corruption, weak aid co-ordination, programming and management practices, misappropriation and poor utilization of funds, poor institutional framework and infrastructural facilities are the factors militating against the effectiveness of foreign aid in achieving sustainable development in the educational sector of Anambra State.
- (2) It was also found that the foreign aid given to the educational sector of Anambra state is not completely utilized for the purpose for which it was provided. Rather, most times, the money is shared between aided and non-aided projects.
- (3) Government officials ensure that the aid is properly disbursed to all the units and departments within the educational sector of Anambra state in order to ensure proper development.
- (4) The Anambra State educational sector (Ministry of Education) has a poor institutional framework for monitoring and evaluating the inflow and utilization of foreign aid.

Conclusion

In conclusion, there is the need to reform all sectors of the Nigerian economy. Donors should devote great attention and research into recipients' commitment to reform. This means working intimately with experts and communities within recipient countries. Foreign aid must be targeted at the reform needs of each sector in order to be effective in meeting the development needs of the country and also to prevent waste of the resources that aid provide. Thus, donor governments and multilateral institutions should continue to push economic reforms on recipient governments because not only will this improve the effectiveness of foreign aid, it will also result in less aid being required.

Recommendations

- (1) There is the need for capacity development activities in Nigeria in order to strengthen aid programming, co-ordination and management processes in line

with the principles of harmonization, alignment and mutual accountability for better results in aid management in Nigeria.

- (2) There is the need for substantial reform of foreign aid, to revitalize programmes and realign priorities.
- (3) There is the need for the establishment of sound infrastructural facilities and institutional framework for monitoring and evaluating the inflow and utilization of foreign aid.
- (4) Formulation of sound fiscal, monetary and development policies is needed to foster foreign aid utilization.
- (5) Reforming all sectors of the Nigerian economy in order to eliminate corruption and bureaucratic inefficiencies.

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Appendix 1:

Foreign aid types and amount disbursed to the educational sector of Anambra state (Constant USD millions)

Type	2005	2006	2007	2008	2009	2010	2011	2012
Basic education	6.3	19.5	36.6	52.1	41.0	40.1	30.4	28.8
Secondary education	1.5	2.2	2.7	9.8	12.4	2.3	21.3	32.0
Post secondary	3.8	15.1	18.1	13.1	11.2	12.9	33.6	47.3
Unspecified	6.3	10.3	13.5	8.0	11.5	13.2	13.4	32.6
DAC	11.0	244	25.8	36.8	36.0	53.8	40.9	54.4
Non-DAC	-	-	-	-	-	-	-	0.1
Multilateral	6.9	22.8	44.7	46.2	40.1	15.8	57.8	86.2
Total Aid to Education	17.9	47.2	70.5	83	73.2	69.5	98.7	140.7

Source: Computed from OECD stat (2012).

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