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Public Debt and Economic Development in Nigeria, 2015-2022

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Abstract

The study interrogated the interface between public debt and economic development in Nigeria between 2015 and 2022. The objective was to find out if public debt negatively affects overall economic development in Nigeria. Public debt involves loans incurred by the government to finance its activities, while economic development implies improvement in the standard of living of the entire population of a given country. the paper relied on documentary and survey methods for data collection. The documentary was anchored on textbooks, well research journal articles National Bureau of Statistics (NBS), official documents, DMO official documents, Newspaper, Central Bank of Nigeria (CBN) documents, other documents from the Budget Office of the Federation (BOF) and internet materials. For the survey method, we used in-depth interviews where in-depth interviews were conducted for 6 respondents randomly selected from BOF, DMO, and NBS in Abuja, 6 members of the academia from the North Central geopolitical zone-Abuja and Nasarawa, a total of 12 persons were interviewed. The interviewees were randomly selected. Our theoretical framework was anchored on the dependency theory. The findings showed that a substantial proportion of loans borrowed by this administration were not judiciously utilized and that in most cases the borrowed money benefitted the creditor nations. The paper also found out that the legislature is not resisting this administration's attempt to borrow for unproductive ventures recklessly and senselessly. The paper further disclosed that this government is not only politically rascal but does not respect the law. It recommends the need for lenders to ensure that loans given to countries are judiciously used for the intended purpose, the National Assembly must not just be a toothless bulldog but must always scrutinize loan requests by the president before approval and finally, the legislature must look at previous piled- up loans before approving new ones.

Keywords:*Public Debts, Economic Development, Debts, CBN*

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Background to the Study

Debt has been defined as money in use in an organization that is not contributed by its owners and does not in any other way belong to the shareholder. Public debt therefore is defined as an obligation on the part of the government to pay a specific monetary sum to holders of legally designated claims at a particular point in time, (Okoh 2008) Public debt is grossly necessitated by the fact that time to time, public expenditure has always exceeded public revenue. debt represents expenditure over income because the loan is by nature, not a grant. Currently, Nigeria is afflicted with the problems of widespread and endemic poverty, mangrove unemployment, technological backwardness comatose social and physical infrastructure illiteracy, the incidence of disease, corruption in high places, and the unfavorable and deteriorating effects of a mono-cultural economy but a few. Following these features of underdevelopment, one would have expected that huge foreign loans borrowed to Nigeria from other climes would have been used to support economic development, substantial improvement in the standard of living of the masses, and sustainable development (Onah & Nyewusira, 2006).

Instead of the above questions, comments, debates, and rifts arise in the recurring issue of foreign debts and economic development. The worry is that most debtor nations including Nigeria are hardly able to pay back the amount owed. One would not have been disappointed if those loans were judiciously utilized to better the populace. Unfortunately, the Nigerian government has anchored its justification for massive borrowing on the neoclassical growth model, which prescribes the need for capital-scarce countries to borrow to increase their capital base. Since the recession experienced in 2016, Nigeria has struggled with a higher debt service to revenue ratio as revenue slid in direct correlation with a fall in oil prices. The government spent about 2.45 trillion Naira in debt servicing in 2019, out of a total revenue of ₦4.1 trillion or 59.6 debt service to revenue ratio (NBS, 2019; Debt Management Office (DMO), 2019).

Other African countries are still suffering from such pathologies of high Domestic Product (GDP) ratios, like Ghana is $83.5, Gambia at $82.3, Eritrea at 175.1 Cape Verde at 160.7 Mozambique 133.6 debt to GDP ratio (World Bank, 2019). The idea or expectation according to the World Bank is that debt to GDP ratio is expected to be between 1 and 40 percent for developing countries. Nigeria's current predicament appears not to be fundamentally different from the above situation when we consider the billions of dollars expended annually on debt servicing (Onah and Nyewusira, 2006). The policy outcome is that Nigeria has a high debt service obligation which competes with essential development and anti-poverty programmes. Jhingan (1992), said that the programmes are disjointed, ill-conceived, and ill-planned. Nigeria was one of the 50 richest countries in the early 1970s but has retrogressed to become one of the 25 poorest countries at the threshold of the 21st century. The argument here is that Nigeria's position as debt entrapped country is largely responsible for this anomaly and has undermined economic development.

Against this background, this study focuses on public debt and economic development in Nigeria between 2015 and 2022. The logical justification for the above periodization is that since the advent of this administration, the volume of public debt has been on the increase without commensurate economic development in the country to justify such senseless borrowing. The study is organized under the following headings: an abstract, introduction, organization of the study, statement of the problem, the objective of the study, conceptual clarifications, features of debt-strapped countries, methodology, theoretical framework, origin, and justification of public debt in Nigeria, categories of public debt, debt burden and economic development in Nigeria, analysis of debt burden in Nigeria, findings, conclusion, and recommendation.

Objective of the Study

The objective of this study is to explore the relationship between public debt and economic development in Nigeria, between 2015 and 2023.

Statement of the Problem

Aristotle the great Greek philosopher rightly stated that government exists for the sake of the best life. Thus, the government to justify its existence is charged with the constitutional mandate of improving the material well-being of the citizens. It is consequent of this noble role that the Nigerian government is charged to make and implement sound public policies that will improve the welfare of every citizen. But unfortunately, in Nigeria, there have been instances of poor and insensitive governance which have continued to create room for protracted economic crisis because of huge public debt which has been on the increase. Despite the spirited efforts of the media and well-meaning Nigerians to cry out the current government has developed deaf ears to the problem of public debt in Nigeria. These hydra-headed problems have hindered economic development within the years under review. It is this nagging problem that enunciated this study.

Research Question

This study seeks to answer the question, has public debt negatively affected overall economic development in Nigeria between 2015 and 2023?

Conceptual Clarification

Economic Development

This section defines concepts necessary for the discussion in this study. Over time, development has undergone several metamorphoses and has faced hot debate because scholars view it with different intellectual tentacles. However, a position must be taken here to buttress our point. Development is the provision of minimum essentials required for civilized living. Such essentials include shelter, food, clothing, basic education, basic health facilities, etc. The provision of this basic need was considered the necessary condition for one to move beyond the extreme poverty threshold (Umo, 2007). The provision of basic minimum needs is tied to certain conditions. First, there must be availability of resources that can be transformed into these basic essential needs. Secondly, a suitable method of tapping these resources must be discovered. That is the technical know-how which is a product of the educational system that is science and technology (Akwen & Adejoh, 2015). It is also concerned with the manner of production in society and the mode of distribution of such proceeds of production on the other hand.

Development is fundamentally critical for the growth and sustainability of any state. To fully put in place meaningful development, a country must carve out effective strategies. It is an idea that encapsulates all efforts aimed at the betterment of the situations of mankind in all circumstances (Gboyega, 2003). Development aims to materially improve the well-being of all persons, not necessarily the most powerful and wealthy alone, in a sustainable way such that present consumption does not endanger the future, it equally requires that poverty and lack of access to the good things of life be ameliorated or automatically eradicated. Nigeria is worried perpetually by the problem of development. Our development and growth problems are so severe that the country's history becomes synonymous with the history and model of development. From colonial times up to the contemporary time, no terminology has been in periodic flux as development.

However, for development to be meaningful, it must be sustainable. That is a development that meets the needs of the present without compromising the ability of the future generation to meet their own needs (World Commission on Environment and Development, 1987). Thus, the term development encompasses, not only a growth component but distributional components both for the current population and the future development. It refers to improvement in the standard of living of the entire population of a given country or region Northern & always, 1993. The fact is that if all the Buhari-led government has in its agenda the development of Nigeria, which we posit that if it does not have, such agenda is only a forlorn hope. This is because you cannot develop people today and impoverish them tomorrow. This underscores the developmental idea of the World Commission on Environment (1987) and Adedoji (1993).

It was Seer (1972), who posed the most fundamental question relating to the meaning of development when he asserted that the questions to ask about a country's development are therefore three that is, what has been happening to unemployment and what has been happening to poverty and what has been happening to inequality. He maintained that if all these three things have declined from high levels, then beyond doubt there has been a period of development for the country concerned. The implication is that if the reverse is the case, there is no development for the country. The hallmark of Seer's definition is that it underscores the three critical contemporary problems confronting developing countries including Nigeria. Economic development concentrates primarily on economic growth as reflected in an increase in Gross Domestic Product (GDP), industrialization, capital formation, welfare services, the development of infrastructure such as electricity and railway, and increased economic efficiency. Coleman and Almond (1961); Huntington (1964)' Rostov (1960)' McClelland (1961); Apter (1965); and Shills (1965) among others are associated with this concept of economic development.

Public Debt
Debt can be simply explained as the amount owed by the borrower to the lender. It is a sum of money that is borrowed for a certain period and is to be returned along with interest. Public debt thus refers to loans incurred by the government to finance its activities when other sources of public income fail to meet the requirements. It is incurred when the government floats loans and borrows either internally or externally from banks, individuals, countries, or international loan-giving institutions (What is public debt? 2022). Public debt is distinguished from private debt which consists of the obligation of individual business firms and non-governmental organizations (Okoh, 2008).

Any nation that passes through debt entrapment suffers many symptoms, all of which reinforce one another like rising interest servicing charges, increasing diversion of export earnings to foreign nationals and companies, wastage of reasonable preparation of industrials and manufacturing capacity, increased affluence of the creditor nation and relative abject poverty of the debtor nations are symptomatic of countries entrapped in foreign debt (Ayagi 1990; Okoh, 2008).

Methodology
The method of data collection in this study was documentary; well-researched textbooks, reputable journal articles, newspapers, lecture materials, researched documents from Debt Management Office (DMO) material from the National Bureau of Statistics, (NBS) materials from Central Bank of Nigeria (CBN) and other important materials from Budget Office of the Federation (BOF), internet materials. The strengths of using secondary sources of data have been outlined by Selltiz, et al, 1976; Ibeanu, 1991 as cited in Mbah, 2007). Information from secondary sources does not need the cooperation of the people whom information concerns; hence, it is deemed most appropriate for this study. For the survey methods, an in-depth interview was conducted on the above-mentioned organizations in this order: NBS, 2 persons BOF, 2 persons CBN, 2 persons including 6 members of the academia from the North central geo-political zone of Abuja and Nasarawa that is 12 persons in all.

To ensure that the information from the respondents is reliable enough to be used in conclusions, the respondents from each of the geo-political zones must be a member of the academia or selected government ministries. Therefore, in establishing the reliability of this study, the researchers depended on an internal consistency method of the instrument. In this regard, the questions of the interview were repeated to establish how consistent the respondents were in their answers to questions asked earlier. As regards the validity of the study, the study adopted the content or face validity method together with the use of external criteria to ascertain the veracity of the findings of the instrument. The content or face validity entailed the need to ensure that the questions asked were logically linked. The external criterion approach, on the other hand, entailed comparing the results of the instrument with the existing knowledge about the issue under investigation that is public debt and economic development in Nigeria or even comparing the results of such findings with available records on the issue.

Theoretical Framework

This study adopts the dependency theory as an explanatory tool. The relevance of this theory to the study is that it helps to explain how the structural dependence of the developing countries on the developed countries affects the former negatively. The dependency theory emanated from the classical Marxist analysis of imperialism in the 1910s and 1920s, especially in the work, of Lenin and Luxemburg, (Lee, 1983). For Lenin and Luxemburg, the backward countries were only of interest in so far, they were influencing the relations of production and the process of capital formations in the metropolitan countries. Capital formation is actualized in the form of giving loans to the backward countries that pay heavily for debt servicing which is used for enriching metropolitan countries at the detriment of the periphery countries.

The basic thesis of the dependency theory is that development and underdevelopment are independent structures within the global economic system (Rodney, 1972). The relationship between center and periphery according to Dos Santos (1970), assumes the form of dependence in which some countries (the dominant) achieve self-sustaining growth while others (the dependent) can grow only as a reflection of the dominant countries. Dependency is a situation in which the economy of some countries is conditioned by the development and expansion of another economy to which the former is subjected (Santos 1970). Again Frank, (1969) posited that the underdevelopment in the periphery is generated by the same process which develops the center. The point being made by Frank (1969) and Santos (1970) cited in (Nyewusira and Nweke 2009) conveys an impression that the two zones of the world economy are linked together in an exploitative relationship in which wealth is drained away from the periphery to the location of these countries within the structure of the capitalist world economy This relationship constraints their behavior and determines patterns of interaction and domination between them.

The theory underscores the importance of marrying political and economic forces in analyzing developmental issues. This justifies the use of this theory among other competing ones. The advanced countries stand in the position of giving loans to the less developed countries while the less developed countries periodically pay debt service thereby under-developing themselves and developing the countries of the North. Indeed, the foreign debt servicing and repayment in hard currencies has been undermining opportunities for economic growth and development in Nigeria This makes Nigeria to be exploited, subordinated, and controlled by the creditor nations. Achi, cited in (Onah and Nyewusira, 2006) stated that a lot of the debts were incurred through conspiracies between Western industrialist companies and some Nigerian collaborators. This partly explains why the President Buhari-led Government continues to borrow senselessly without judiciously utilizing the money for meaningful developmental projects. There is nothing to show for this excessive borrowing. It is against this ugly circumstance that this study is situated within the ambit of the dependency theory as a veritable explanatory framework.

Hypothesis

The study hypothesized that public debt has negatively affected overall economic development in Nigeria within the years under review.

Origin and Justification of Public Debt in Nigeria

In Nigeria, the origin of borrowing can be traced back to the financial reform that was initiated by the colonial masters in 1958. This gave rise to the creation of public financial assets to finance fiscal deficits (Origin of Public Debt, 2022). The CBN Ordinance 1958 stated that the Central Bank shall be entrusted with the issuance and management of federal government loans. The justification often given for government borrowing is predicated on the neo-classical model in political economy which prescribes the need for capital-scarce countries to borrow to increase the level of output per capita, (Encyclopedia Britannica, 2021). The occurrence of global economic crises has further provided an avenue for countries particularly the developing ones to borrow since they are often confronted with the need for increased expenditure level, (Akhanolu, Babajide, Akinjare, Tolutope & Godswill 2018).

The main protagonist of public debt in economic theory is the Keynesian school, which is a part of the neo-classical school, led by John Maynard Keynes the renowned economist. They believe that government intervention in the workability and opined that running of the economy is unavoidable. They think that government borrowing is necessary and sacrosanct when there is a need for the injection of money into the economy to provide certain amenities and infrastructure (Okoh, 2002; Christabel 2013). The pretext of lenders is that Nigeria would use the newly acquired loan from foreign countries and lenders to rebuild and prosper Nigeria. They easily cited the model of European countries which were successfully rebuilt under the Marshall Plan, where the American government provided direct grants and loans to war-ravaged European countries immediately after World War II (WWII) (Komolafe, 2005). However, the problem of public debt reached a crisis proportion such that it is now a cause of economic and political concern especially in this administration.

Categories of Public Debt

Public debt may be grouped or categorized according to the area it is sourced from in such terms, it can be called external and domestic debt. External debt refers to any financial resources that the government and organization are using that are borrowed from outside the shores of Nigeria, regardless of where it is borrowed from. On the other hand, internal or domestic debt refers to the loans floated in the capital markets within the country. It is therefore referred to as debt that the government borrows within the country. It can also be grouped according to the time it is expected to be paid. In this manner, we have short- and long-term loans, that is according to duration. Short-term loans are loaning whose payment period is expected to last for one or two years only. An example can be treasury bills the maturity period of treasury bills is usually 90 days.

Long-term is the loan whose repayment period exceeds 5 five years or more if the debt is being serviced by the borrower, (Okoh, 2002). Redeemable and irredeemable debt. Redeemable public debt refers to that debt that the government promises to pay at a future date. It can also be called terminable debt or loans. In the case of irredeemable debt, the government does not make any promise about the payment of the principal amount, although interest is paid regularly to the lender. Public debt can also be productive and unproductive, based on the criteria or purposes of the loan. Public debt is productive when it is used for income-earning enterprises or for increasing the financial power of the economy (Anyanwu et al. 2007).

A productive public debt creates sufficient assets by which it is eventually repaid. Unproductive public debt is debt borrowed but is not judiciously used to furnish economic development, rather they are borrowed and squandered without any meaningful development to show for it. Scholars have persuasively argued that most borrowing in Nigeria in recent years has not been productive. So, our argument in the study is that a substantial part of the debt accumulated by the Buhari-led government is unproductive since no substantial development has been achieved so far while the debt continues to pile up. When loans are used for the economic development of a country, no one will question the reason for that loan, but President Buhari has no moral and legal justification for his reckless borrowing that does not support economic development. This is the major concern of this study.

Debt burden and economic development in Nigeria

The experience of Nigeria about the accumulation of huge foreign debt has been explained by (Obasanjo, 2005.) He noted that those who ran the huge national debt were indeed a minority, but they had the power to sign all sorts of agreements at outrageous interest rates and squander loans in the name of development, without executing any Job. According to him, they often steal or waste such loans. He also pointed out political rascality, bad leadership, abuse of power, criminal corruption, mismanagement and waste misplaced priorities, fiscal indiscipline, weak control of corruption, and extra-legal methods of primitive accumulation. It is some of these factors that characterize the Buhari–led government.

Consequently, Nigeria's debt service in revenue ratio has elicited concerns about debt sustainability in recent times. While such concerns are valid, the missing question in the analysis is that Nigeria has been borrowing consistently since the emergence of the Buhari-led government as indicated by documents from the Debt Management Office (DMO) in its recent reports. Apart from excessive borrowing, Nigeria has relied on one major source of income which is oil. This has equally placed Nigeria in the position of a rentier state (Nwanne, 2022) according to him, a formidable strategy for the rentier elite in the situation of a decline in oil rents is to resort to senseless borrowing. This makes the economy of a rentier state more prone to outside manipulations (Beblewi and Luciani, 1987, Yates, 1996 Ukwaba and Adibe, 2014). Nigeria's weak revenue position becomes clearer when compared with other countries. A recent report by the World Bank titled, Nigeria development update, (November 2021) stated that the consolidated revenue in Nigeria continues to be among the lowest in the world 6.5 percent of GDP in 2020, and heavily dependent on oil. According to World Economic Report (2021), Nigeria ranked the third lowest in terms of revenue to GDP ratio. Out of 196 countries in 2020, only behind Yemen (195th) and Somalia (196th).

This low revenue base has been responsible partly, for Nigeria funding her budget with constant borrowing thus raising the country's public debt and high debt service. Also, recent statements from various quarters give the impression that the administration of President Buhari has embarked on large and uncontrolled borrowing to the detriment of economic development. Many advanced countries utilize judiciously any fund available to them but African countries especially Nigeria borrow money to share with their friends rather than for pure economic development. When one reflects on why debt has continued to escalate but has not translated to development for the majority of Nigeria some pro-government political and economic analysts have argued that the uncontrollable borrowing embarked by the Buhari-led government was used to invest in infrastructure in line with the Economic Recovery and Growth Plan (ERGP) 2017-2020. The ERGP which according to them aided a quick exit from recession in 2017 and 2020 allegedly caused by the COVID-19 pandemic. This argument is self-defeating and lame because our roads, as the main component of infrastructure, are still very deplorable not to talk of hospitals and other infrastructure, employment generation and poverty reduction are still at a low ebb (Nwanne 2021). What then is the justification for the loan?

Unfortunately, because of incessant borrowing by the federal government within the years under review, the Director General (DG) of the Debt Management Office (DMO) Miss Patience Oniha disclosed that the country's total debt stock may hit N77 trillion by the end of President Buhari's administration on May 29, 2023. (DMO,2022) According to the above document, total public debt in Nigeria representing domestic and external debt stock, stood at N42.84 trillion as of 30th June 2022. Nigeria's debt service to revenue ratio is over 60%. The country's Federal government spent N5.24 trillion on debt service between January and November 2022. (DMO, 2022). The ratio mentioned above rose to 80.6 percent which is far above the World Bank's suggestion of 22.5 percent for low-income countries DMO, 2023. IMF, (2022) also stated that Nigeria may spend almost 100 percent of its revenue on debt servicing if this trend continues till 2026. While Nigeria has planned to reduce its debt-serving money to 60 percent by 2023 which is still very high (DMO, 2022) Consumer Price Index (CPI) remains high CPI measures the average change over time in the prices of goods and services consumed by people for day to day living. In February 2023 inflation rate was 21.91% in January of the same year unemployment rate was 27.1% (NBS, 2023).

On the other hand, the unemployment rate has been on the increase. For example, in 2021 it was 9.7, in 2020 it was 9.71, in 2016 it was 7.06 in percentage, in 2015, it was 4.31, in 2014, it was 4.56, in 2017, it was 18.8%. This shows that the rate of unemployment has been on the increase. The unemployment rate is estimated to reach 33 percent. Unemployment refers to the share of the labor force that is without work but available for and seeking employment. The unemployment rate in Nigeria increased to 33.30 percent in the fourth quarter of 2020 from 27.10 percent in the second quarter of the same year (NBS, 2020) According to the above document, the unemployment rate measures the number of people actively looking for a job as a percentage of the labor forces. As of March 2021 Nigeria, total public debt hit N33.1 trillion Naira of the 33.1 trillion stated here, the FGN alone borrowed 26.91 trillion Naira. It is clear here that Nigeria's aggressive borrowing defies its fiscal responsibility. The above analysis includes data from DMO, NBS, and fiscal papers from the Budget Office of the Federation, medium-term expenditure framework. A fiscal strategy paper from 2015 showed that the Buhari-led government incurred N7.63 trillion Naira in domestic debt from June 2015 – December 2020. On external borrowing, Buhari increased debt from 7.3 billion USD in 2015 to 28.57 billion USD in December 2020. This means that Buhari incurred 21.27 billion USD as foreign loans to Nigeria's debt portfolio.

The Nigerian exchange rate moved from N197 to one USD in 2015 to N381 to one USD in December 2020. Analysis of consolidated debt showed that the external debt increased by 291.37 percent while domestic debt grew by 86.31 percent in the last six years of the Buhari-led government. In overall terms, the Buhari government has had an accumulated debt of N17.06 trillion as of March 2021. Using the N381 exchange rate, it represents a 173.2 percent increase from when he was elected president in 2015 (DMO, 2022; NBS 2020; Budget (BOF, 2020).

During Obasanjo's tenure, the debt level of the Federal government reduced from N3.55 trillion at the end of his government in 2007 representing a 31.8 percent decline in foreign debt. The government of Buhari exceeded the fiscal borrowing threshold (Ojekunle, 2021). The threshold is a 3 percent fiscal borrowing threshold in 2020. The fiscal responsibility law provides a limit of a 3 percent debt threshold for sustainability but the law states that the president can exceed the ceiling if there is a clear and present threat to national security in the sovereignty of Nigeria of which there was none except the Boko Haram insurgency which was an internal problem. This implies that the Buhari government violates with impunity the Fiscal Responsibility Act and the Central Bank of Nigeria Act of 2007 (FGN, 2020). The amount of debt Nigeria owed at the end of 2015 is shown in the table below.

Also at the genesis of 2016, Nigeria owed N12.6 trillion out of which each person owed N69,580 anchored on a population of 181 million it jumped to 17.3 trillion at the beginning of 2017 on which each person in Nigeria owed N93,353 a debt with a population estimates of 185 million people. The debt accelerated in 2018 to reach N21.7 trillion and by that year each person's share of the debt sands at N113,823 based on an estimated population of 190 million people. As if this was not enough 2019 came with a total debt of N24.3 trillion while each Nigerian owned N124.503 with a population estimated at 195 million people. During the pandemic of the coronavirus in 2020 Nigeria owed N27.4 trillion and with a population estimate of 200 million at that time each Nigeria owed N136,349. By the start of

2021 Nigeria's debt has increased to N32.9 trillion by implication, each Nigeria owed N159,675 based on a population estimated of 206 million people. Furthermore, according to data released by the Debt Management Office (DMO), Nigeria's total debt, Nigeria's total debt at the end of 2021 was N39.55 trillion when this is divided by an estimated population of 206 million as World Bank data provided, it gives N191,889 as a representation of what the debt per head on debt per capital translate into. The country's embarrassing debt profile with concomitant economic quagmire has remained an enigmatic calamity in Nigeria in recent years. The above explanations are summarized below.

Table 1: Analysis of debt burden on Nigeria economy

Year	Amount owed by Nigeria (in trillion naira)	Population estimates (in million)	Amount owed by each Nigerian (in thousand naira)
2015	11.2trillion	176 million	63,734
2016	12.6 trillion	181 million	69,580
2017	17.3 trillion	185 million	93, 353
2018	21.7 trillion	190 million	113,823
2019	24.3 trillion	195 million	124,503
2020	27.4 trillion	200 million	136,349
2021	32.9 trillion	206 million	159,675

Sources: Debt Management Office (DMO) Report (2022), Premium Times (2021).

The position of this study is not that other presidents in Nigeria did not borrow but none must be compared to that of President Mohammadu Buhari's administration. The point of argument is that Nigeria's foreign debt which is the cardinal index of the economic underdevelopment being discussed here has increased fundamentally when compared to the previous administration since 1999 when the new democratic dispensation started. Foreign debt has tripled more than the combined figure recorded by the past three administrations.

According to a Premium Times analysis of the Nigeria economic crisis perpetuated by a debt conundrum, while the Obasanjo government met $28 billion as foreign debt, in 1999, it left $2.11 billion in 2007 after successfully securing a debt write-off by the London and Paris club or foreign creditors. The Yar'adua/Jonathan government added $1.37 billion to what they met, while Jonathan's government incurred an additional $3.8 million lifting the country's total foreign debt to $7.3 billion when the administration came to an end in 2015. Unfortunately, and most annoyingly, Nigeria's external loan reached $28.57 billion by December 2020. This means an extra $21.27 billion had been accumulated by the Buhari-led mal-administration. This increase underscored three times the combined amount by the past government since 1999.

Moreover, according to (DMO, 2023) every Nigerian will be owing. N384,864 each when President Mohammadu leaves office in 2023 with the Country's debt profile. As of September 30, 2022, Nigeria's debt profile rose to 44.06 trillion Naira. (DMO, 2022, Sahara Reporter 10th December 2022) DMO, (2023) also Published its quarterly report stating that Nigeria's total public debt federal and state government hit N49.85 trillion at the end of the first quarter of 2023 It further reviews that Nigeria's total public debt hit N87.38 trillion at the end of the second quarter of 2023, (DMO,2023). It further revealed that out of the above debt Nigeria has borrowed 4.34 billion dollars from China alone through Exim Bank of China. The loan is 84% of the country's bilateral debt showing that China is the Nigerian's largest creditor. It is our position that this debt is increasing economic underdevelopment in Nigeria today.

Nigeria and other heavily indebted poor Countries (HIPC)

The IMF and World Bank launched the Heavily Indebted Countries (HIPC) initiative in 1996 to ensure that no poor country faces an unmanageable debt body. The initiative aimed to reduce poverty in the affected countries and enable the government to stand on its feet through debt relief. But despite this initiative, most countries including Nigeria have been in debt bondage to the present day. Nigeria and 72 other countries are at high risk of debt distress or are already in debt distress (IMF, 2022). It is among the heavily indebted poor countries (HIPC). The HIPC is a group of developing countries with high levels of poverty and debt overhang (IMF, 2022). The HIPC are sub-group of developing countries also named poor countries. The aim of such classification in 1999 was debt relief proposed by the group of eight industrialized countries G8 now G7 initiated by Germany. However, the functioning of HIPC is dominated by five countries in this order.

Table 2: Five countries of HIPC

Country	Dominations Power in Percentage
USA	16.74 percent
JAPAN	6.23 percent
GERMANY	5.81 percent
FRANCE	4.29 percent
UK	4.29 percent

Source IMF, 2022, HIPC. From www.cadtm.org and http://www.imf.org accessed on 22/04/23

The HIPCs were originally 41 and were mostly found in Africa and live on less than one US dollar per day ($ 1 per day). The list of the HIPC is Angola, Benin, Bolivia, Burkina Faso, Burundi, Cameroon, Central African Republic, Chad, Comoro Island, Congo, Ivory Coast, Democratic Republic of Congo, Ethiopia, Gambia, Ghana, Guinea, Guinea Bissau Guyana, Honduras, Kenya, Laos, Liberia Madagascar, Nigeria Malawi Mali Mauritania, amongst others.

Findings

The findings of the study align with the idea of Kolawole (2005), that most foreign lenders are aware that the loans given to debtor nations were being misapplied, misappropriated, and embezzled. The creditor nations took advantage of the fact that the money they lent returned bank accounts in their countries which they use to develop their economy. It is believed that this was the aim of the creditor nations in the first instance when they were openly peddling loans to Nigeria in the 1970s in the wake of the oil boom. the paper equally found out that since his administration, President Buhari has not only been involved in mangrove political rascality but has blatantly treated the law with impunity by violating the Fiscal Responsibility Act and the CBN Act of 2007 He has been the greatest borrower among the series of Nigerian Presidents since the emergence of democratic governance in 1999.

Though there have been attributes of underdevelopment in Nigeria before the emergence of President Mohammadu Buhari's government, it must not be swept under the carpet that his senseless and unregulated borrowing has more than ever increased the country's development quagmire within the period under review. His lack of listening ears and other crude indigent characteristics, coupled with his exhibition of all the Parsonian pattern variables of underdevelopment has conspired against any meaningful development process in Nigeria. The federal government only complains of borrowing due to recession and economic meltdown, but hardly speaks out when the economy improves in the form of higher revenue from oil sales. The cost of governance also contributes to massive borrowing, coupled with the fact that the executive has become so powerful. The immediate past senate (2019-2023) was just like a rubber stamp to the executive (President) no rational attempt is made to resist or reject moves by the President to borrow. The government is supposed to be a trinity of three arms – legislature, executive, and judiciary. The executive dominance of the other organs of government in Nigeria has made the President borrow at will and does not account to anybody. This power of the President has given him additional impetus to borrow without regulation and sheer justification.

Conclusion

The study was set to explore the interface between public debt and economic development in Nigeria. Although economic development has eluded Nigeria in the recent years before the advent of the President Buhari-led administration, the fact remains that the economic quagmire orchestrated by his senseless, unjustifiable, and unregulated borrowing has conspired more than ever to put the Nigerian economy on a reverse gear. The indicated extreme poverty, chronic inflation, rising unemployment level soaring inequality are traceable chiefly to the fact that resources needed to ameliorate these problems are channeled to debt services and other unproductive ventures. More disappointing is the fact that among the categories of public debt identified in this study, all the money borrowed by the Buhari-led administration is categorized as unproductive public debt in the sense that the loans were not used to propagate development, even if an iota of development is to be traced to his borrowing agenda to foster development, such development affairs, are grossly unsustainable because it is just like killing the goose that lays the golden egg. This is because an unproductive debt burden mortgages the chance of a country's future development.

Following the increased servicing of public debts as teleguided by creditor institutions and countries, the Nigerian economy is in danger of debt trapped or an enslaved economy. We have never had things as bad as this at administration. Indeed, Nigeria has under the administration of President Mohammadu Buhari continued to groan under an unsustainable debt burden in a picture that vividly illustrates our mounting debt profile. President Buhari is hiding under a global economic crisis that affects oil prices and the foundation of the neo-classical economic growth model which prescribes borrowing to increase capital accumulation. Thus, the Buhari-led government has been accumulating huge debt.

The Nigerian economy is by implication ridden with a massive government debt burden and debt service costs that consume more than half of the government's scarce resources. Consumer Price Index (CPI) has astronomically increased. Almost everything like provisions and cosmetics and indeed everything produced in the country is unreasonably over-taxed that an average Nigerian can hardly afford. Under the President Buhari-led government. He has unreasonably and unjustifiably increased the price of premium motor spirit locally called fuel or petrol in Nigeria. President Buhari was the man who protested headlong against former president Goodluck Jonathan's ambition to raise the price of the product in 2012 because it would increase economic hardship in Nigeria. He then promised to make the product to be ₦50 if he was elected as president. That single promise decorated him as a beautiful bride in contesting for the Presidential race. Now he has increased the price to nearly ₦200, today it was sold for 617 naira when his administration came to an end and there is fear of further increase, a product President Buhari met at ₦97 per liter. This portrays Nigeria as exhibiting the features of a failed state as discovered in this study.

Creditors are not unaware that the loan, given to Nigeria are being utilized in the wrong manner since in most cases the money they lend to us return to their bank accounts because they connive with our kleptomaniac leaders. This paper refutes the idea held by some pro-government analysts who averred that the government used the money they borrowed to implement the Economic Recovery and Growth Plan (ERGP), 2017-2020. The weakness of the legislative arm of government especially relating to its inability to resist senseless borrowing by the president is another factor that contributes to our economic and political predicament under the President Buhari-led government in Nigeria.

President Buhari has become a sovereign whose sovereignty is indivisible and himself un-punishable as postulated in the theory of sovereignty by Thomas Hobbes. He has become the state personified in days of absolute monarchy in France. This undiluted, unregulated, draconian, and power-drunk attribute of President Buhari was shamefully demonstrated in his Kangaroo removal of the former Chief Justice of Nigeria (CJN)

Justice Walter Samuel Nkanu Onnoghen shortly before the 2019 Presidential election. Based on the explanations and evidence adduced in this study, we accept our hypothesis and restate it as a fact that public debt has negatively affected overall economic development in Nigeria within the years under review. The above situation has continued to replicate poverty, unemployment, hunger, and inequality to mention but a few.

Recommendations

Based on the findings this study proffers the following recommendations:

1. Firstly, foreign lenders and institutions should ensure that loans given to debtor nations are used Judiciously for their intended purposes, such purpose must be reasonable and if not, they should be denied any loan request to discourage unnecessary embezzlement and misappropriation of such loans.
2. Secondly, the issue of governance should be more of a trinity within the three organs of government, especially when it comes to borrowing the National Assembly must perform its functions in a Judicious manner, it must not approve all the loans requested by the President without scrutinizing the intended purpose of such loans the idea of political rascality and immunity by the President should stop.
3. Finally, The National Assembly should periodically examine the amount of money Nigeria owes before approving any loan request, by the president, and any president to be selected since there is no more relatively credible election in Nigeria must be the one that has listening ears and must be devoid of other indigent and crude characteristics. The paper reiterates vehemently that if the above recommendations are implemented, the problem of public debt will be ameliorated or brought to the barest minimum.

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