Original Research Article

NIGERIA'S DEBT BURDEN AND THE DIALECTICS OF ECONOMIC DEVELOPMENT- IN THE EYES OF A THEORIST.

Abstract

Nigeria, with a population of over 200 million people, is a resource-rich country that has been grappling with a significant debt burden despite its vast natural resources. The origin of her indebtedness is traced to the 1970s when the country began borrowing extensively to finance various development projects. Since then, the trend has continued unabated with profound implications on her national life. This study therefore investigated Nigeria's debt burden and the dialectics of economic development. The study was divided into three main sections and subsections respectively. It employed a mixed-method approach to examine how Nigeria's significant debt burden is a consequence of poor economic policies, and the implications of this on the overall wellbeing of the Nigerian state. The study adopted qualitative and quantitativeanalysis of data. Results from the study show that Nigeria's debt accumulation, driven by government misdirected spending resulting from the nature and character of economic policies, has negative implications for national development. While debt is utilized as a tool for financing development projects, its mismanagement and resultant excessive accumulation in Nigeria hinders sustainable development and exacerbate socio-economic inequalities. Thus, the study recommended, strengthening institutional capacity to manage borrowed funds; investment in critical sectors and prudent debt management, transparency, and accountability to mitigate the adverse effectsof excessive borrowing.

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Key words: **Debt Burden, Per capita income, Economic Policies, Dialectical Relationship, Gross Domestic Product**

Introduction

Nigeria, with a population of over 200 million people, is a resource-rich country that has been grappling with a significant debt burden despite its vast natural resources (Oti, 2018). The origin of Nigeria's debt burden can be traced back to the 1970s when the country began borrowing extensively to finance various development projects (Olaniyi, 2019). The situation worsened in the 1980s and beyond when global oil prices crashed, leading to a decline in Nigeria's revenue from oil exports. This had serious and profoundimplications on Nigeria's debt profile and affected her potential for socio- economic transformation. One of the most significant consequences has been a stunted gross domestic product (GDP) growth rate standing at 2.31% in 2023 and 2.98% in the first quarter of 2024, hampering Nigeria's overall economic progress

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(Debt management office 2024). Additionally, the debt burden has hindered export growth and contributed to a decline in income per capita, exacerbating poverty levels in the country (Oti, 2018). Furthermore, the provision of basic social amenities such as healthcare, education, and infrastructure has suffered due to the strain imposed by the debt burden (Ndoricimpa, 2020).

Debates have arisen among economic experts, policymakers, and theorists regarding the causes of Nigeria's mounting debt burden. Some argue that it primarily stems from poor economic policies and mismanagement of resources by the government (Ogunjimi, 2019). Others have attributed it to external factors such as the global economic downturn and the decline in oil prices while others have argued that it is a consequence of the self-seeking and neo-colonial character of her dominant class (Ndoricimpa, 2020). While the debate remains simmering, what remains indisputable is thatthe challenges faced by Nigeria in achieving sustained economic development have made the mounting debt burden a pressing national malady and a burning issue requiring theoretical prognosis. The period since 2015 have added entirely new dimensions that have shaped Nigeria's debt landscape. Being heavily reliant on oil exports, Nigeria has experienced severe blows to its economy due to the dynamics in global oil prices and the internal politicking that goes with the Nigerian political milieu. This have had profound impact on the country's revenue and its capacity to meet the socio-economic yearning of her citizenry, prompting the government to resort to increased borrowing to address budget shortfalls, consequently leading to a surge in the country's debt burden. This trend, by and large, has significant implications for economic growth and overall development. While borrowing can finance critical infrastructure projects; stimulate economic activity, and provide social services, excessive debt can strain the economy, reduce fiscal space, and increase vulnerability to external shocks. The servicing of debt can divert funds away from essential sectors and impede long-term economic growth.

In recent times, Nigeria has witnessed substantial borrowing from both domestic and international sources up to the tone of $33billion under Buhari administration and 20.1trillion under Tinubu's administration from countries like China, France, Japan, India and Germany (National Bureau of Statistics, 2021, Vanguard News, 2024), resulting in a notable shift in the country's debt profile. High levels of debt can crowd out private investment, reduce investor confidence, and impede economic growth. Hence, examining the relationship between debt and GDP growth can provide insight into the potential trade-offs between short-term borrowing for economic stimulus and long-term sustainability. Thus, understanding the trend and composition of Nigeria's debt burden is crucial for gaining insight into the country's financial situation and the present socio-economic outcry of its citizens. This research work is therefore focused on examining the composition of Nigeria's debt and their implications for the growth of gross domestic product (GDP) vis-a- viz, economic development and this required the application of a dialectical framework. The frame work acknowledges contradictory forces within the Nigerian political space and their potential to generate retardations, changes and progress working simultaneously to better or worsen the Nigerian state.

To this end, Nigeria, with its abundant natural resources and large population, has tremendous potential for economic growth and prosperity. However, the burden of debt has hindered the realization of this potential, resulting in stunted gross domestic product (GDP), increased poverty levels, and limited provision of essential social services. This study is driven by the need to address Nigeria's persistent debt burden, despite its wealth of natural resources. Most recently, extant works reveal a very disturbing trend in Nigeria's debt landscape. Since 2015 for instance, the country experienced a surge in external debt, increasing from $10.32 billion in 2015 to approximately $33.38 billion in 2022. Similarly, domestic debt rose significantly from 8.84 trillion naira in 2015 to approximately 19.64 trillion Naira in 2022 and over 56,024 trillion in 2024(National Bureau of Statistics, 2021, Vanguard News, 2024). As a result, Nigeria's debt-to-GDP ratio has gone beyond 50% in 2024 (Ekeruche, Folarin, Ihezie, Okon, and Olasode, 2023, Debt Management Office, 2024).Thus, Nigeria's GDP growth rate has continued on a steady decline indicating the negative impact of debt on socio-economic life and the strain of servicing debt that invariably diverts funds from essential welfare programs (Ekeruche *et al*, 2023).

In the light of theserather disturbing figures, an organized theoretical expose' of the causes and consequences of Nigeria's debt burden; a type that explores both internal factors like economic policies and resource management and external factors such as global economic fluctuations and oil price to present a balance and nuanced view of Nigeria's debt burden and the dialectics of economic development is rife. Despite its inherent promise ofprosperity, Nigeria's substantial debt has obstructed progress, leading to sluggish gross domestic product (GDP) growth, an upsurge in poverty levels, and restricted access to vital social services like healthcare and education. Thus, the present research is worried by the reasons behind the debt issue and the factors driving its persistence. To this end, the study is guided by two key problematic: How is Nigeria's significant debt burden a consequence of poor economic policies and what are the implications of her debt burden on overall socio- economic development? The relevance of this investigation therefore lies in the fact that, in recent times, Nigeria's external and domestic debt have grown astronomically, with profound implications for Nigeria's economic growth and social well-being. Thus, understanding why this debt persists become a pressing problem requiring serious theoretical investment and extant literatures are yet to give adequate systematic theoretical treatment to it hence the need for the present research effort.

2.0 Review of Related Literature

2.1 Nature of Nigeria's Economic Policies and her Debt Burden

Nigeria's significant debt burden and its link to poor economic policies have been a subject of concern for researchers and policymakers and a number of literatures have accumulated in this regard. According to Okonjo-Iweala (2003), "unsustainable fiscal policies, such as heavy reliance on oil revenues and poor tax collection, have fueled Nigeria's public debt growth over the years." The overdependence on oil revenues makes Nigeria vulnerable to

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fluctuations in oil prices, which, in turn, affects its ability to service its debt. Heavy dependence on oil revenues has been a central feature of the Nigerian economy, and this overreliance is a major contributor to her debt burden. Oil prices are notoriously volatile, making Nigeria susceptible to the fluctuations in this sector. Consequently, when oil prices drop, it not only affects the government's ability to plan, generate revenue but also its capacity to service the mounting debt. This vulnerability to oil price variations exacerbates the debt problem, as Nigeria's revenue sources remain tightly linked to a sector prone to boom and bust cycles.

Fiscal mismanagement and persistent budget deficits resulting largely from frivolous spending have also played a significant role in Nigeria's escalating debt. Onapajo and Olaniyan (2015) opined that "The persistent budget deficits and the inability to generate sufficient revenue to cover expenditures have led to increased borrowing, adding to Nigeria's debt burden. Failure to balance the budget with available resources leads to increased need for borrowing, exacerbating the country's debt burden. Generally, persistent budget deficits shows where the government consistently spends more money than it gets in revenue. This ongoing imbalance between revenue and expenditure has serious consequences for the country's fiscal health. To cover the deficit, the government resorts to borrowing, which becomes a significant driver of Nigeria's growing debt burden. This cycle of budget deficits and borrowing, when left unaddressed, can result in a snowball effect, leading to an ever-increasing debt load.

Failure to balance the budget has a direct and cascading effect on Nigeria's debt situation. Not only does it necessitate more borrowing, it also leads to higher interest payments on the borrowed funds, further straining the government's finances. This vicious cycle of budget deficits and rising debt can limit the government's ability to fund critical public services, infrastructure development, and social programs, which are essential for the country's growth and well-being. The impact of Nigeria's debt accumulation on macroeconomic indicators cannot be ignored. Ogunmuyiwa, Moses, Olaniyan, Olanrewaju, Salisu &Afees (2018) found that "High debt levels have led to increased debt service payments, crowding out public investments, and negatively affecting economic growth." This highlights the importance of debt sustainability and responsible borrowing to avoid adverse effects on economic development. When a substantial portion of the national budget goes towards servicing debt, it leaves fewer resources for essential public investments in infrastructure, education, and healthcare, hindering economic progress.

Accordingly, the authors posited that "crowding out" public investments is pivotal in understanding the adverse effects of high debt levels. To them, when a significant portion of the national budget is allocated to servicing debt, it leaves fewer financial resources available for essential public investments in critical areas such as infrastructure, education, and healthcare. This budgetary allocation shift hampers the government's ability to fund projects and programs that promote economic progress and improve the overall well-being of the population. As a result, the development of vital infrastructure, the education system, and the healthcare sector can be seriously hindered, impeding the country's long-term economic growth potential. Ogunmuyiwa*et al*(2018) further added that "in practical terms, the phenomenon of 'crowding

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out' can manifest as delayed or reduced investments in infrastructure projects like roads, bridges, and energy facilities". It can also lead to underfunded education systems, resulting in a less skilled workforce and diminished human capital. The healthcare sector may suffer from inadequate funding, leading to a lower quality of healthcare services and potentially reduced life expectancy and overall health indicators.

The structure of Nigeria's debt resulting from economic policies on wrong footing has been a matter of concern. Okafor and Anaduaka (2020) noted that "a significant portion of Nigeria's debt is denominated in foreign currencies, exposing the country to exchange rate risks and external shocks." Fluctuations in exchange rates significantly impact the cost of servicing foreign-denominated debt, potentially leading to fiscal stress during periods of currency depreciation. The exposure to exchange rate risks is a major issue when a significant portion of a country's debt is denominated in foreign currencies. This has been a major trapping for the Nigerian state. Exchange rates are subject to fluctuations, and these fluctuations can significantly impact the cost of servicing foreign-denominated debt. During periods of currency depreciation, when the local currency weakens against foreign currencies, the cost of repaying debt denominated in those foreign currencies increases. This situation can lead to fiscal stress as more of the country's resources are directed towards debt servicing, reducing the availability of funds for critical public expenditures.

External financial shocks rooted in unforeseen events or circumstances can affect a country's economy. These shocks can include global economic downturns, political crises, or natural disasters. Of course, Nigeria has been home to all these. Consequently, it has accumulated a substantial amount of foreign-denominated debt that has made it become more vulnerable to these external shocks. These shocksdisruptsthe country's ability to generate revenue and its ability to manage its debt. This further exacerbates the challenges posed by foreign debt. Thus, researchers like Ayodele (2019) have linked corruption and inefficient resource allocation to Nigeria's debt burden. They argued that "corruption hinders effective utilization of borrowed funds leading to increased debt without significant improvements in infrastructure itself or improvement in other aspects of development." Consequently, when funds are misappropriated or misallocated due to corruption, it undermines the intended purpose of borrowing, leaving the country with a higher debt burden without commensurate developmental outcomes.

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2.2 Implications of Nigeria's Debt Burden on Poverty Levels

From the discussions above, it is perhaps no longer in doubt that Nigeria's debt burden has serious implications for poverty level. For one, high debt burden comes with servicing obligations. High debt servicing obligations can have profound implications for poverty levels in Nigeria. Scarce resources allocated to debt repayment might divert funds away from social welfare programs and essential services, exacerbating the plight of the poor (Nwankwo, 2010). As Nwankwo highlighted, "high debt servicing obligations can lead to reduced government spending on poverty alleviation programs, further hindering poverty reduction efforts. Scarce financial resources allocated to debt repayment divert funds from critical social welfare programs and essential services. These programs are vital for improving the quality of life for the poorest segments of the population, providing access to education, healthcare, and other safety nets. When a significant portion of the national budget is earmarked for servicing debt, it leaves fewer resources available for these programs, which can exacerbate the plight of the poor.

The opportunity cost of debt servicing also impacts investments in human capital and infrastructure, which are essential for poverty alleviation. Adeola and Evans (2016) argue that "resources devoted to debt repayment may hinder investments in education, healthcare, and other sectors critical for improving the living conditions of the poor." Investments in human capital and infrastructure are indispensable for poverty alleviation. Education and healthcare are fundamental components of human capital development, as they provide individuals with the necessary skills and well-being to escape poverty. But this remains a far cry because of the impediments of indebtedness. The case is worsened by inappropriate debt policies that has led to macroeconomic instability, inflation and reduced access to basic goods and services (Ayodele, 2019). As Ayodele noted, "unstable macroeconomic conditions resulting from poor debt management can hinder the poor from meeting their basic needs." Macroeconomic stability is essential for ensuring that the costs of essential goods and services remain reasonable and that inflation remains in check.Poordebt management practices lead to economic instability that can raise prices rapidly and reduce the purchasing power of the poor. This makes it increasingly difficult for them to afford the necessities of life like food, shelter, and healthcare. Thus, it is perhaps clear, that Nigeria's debt burden is directly linked to poverty level among Nigerians.

Debt burden in Nigeria has frequently led to unstable macroeconomic conditions. This condition has all round effect on the Nigerian population. For one, it hinders the ability of the poor to meet their basic needs. For instance, higher inflation can lead to reduced savings, limiting the ability of individuals and families to plan for the future or invest in income-generating activities. This instability can further exacerbate the cycle of poverty by making it harder for the poor to escape its grip. Moreover, high debt levels can impact the exchange rate and inflation, leading to a rise in the cost of living for the poor. Ogunmuyiwa*et al* (2018) highlight that "Exchange rate depreciation caused by high debt can lead to imported inflation, making essential commodities more expensive for low-income households." This price increase can further strain the financial capacity of the poor. This depreciation makes the country's currency weaker in comparison to other currencies, affecting the cost of imported goods. As the local currency loses value, the cost of essential commodities and goods that Nigeria imports, such as fuel, food, and medicine, increases. This imported inflation results in higher cost of living for over 65% of low-income Nigerian households.

Nigeria's debt burden has a social dimension. High debt levels can exacerbate social inequalities and widen the gap between the rich and the poor, as wealthier individuals have better access to resources and opportunities (Nwankwo, 2012). This deepening inequality can hinder poverty alleviation efforts. Additionally, Nigeria's debt situation can impact the implementation of poverty reduction policies. High debt levels may limit the government's ability to effectively implement poverty reduction programs, hindering progress in achieving sustainable development goals (Adeola & Evans, 2016). This limitation underscores the importance of managing debt levels to prioritize poverty reduction efforts.

Moreover, the risk of debt distress can lead to uncertainty and economic instability, adversely affecting vulnerable populations. Adegbie (2017) posited that "economic uncertainties resulting from high debt levels can lead to reduced investment and job opportunities, potentially impacting the poor who are more likely to be engaged in informal and vulnerable employment." The economic uncertainty can exacerbate poverty and increase vulnerabilities. Economic uncertainty is a consequence of high debt levels and the risks associated with servicing and managing that debt. Uncertainty can discourage both domestic and foreign investment in the country, leading to a reduced availability of job opportunities. This can be particularly detrimental to the poor, as they are more likely to be engaged in informal and vulnerable employment sectors that are often more susceptible to economic fluctuations. Overall, high debt servicing obligations divert resources from social welfare programs, affecting the poor's well-being. Additionally, limited investments in human capital and infrastructure hinder poverty alleviation efforts. Inappropriate debt policies can lead to macroeconomic instability and inflation, adversely affecting the poor's access to basic necessities. The widening social inequalities and the impact on poverty reduction policies further contribute to poverty challenges.

Extant works generally agree to the fact that effective debt management is essential to ensure that resources are optimally allocated to address poverty challenges and foster sustainable economic growth, benefiting all segments of the population but this cannot be entirely separated from the nature and character of her economic stability and debt profile, domestically and otherwise. To this end, it suffices to state that Nigeria has faced significant economic challenges in recent decades due in large part to growing national debt levels. A high debt burden threatens her macroeconomic stability through various channels and makes her economy more vulnerable to external shocks.

3.1 Research Methodology

The research adopted a survey research design. A survey research refers to a particular type of research design where the primary method of data collection is by survey. That is, mapping out a section of a population and conducting experiment on them, then generalize the result of the experiment on the whole population. The population utilized in this study are debt management office, Nigeria Union of Journalist, office of statistics and economic planning all in awka Anambra state. And Speaker of Anambra State of State House of Assembly and well as ASATU. Thus, a structured questionnaire was used as the primary instrument of data collection. The area of study includes the relationship between debt burden and economic development in

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Nigeria, the connection between poor economic policies and Nigeria's substantial debt burden and the impact of Nigeria's debt burden on the wellbeing of citizens. The researcher utilized a structured questionnaire as the primary instrument of data collection. Also, secondary data was collected using documentary method of data collection. The data was analyzed using textual analytical method. The five-point Likert scale of Strongly Agree (SA), Agreed (A), Disagreed (D), and Strongly Disagreed (SD) was used to calculate the responses of the respondents. SA received 4points, A is 3, SD is 2 points while D received 1 point. Responses from the questionnaires were presented using statistical tools such as tables and percentages and the hypotheses formulated for the study were tested using the chi-square (X^2) statistical tool given as:

Chi-square, $x^2 = \frac{(O-E)^2}{E}$

Where O = observed values of frequencies

E = expected values of frequencies

X^2 = chi-square

In terms of the decision rule, null hypothesis is accepted if calculated value of Chi-square is greater than the critical value of chi-square or null hypothesis is rejected if the critical value of chi square is greater than the calculated value of chi-square.

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3.2 Results and Discussions

The problematic that informed this study is whether poor economic policies over the years have significantly contributed to Nigeria's growing debt burden and an attempt to gauge the implications of Nigeria's debt burden on the social and economic wellbeing of Nigerians. Basic questions that revolved around the study problematic were raised in the study. They included: did poor economic policies contribute significantly to Nigeria's growing debt? Is Nigeria's current debt management strategies effective in addressing the country's debt challenges?Is lack of political willthe main challenge that Nigeria faces in managing her debt burden? Is Nigeria's debt accumulation primarily driven by mismanagement and corruption?Has Nigeria's debt burden significantly hindered her ability to provide basic social services and infrastructure? HasNigeria's reliance on oil exports exposed her economy to fluctuations in global oil prices, making it more difficult to manage its debt burden? These questions were consciously raised to enable us solve the key posers in the study problematic.

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Hence, empirical evidences from these questions serve as the basis for the affirmative hypothetical stance of the study. Thus, we posit that: Nigeria's public debt stock has risen dramatically much more in recent times; from 12.604billion naira in 2015 to 27.401billion naira in 2019 and over 20.1 trillion naira in 2024 (National Bureau of Statistics, 2021, Statista, 2024).Findings from the field and extant literatures accepted the hypothesis that poor economic policies contributed to this rising debt burden. A typical example is the pegging of naira by the Central Bank of Nigeria in 2015. This led to disparity in exchange rate in the CBN and black market. Thus, causing the naira to depreciate. The policy was disastrous to the naira and Nigerian economy. From the foregoing, the study argued that there exists a relationship between poor economic policies in Nigeria and its rising and worrisome debt burden. Evidences also show that Nigeria's debt burden has adverse effect on poverty levels and overall wellbeing of citizens. Over 136% of government revenue since 2015 is channeled into debt servicing. This has led the government to reduce spending on public goods. Today, over 133 million Nigerians now live in multidimensional poverty ((National Bureau of Statistics, 2021). All this point to the fact that the debt burden has led to decrease in wellbeing of citizens.

According to Adedeji and Teluwo (2018), total public debt outstanding increased from $30 billion in 2000 to $71 billion in 2015, far outpacing growth in government revenues. The debt-to-GDP ratio rose from 21% in 2000 to over 13% in 2015, exceeding the World Bank's recommended threshold of 40% for developing economies. Thus, Akpan (2005) attributed Nigeria's rising debt burden primarily to debt rescheduling, excessive foreign borrowing, and inefficient use of funds, aside other variables like corruption, looting and extravagant state expenditures. The accumulation of unpaid interest charges compounded the problem over time. Faseeghan and Dada (2014) concur that a combination of excessive borrowing and poor debt management led to unsustainable debt levels. Multiple studies have documented the increasing proportion of debt owed externally versus domestically. Akpan (2005) noted that external debt rose from $28 billion in 2000 to $35 billion in 2004, accounting for over 80% of total public debt. Faseeghan and Dada (2014) found that by 2012, external debt had ballooned to $9.23 billion, while domestic debt was only $4.46 billion. The heavy reliance on foreign borrowing leaves Nigeria vulnerable to exchange rate fluctuations and policy changes in creditor countries. Adedeji and Teluwo (2018) argue this growing external debt dependence threatens fiscal sovereignty and impedes countercyclical fiscal policy.

There is consensus in the literature that Nigeria's mounting debt levels have undermined economic growth and productive investment. Akpan (2005) contended that excessive debt diverts public funds away from growth-enhancing spending toward debt service payments. Faseeghan and Dada (2014) estimate that total debt service payments ballooned from N747.8 billion in 2008 to N1, 134 trillion in 2012, crowding out key budget allocations. Adedeji and Teluwo (2018) find a statistically significant negative relationship between debt service payments and capital expenditure in Nigeria from 1980 to 2015. Several studies have specifically examined debt's impacts on private investment. Using time series analysis from 1981-2010, Isola and Bala (2013) show a negative correlation between debt service payments and gross capital formation as a percentage of GDP. They argued that, large interest obligations reduce savings available for productive investment. Ahmad *et al.* (2017) employ vector auto-regression and find that a 1% increase in public debt leads to a 0.2% decrease in private investment after two years. Their results indicate rising debt harms business confidence and the enabling environment for the private sector.

Some literatures explored debt's influence on macroeconomic stability through inflation and exchange rates. Akpan (2005) notedthat, heavy borrowing during oil booms in the 1970s contributed significantly to emerging price pressures as domestic demand overheated. Using vector error correction modeling, Afzal *et al.* (2014) showed tthat public debt positively impacted inflation in Nigeria over the long run, with inflation rising about 0.14% for every 1% increase in the debt-GDP ratio. They argued that monetizing debt and decreased purchasing power fuel inflationary spirals. Several other studies have analyzed Nigeria's indebtedness and exchange rate impacts. Adaramola (2012) employs co-integration analysis and finds a positive relationship between external debt and the exchange rate from 1994 to 2010. He postulated that large external debt worsens the current account, triggering`\78ss| currency depreciation. Ahmad *et al.* (2017)found that, currency depreciation raises the external debt burden in local currency terms. Meanwhile, Isola and Bala (2013) argued that, debt-servicing strains reserves and makes Nigerian naira vulnerable to speculative attacks that can destabilize the market. Through these channels, rising debt undermines Nigeria's external financial stability.

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The growing body of evidences on the nature of Nigeria's economic policies and its ripple effect on debts as well as debt's adverse impacts raises serious sustainability questions. According to Akpan (2005), debt levels surpassed Nigeria's debt servicing capacity by 2004. Weighty debt repayment obligations already curb fiscal space, crowd out productive spending, dampen investment, fuel inflation, strain reserves, and induce currency volatility.Faseeghan and Dada (2014) argued that Nigeria's debt indicators violated World Bank's thresholds of sustainable debts as interest payments absorbed over 30% of government revenues, limiting fiscal space for vital services (Ahmad *et al*., 2017). Scholars likeAdaramola (2012), Adedeji and Teluwo (2018) have predicted that debts will invariably spiral with growing repayment burdens. For instance, using a debt sustainability model, Adedeji and Teluwo (2018) projected that debt will exceed 100% of GDP by 2030 under the existing trend in Nigeria. They observed that this will definitely exceed Nigeria's historical unsustainable debt levels and consequently impairs long-term development in Nigeria. Adaramola (2012) extended the argument further. According to him, interest repayment will continue to escalate leading to reserve depletion unless economic policies are consciously overhauled to curtail Nigeria's debt profile since continuous borrowing without productive investments cripples the economic competitiveness of Nigeria. Projections indicate that, debt will spiral out of control in the coming decade without corrective policy action. Given Nigeria's economic importance regionally, growing debt instability carries broader consequences.

Tab. 1. NIGERIA'S TOTAL PUBLIC DEBT PORTFOLIO AS AT MARCH 31, 2024

	Debt Category	**Amount Outstanding (US$'M)**	**Amount Outstanding (N'M)**	**% of Total**
A	Total external debt	42,115.54	56,024,618.24	46.05%
B	Total Domestic Debt	49,348.45	65,646,263.25	53.95%
	FGN only	46,290.28	61,578,106.70	50.61%
	States & FCT	3,058.17	4,068,156.55	3.34%

C	**Total Public Debt(A+B)**	91,463.99	121,670,881.49	100%

Source: Debt Management Office, March, 2024.

While debt itself is not necessarily evil, Nigeria's experience as depicted in the table above, shows a case of excessive and inefficient borrowing. As at March, 2024, its total public debt profile was already worrisome. The Central Bank of Nigeria (CBN) Official Exchange Rate of US$1 to N1, 330.26 as at March 31, 2024 was used in converting external debt to Naira.

4.1 Conclusion

This study examined Nigeria's debt burden and the dialectics of economic development-in the eyes of a theorist. The study averred that poor economic policies over the years have significantly contributed to Nigeria's growing debt burden and this have had severe developmental consequences and on the overall wellbeing of Nigerians. From the foregoing, it is needless to state that these debt results mainly from policy issues, non-concessional debts, debt management strategies, official leakages, sabotage, institutional lapses, lack of transparency in debt management, complete shift from domestic borrowing among others. The above and the present debt profile of Nigeria does not suggest a total bleak in her international economic relations rather, it suggests that a fundamental problem exists in the Nigerian state requiring more robust intellectual and theoretical investment and adoption of more pragmatic economic policies and debt management strategies and policy guide. With decisive reforms, Nigeria still has opportunities to transition toward more stable debt dynamics supportive of inclusive growth and poverty reduction for its large population. To understand this, is to closely examine the role of international financial institutions in shaping Nigeria's debt burden; an issue under investigation in the coming days.

4.2 Recommendations

One of the key causes of Nigeria's indebtedness is her monolithic economic frame. Hence, diversifying revenue sources emerge as a critical solution to mitigating Nigeria's debt issue. Reducing reliance on volatile sectors like oil can help stabilize the country's fiscal position and enhance its debt-servicing capabilities. By expanding the tax base and improving tax collection mechanisms, Nigeria can generate more consistent revenue streams, reducing the need for heavy borrowing. The justification for this expanded tax will certainly lie in government readiness to provide essential services to the citizens who are ultimately the source of this revenue. The Anambra state model under Professor Charles Soludo provides a glimpse. Furthermore, investment in other sectors of the economy can stimulate economic growth, create jobs, and ultimately enhance the country's capacity to meet its debt obligations. The emphasis on proper economic policies that bring down governmental commitment to frivolities cannot be overstated as prudent spending and revenue enhancement measures have remained time-tested and proven mechanisms for staying within one's income span.

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