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A CENTURY OF NATIONHOOD AND NIGERIA'S UNENDING DEBT - IMPLICATIONS FOR HUMAN SECURITY

RAJI, Shittu (Ph.D).

Centre for Peace and Strategic Studies, University of Ilorin, Nigeria

Abstract

This study captures one hundred years of Nigeria's political amalgamation in relation to the country's debt profile, by examining the implications of Nigeria's rising debt stock for human security. The research is conducted through secondary information. Findings from the work confirmed that Nigeria sought domestic and foreign loans to supplement shortfalls from her internally generated revenue in order to bridge the deficit in the country's annual financial budget. However, such huge loan from both private and public official sources is becoming a debt burden on Nigeria who is diverting a greater percentage of her development resources to pay debt. The country is also finding it difficult to meet up with her internal debt repayment obligations. The study concludes that Nigeria's fast rising debt stock has direct and indirect negative implications for human security for Nigerians. The diversion of huge developmental financial resource to service loan reduces Nigeria's capacity to provide mega employment, sufficient financial empowerment, sound health and credible education to most Nigerians thus exposing them to structural violence of poverty and human insecurity. The Structural Adjustment Programme (SAP) induced "conditionality" for debt forgiveness has also undermined personal security of many Nigerians who are largely subjected to job and financial insecurity under the privatization and commercialization policies of the programme. The study therefore recommends that Nigeria should reduce her debt burden and improve human security by diversifying her economy, amongst others, to generate more income which could reduce the country's reliance on internal and external borrowing.

Keywords: Century, Nationhood, Debt, Human security, Nigeria.

1.0 Introduction

The task of bringing about sustainable development has remained the primary focus of the Nigerian government, a task being pursued through the country's adoption of different forms of socio-economic and political development agenda. This effort which is largely targeted towards overwhelming improvement in the well-being of the people is highly challenging due to dwindling internally generated resources (Augustine, 2007). In order to meet up with her governance responsibilities through adequate funding of developmental programmes, Nigeria has had to borrow from internal and external sources to supplement public financial shortfalls. Such loan from both private and public official sources is gradually becoming a debt burden to Nigeria as the country diverts a substantial percentage of her development resources to pay debt while also finding it difficult to meet up with her debt repayment obligations, especially the internal debt. Consequently, the current average debt stock of Nigeria has built up to a level that is widely viewed as largely burdensome to the development process and human security as about 12 percent of the country's resources is used to service debt (Dike, 2012). For instance, while Nigeria earmarked #1.5 trillion for capital project in the 2012 budget, #560 billion was earmarked for debt service obligation in the same

Corresponding Author: 08034425308
Email Address: adraj2010@yahoo.com

budget (Dike,2012:12) The huge amount earmarked for debt repayment obligations presumably exposes many Nigerians to structural violence owing to the fact that many institutional structures; educational, health, agriculture, social development, amongst others that are put in place to shield Nigerians from structural violence are largely underfunded due to the diversion of large chunks of funding resources to debt service obligations and thus are unable to perform their functions optimally to promote human development. This paper examines and evaluates the impact of Nigeria's current high rising debt stock, after the initial relief in 2005, on the personal security of an average Nigerian.

2.0 Review of Literature

Nigeria, along other developing countries facing scarcity of capital to prosecute development projects requires and acquires external loans to supplement domestic savings (Stanley, 2013). However, the rate at which countries borrow abroad at sustainable and favourable level depends on credible debt management, repayment capacity and proper investment of loan for relevant projects. It must also be noted that the main problem that is primarily associated with debt burden is not primarily located in the amount owed, but in the ability to manage the loan well and pay back the debt without hurting internal development programme. For example, the external debt stock of Nigeria in 2005 before it was largely cancelled was about $35 billion for which 34 percent average foreign exchange earnings of the country was used to service, the United States of America (USA) foreign debt about the same time was $5 trillion Dollars (Joshua, 2010). The difference between the USA and Nigeria's debt profiles as a level of comparative examination is that while the former could pay her debt in spite of its huge profile without problem (because of her vibrant resources base and proper management capacity), the debt repayment is burdensome for Nigeria due mainly to poor resource base and improper management.

Raji (2011) linked Nigeria's debt burden to four major factors which included unfavourable historical past that is largely rooted in colonial exploitation, Nigeria's adoption of inappropriate theoretical development framework, the unfavourable role of transnational development institutions in Nigeria and internal loan mismanagement. In relation to the issue of unfavourable historical past, it need be noted that shortly before the European incursion into the country, Nigeria was blessed with sufficient natural resources such as the rich complex of mineral resource, oil and gas resources of the highest grade, wide favourable natural habitat for agriculture, amongst others. However, colonialism which basically revolves around the exploitation and appropriation of the country's resources subverted hitherto the traditional development structures, institutions and values in the country and made them subservient to the economic and political needs of the imperial powers sliding further into economic and political dependence of the country on the Western countries.

Wushiba (2010) identified the major characteristics of the colonial economy to include the promotion of the desired cash crop: palm oil, rubber and cocoa for export and the monetization of the Nigerian economy to replace the initial practice of trade by barter which later made the perennial fluctuation in the World economy to reduce the demand for Nigeria's raw materials leading also to low foreign exchange earnings. Nigeria, along most other post-independence African countries facing scarcity of capital owing to low foreign exchange earnings ultimately embarks on external borrowing to supplement domestic financial shortfalls. The role of transnational development institutions such as the World Trade Organization (WTO) in further opening up the weak economy of Nigeria through trade liberalization to the hegemony of the developed world has equally led to continued subordination of Nigeria in the international political economy arising from unequal exchange and weak foreign exchange

Corresponding Author: 08034425308
Email Address:adraj2010@yahoo.com

earnings. Against the principle of market competition to determine the prices of goods and services, the industrialized world determines both the cost of imported goods to Nigeria (which are often undervalued) and Western exported goods (which are often overvalued) thus creating balance of trade and balance of payment problem for Nigeria which needed to be tackled through external borrowing.

Although, foreign loan had indeed become inevitable for Nigeria in her cheerless conditions of widening savings and investment gap marked by lean foreign exchange earnings from exports, the loan often become problematic because they are not being optimally utilized but rather largely mismanaged. Much of the loans could therefore not generate enough resources with which to pay back and be self- subsisting leading to recourse to more loan to prosecute developmental projects in the country. The non- availability of such potentially investible funds for development projects owing to frequent mismanagement has forced Nigeria to have recourse to foreign loans. There are also several internal leakages to national resources which are brought about by corruption and mismanagement of resources by many public officials even in the lower cadre of governance. More loans are therefore sought by Nigeria on regular basis to supplement shortfalls in internally generated revenues. In some instances, financial needs in Nigeria is so critical that her yearly budget proposals are often made with clear indication that part of the anticipated spending would be sourced from external borrowing due to dwindling internal resources.

2.1 A Century of Nigeria's Political Amalgamation and Debt Profile

The British government formally took control of part of the areas that later became known as Nigeria through the annexation of Lagos on the 23 of August 1861 (Joshua, 2010). Within this period, there were two major amalgamations of the different parts of Nigeria before the country's formal independence on the 1st October, 1960. The first amalgamation occurred between May 1, 1906 and 1912 when the Southern Protectorate was amalgamated with the Lagos colony by Walter Egerton who was the first Governor of the amalgamated territories while Fredrick Lord Lugard became the second Governor of the integrated areas. The two areas were merged together for administrative conveniences and to reduce the overhead cost of running the areas differently (Joshua, 2010:42). The earlier amalgamated Southern protectorate was amalgamated further with the Northern protectorate on the 1st January 1914 while the amalgamated territories became known as Nigeria. The name as adopted for the country was first suggested sixteen years ahead of the amalgamation by Flora Shaw, who later married Fredrick Lord Lugard. Flora Lugard suggested the name "Nigeria" in an article in the Times of London where she proposed that the different British protectorates in the Niger area be amalgamated to fully tap the economic potentials of the people and to prune down the cost of administering the area (Joshua, 2010).In relation to financial consideration, there was the need to extend the resources generated from the Southern protectorate to take care of the development need of the Northern protectorates rather than the initial practice of the Northern protectorate's reliance on the financial lifeline from the colonial subvention from Britain. Lord Lugard, observed that there was a steady increase in the revenue generation of the Southern Nigeria who was rich as a result of a steaming trade at the port and a thriving cash crop business like palm produce and cocoa unlike the semi-arid area of most parts of the Northern part which attracts less trading activities and thus recorded insufficient revenue for development.

As a result of perennial financial shortfalls, the British colonial administration continued to give the sum of $3oo,ooo yearly subsidy for the running of the Northern protectorate (Wushiba,2010).Within its huge resources, the Southern protectorate also linked the railway tracks from the region to the Northern protectorate in order to facilitate easy

Corresponding Author: 08034425308
Email Address:adraj2010@yahoo.com

transportation of colonial exports, especially cotton and groundnut from the Northern part of the country to the Southern depots for their onward exportation to Britain where they were mostly needed as raw materials for the British industries. The two regions were also merged for administrative conveniences in order to reduce the bureaucracy of governing the two amalgamated territories separately. The first colonial legal instrument of administration was the Lord Lugard constitution which came into effect in 1914.

The Council consisted of the Governor- General and twenty nine other official and non -official members who were nominated by the Governor. Apart from the Lugard constitution of 1914, there were many other constitutions that were adopted to govern Nigeria. These included the Hugh Clifford constitution of 1922, Benard Bullion constitution of 1935, Arthur Richard constitution of 1943, amongst others. Most of the constitutional frameworks adopted for the governance of Nigeria at different periods embraced one form of constitutional reform or the other to allow for the greater participation of greater majority of Nigerians in the process of the political governance of their country. Further agitations for more inclusive political governance in Nigeria paid off at the constitutional conference which held in London between 23rd May to 26th June 1954 under the chairmanship of the then colonial Secretary, Lennox Boyo (Joshua,2010:12). The conference resolved to grant the Southern Nigeria self-government on the 8 of August, 1957 while the Northern part of Nigeria was to attained self-government in March 1959. Nigeria achieved full independence on the 1st October, 1960 and became a republic on 1st October, 1963.

At independence, Nigeria was economically buoyant (Joshua, 2010:4). Apart from the fact that the departing colonial masters left a relatively buoyant economy characterized by a thriving businesses activities at the port which engaged in the import and export of commercial agriculture, the colonial economy was reasonably managed consequence upon which about five million pounds was left in the cover of the Nigerian government without any external loan obligations (Ukpong, 2003). Nigeria's independence also coincided with the discovery of oil resources at Oloibiri in 1956 (Joshua, 2010). The oil was fully developed in the early 1960s. Nigeria's other potential resources for development at independence included a vibrant but nascent informal sectors and fertile agricultural land. Nigeria is the sixth largest exporter of oil in the Organization of Petroleum Exporting Countries (OPEC).The country equally has the biggest market in Africa having boasted of the highest human population in the continent. Nigeria is richly blessed with gas and solid mineral resources. Having been blessed with all the above mentioned attributes, amongst others, the country was rated the 50th richest country in the world in the late sixties and early seventies. However between the last quarters of the 1970s and early eighties, Nigeria lost much of the above gains in socio-economic development. These problems were traced to a slack in the demand for Nigeria's commodity exports and the associated depression in their prices as a result of Israel Arab war in the early seventies (George,2003).

The two global commodity price shocks of 1973 and 1974 and between 1979 and 1980 which resulted in recording balance of trade and payment deficits for many developing nations also affected Nigeria. The financial shortfall from the global economic depression of the seventies was largely financed through external borrowing. Another reason for the weakness of Nigeria's economy as from the late seventies had to do with the country's shift from diverse agricultural export; cocoa, palm oil, groundnut, cottons, to mono-cultural product (oil) as the economy mainstay and primary source of income for the country with its attendance hazard of price fluctuation. By 1990, the general economic deterioration in Nigeria had reached an alarming rate, almost leading to a state of total paralysis due to stunted or punctuated growth in productive sectors, large fiscal deficits, and high rate of inflation, declining investments.

Corresponding Author: 08034425308
Email Address:adraj2010@yahoo.com

capital flight, and capacity underutilization in industries due to shortage of raw-materials, amongst others (Wushiba, 2010). These negative trends led to the aggravations of socio-economic vices in Nigeria such as higher unemployment rate, drop in school enrolments, hunger, armed robbery, prostitutions and virtual collapse of local industrial sectors.

The above negative vices, amongst others made Nigeria to trip down the development ladder from a high income country to the low income group while the country eventually went down the development ladder having been rated as the 25th poorest country in the world in the late nineties at the threshold of the 21st century (Oyebode, 2005). Though the country still retain its position as the sixth largest exporter of crude oil in the world, she nonetheless hosts the third largest community of the poorest people in the world after China and India (Wushiba,2010). With the inherent weaknesses in the structure of the Nigerian economy as reflected in the overdependence on the imports of its vital industrial spare parts in the face of declining foreign exchange earnings and weak terms of trade and dwindling income from less value added primary export, the country hardly had any option than to have recourse to foreign loan with which she sought to bridge her domestic financial gap.

Nigeria's first major external borrowing was a jumbo loan of about $ 1.0 billion which was contracted in 1979 from the international capital market by General Olusegun Obasanjo's Military Administration (Wushiba, 2010:6).The loan had a short term maturity loan of six months grace with high interest rate of 15 percent. The loan was used to finance a number of project including the Asejire water dam project at Ibadan and the construction of the Lagos Ibadan dual carriage way. State governments in Nigeria also resorted to borrowing from external lenders to finance different projects, many of which were of doubtful viability thus escalating Nigeria's debt problem. For instance, Nigeria's debt burden which is measured by the ratio of debt service obligations to the total annual import and export commodity earning of a country (GDP) rose rapidly from 0.7 percent in 1979 to 25 percent in1989 (Wushiba,2010). An examination of the structure of Nigeria's debt profile shows that the country's total debt as of March 2005 shortly before the forgiveness of substantial part of the country's debt by the Paris club of creditors stood at $35 billion out of which 30.4 billion was owed to the club (Raji,2011). The trend of this debt profile indicates that, as of March 2005, much of Nigeria's debt were owed to the 19 member Paris club of creditor nations which includes France, Germany, Italy, Japan, United Kingdom, United States of America, Russia, Australia, Belgium, Denmark, Finland, Netherland, Spain, Switzerland and Canada. The country also owed a group of International Financial Banks (IFBs) called the London club about $3.5 billion while Nigeria's internal debt profile stood at $1.5 Billion as of March 2005.

2.2 The Strategies of Managing Nigeria's Debt Stock

Nigeria's earlier effort at exiting from debt overhang before the Obasanjo civilian Administration's initiative in year 2000 was largely unsuccessful as the move was blocked by Nigeria's creditors who argued that the country was not qualify for debt relief under the Highly Indebted Poor Countries (HIPC) because the country's debt was sustainable. The HIPC which is a debt relief initiative of the World Bank and the International Monetary Fund (IMF) was established in 1996 to grant debt relief to countries whose debt profiles are unsustainable because of their poor economic backgrounds. With the rising price of the country's crude oil which rose to about 116 dollars in 2005 and with accumulated excess crude oil earnings within the same period amounting to $9 billion (Stanley,2013),creditors believed that Nigeria had sufficient fund to pay substantial part of her debt.

Canada and Finland in particular argued that Nigeria as a matter of fact was a net financial lender to the international community as the country had about $120 billion of her

Corresponding Author: 08034425308
Email Address: adraj2010@yahoo.com

stolen financial assets kept in foreign banks, part of which was the recovered $7 billion Abacha loot (Wushiba, 2010). To the two creditor countries, Nigeria had sufficient resources to pay her debt. The Paris club was not comfortable discussing with the then military governments in Nigeria who they believed had messed up Nigeria's economy. Britain in particular was not ready to discuss Nigeria's debt pleads with the then military regime of General Sanni Abacha because of the government poor human right records. Some Military Administrations in Nigeria, especially the Buhari's Military Government had earlier refused to accede to the IMF and the World Bank conditionality for loan repudiation which revolved around the implementation of the structural adjustment policies having considered such policies as being very disastrous to the socio-economic well-being of Nigerians.

However, a mega management strategy of Nigeria's debt stock was crafted in year 2000 when former President Olusegun Obasanjo brought into his government, an economic team that had direct and indirect employment with the World Bank and the International Monetary Fund (IMF) as their consultants and employee to solve Nigeria's debt logjam. Notable amongst members of the economic team were Charles Soludo, former Nigeria's Central Bank Governor and OkonjoIweala, former World Bank Managing Director and Nigeria's Finance Minister. Another member of the Obasanjo's economic team to address Nigeria's debt problem was MonsurMuktar, Senior Economist with the World Bank and former Director-General of the Nigerian Debt Management Office (DMO). To improve accountability and probity in the management of Nigeria's economy generally and to reduce Nigeria's debt burden in particular, the Due Process Office (DPO) was established by the Government to bring about transparency in governance. The DPO adopted many good governance measures to bring about more transparency and accountability in governance through the enthronement of fiscal responsibility policies on the acquisition and utilization of loan in particular and official business transaction generally. Such sound fiscal management strategy was designed to rescue Nigeria from fiscal prolificacy amongst government officials in collusion with private contractors by ensuring that Nigeria's resources are judiciously used for the common good of all (Raji,2011:4).

Assessing the previous management technique of public resources in Nigeria, The DPO opined that a lot of financial resources have been wasted or not properly accounted for owing to bid rigging and contract award scandal without due process, procurement of goods and services without recourse to transparency, full payment to contractors without proper execution of projects amongst others (Iweala, 2012). These acts of financial recklessness have dissipated Nigeria's lean resources thus forcing the country to source for more loans for developmental programmes. In 2000, Nigeria had a fifteen year strategic management partnership with the United Kingdom Department for Internal Development (DFID) to empower her Debt Management Office (DMO) with credible debt management skills (Iweala, 2012:3).The partnership provided the necessary institutional support and human resource development for the DMO thus making the Office a first- rated sound debt manager in Africa. For example, Nigeria's bond market is sometimes oversubscribed all over Africa due to the confidence the international communities currently have on the DMO. The contract ended in 2013.

The sound economic and fiscal management strategy embarked upon by the Obasanjo civilian Administration eventually served as a major take-off point in instituting transparency in loan governance by spelling out terms of procurement of public debts and services, including the conditions for loan collection and terms of punishment for default in its utilization. The DMO's strategy on debt reduction was also designed to block any collusive agreements in which the amount quoted and borrowed for the execution of public project is higher than what it would have been without collusion (Wushiba, 2010:5). The DMO act forbids conducting or

Corresponding Author: 08034425308
Email Address: adraj2010@yahoo.com

attempting to conduct government loan transactions through fraudulent act, unlawful influence and favour, undue interest, bribery and corruption in the procurement processes (Dike, 2012). Nigeria's debt management strategy also incorporated the establishment of the Debt Record Management Department (DROD) which takes accurate record of Nigeria's debt profile while also codifying such records properly unlike in the past when the country's debt profile was not properly captured.

A comprehensive strategy to bring about transparency in governance and in the management of public loan in Nigeria involved three major financial responsibility components (Joshua, 2010).These include optimal management of resources, conserving money for future use through the escrow (now sovereign wealth) account, maintaining buoyant external reserves account, and considerably reducing or avoiding new lines of loans in the absence of dire needs. Nigeria was also mandated by the IMF and the World Bank to adopt a neo-liberal Poverty Reduction Instrument (PRI) for the country to qualify for debt forgiveness programme of the institutions.

The main content of the instrument which was designed within the framework of the National Economic Empowerment Development Strategy (NEEDS) included carrying out socio-economic reforms in the public sector to relief the system of indolence, corruption inefficiency and to block major loopholes for financial leakages in order to bring about better service delivery in the public sector (Oyebode, 2005). Such reform packages included the privatization and commercialization policies, removal of product subsidy to find their correct price value, devaluation of local currency (Naira) to attract its real international value against hard currencies. Other features of the NEEDS document apart from socio-economic reforms included wealth generation, especially in the agriculture sector through loan disbursement to peasant farmers to generate mass employment and bring about food security, and the establishment of Poverty Alleviation Programme (PAP) to reduce poverty in Nigeria through loan facilities and other financial empowerment programmes.

The content of the NEEDS document as a poverty reduction instrument was approved by the Board of the IMF and the World Bank before the country was considered for debt relief. Another key conditionality in the PRI document as agreed between Nigeria and IMF in 2005 was that Nigeria should pay her debt arrears of $6 billion out of the remaining balance of $12 billion owed it at once while the remaining balance of $6.4 billion was to be paid by 2006 from the Nigeria's external reserves which stood at $23 billion as at then (Stanley, 2013:8).

Having satisfied the above conditionality for debt relief, the Paris club of creditor nations cancelled substantial part of Nigeria's debt stock which amounted to $18billion out of the $30.4 billion owed the club. The amount cancelled represented about 60 percent of Nigeria's debt profile in 2005. The country's payment of the balance of $6 billion loan in 2006 exited her completely from the Paris debt stock leaving Nigeria with about $3.5 billion owed the IFBs and $1.5billion owed domestic lenders as of 2005. The debt relief measure by the Paris club freed up more resources for social spending in Nigeria (Iweala, 2012). For instance, #150 billion was disbursed from debt relief as agriculture loan for peasant farmers as part of the country's poverty reduction programme. Part of the relief from debt forgiveness was also spent on education to repair dilapidated infrastructure and to establish science primary schools in some selected states in Nigeria. An estimated additional three million children were enrolled in primary schools as a result of the expansion of numbers of primary schools in Nigeria (Iweala, 2012:3). 20 percent of the relief fund was equally distributed to the local government areas to dig borehole in their communities. Substantial amount from the relief fund was allocated to the health sector while part of the amount saved from debt relief was used to vaccinate children against polio and to lunch awareness campaign on Acquired Immune

Corresponding Author: 08034425308
Email Address:adraj2010@yahoo.com

Deficiency Syndrome (AIDS) scourge in Nigeria as well as fighting malaria, amongst other areas of debt relief disbursement. To a reasonable extent it could be argued that Nigeria has utilized substantial part of the money saved from the debt relief on developmental programme for the benefit of Nigerians.

However, in spite of her mega debt forgiveness in 2005, Nigeria has accumulated new line of loans since then owing to dwindling internally generated resources and overwhelming mismanagement of much of the generated resources (Dike, 2012:10). This unrestrained loan accumulation is gradually becoming a debt burden to Nigeria. Though the fiscal responsibly law is still in operation in Nigeria, the main worry is not with the law but with its proper application as the three levels of government (federal, state and local) in many instances were found to have persistently engaged in illegal fiscal indulgence including corruption and bid rigging (Wushiba, 2010:7). Indulgence in corrupt practices and fiscal irresponsibility by many Government officials have also enthroned more fiscal vulnerability leading to agitation for new line of loans which is gradually becoming a future debt burden to Nigeria.

2.3 Theoretical Framework

This work adopts the theory of standard growth with debt, as argued by Stanley (2013) as the theoretical foundation of the study. The main thrust of the theory is that a country should borrow as long as the capital acquired produces a rate of optimal returns that is higher than the cost of the borrowing plus the interest. In that instance, the debtor country is optimally expanding her capacity for growth, increasing her economic output and development capacity with the aid of transfer funds. Such optimal utilization of loan reflects a sustainable debt profile. Explaining the nexus between external debt and internal socio- economic development further within the adopted theory, George (2003) opined that debt overhang occurs when the expected fund for the repayment of foreign debts or the capacity to source for other internally generated revenue to support debt repayment obligations falls short of the contractual and total values (including the interest) of the debt. Such debt overhang limits the stimulation of internal investments and growth. The author linked debt overhang crisis to a situation in which the debtor country benefits very little from the returns of the invested loan owing to improper management of the loan and other negative factors. Such good management shortfalls lead to unsustainable debt service capacity. Contributing to the negative effect of debt overhang on the economic performance of a country within the standard growth with debt theory. Eduardo (2009) posits that a negative relationship exists between unsustainable external debt and internal economic growth and socio-economic development because much of the development fund are diverted into servicing such poorly utilized external debt instead of using it to provide needful services to the people. Similarly the author opined that debt overhang which represents negative decrease ratio of the Gross National Product (GNP) to the high debt service ratio creates development burden which consequently discourages internal and external investments and thus weakens internal economic growth.

3.0 Evaluation of Nigeria's Current Debt Profile

As if confirming the earlier prediction of future debt overhang for Nigeria, the initial joy over the 2005 mega debt relief for Nigeria was short-lived as the post 2005 debt stock profile in the country clearly confirmed that Nigeria is back in debt trap with about $44billion debt stock profile as of 2012 (Dike, 2012:12).The current debt stock reveals a diversification in the structural composition of Nigeria's debt stock. While the foreign component of the debt is about $5billion which is quite sustainable and less worrisome unlike the pre-2005 mega external debt profile, the current domestic component of Nigeria's debt profile is more disturbing having stood at $39 billion as of June, 2012. Equally disturbing is the alarming rate

Corresponding Author: 08034425308
Email Address:adraj2010@yahoo.com

at which the country's debt is growing. For instance, as at December 31, 2006—just a year after Nigeria was granted a mega debt relief, the country's debt stock rose back to $17.34 billion from less than $6 billion. Sixty three months after, Nigeria's total debt stock has increased by over 150 percent to $44 billion as at March, 2013. The figure provided by the Debt Management Office (DMO) in 2013 shows that except for 2006, Nigeria's debt burden grew progressively from 2006 to 2012. Thus in 2006, 2007 and 2008, Nigeria's debt profiles were $17.4 billion, $22.3 and $21.39billion respectively (Dike, 2012:5). The debt profile grew to $25.81 and $40.1 billion in 2009 and 2010 respectively while the country's debt stock galloped to $44 billion in March, 2012. Such high rising debt profile is becoming largely unsustainable for Nigeria with devastating effect on human security. Another disturbing dimension of Nigeria's rising debt profile borders on the fact that while the country's debt has grown by more than 100 percent within seven years, that is between 2005 and 2012, the national income within the same period has only increase by 20 percent (Anonymous, 2013).For instance, Nigeria's income from oil which is her main source of income generation grossly reduced from $115 per barrel to $35 before gradually picking up to around $109 in 2013. It is pertinent to note further that the sustainability of the current income on oil which is the main stay of Nigeria's economy is not totally guaranteed owing to the fact that both Ghana and Chad have discovered oil in large quantity and their discovery could increase oil supplies and thus run down global oil price.

The USA, Nigeria's largest oil importer has indicated it will reduce its oil import by 20 percent in 2014 (Stanley, 2013).Such move could reduce oil income for Nigeria. Lots of oil stealing is going on around the oil producing areas thus reducing oil income generation capacity for Nigeria. The country is not only borrowing more money presently but at higher interest rate from official sources. Such persistent borrowing from official sources could constitute future compound interest rate on the country which could make future loan service obligations unsustainable. All the above negative indicators clearly shows that the current national income cannot conveniently sustain the services of Nigeria's current debt stock and could only contribute to seeking further loans to supplement financial shortfalls. Such financial complications have serious implications for human security in Nigeria.

4.0 Implications of Nigeria's Rising Debt Stock for Human Security

The high rising debt profiles of Nigeria's debt stock have direct and indirect negative implications for human security (Wushiba, 2010). One Such worrisome implication revolves around the fact that the country dedicates greater percentage of its resources that should otherwise be used on human development programmes to service debt. Such resource diversion denies Nigeria enough financial capacity to provide mega employment, financial empowerment, sound health and credible education to most Nigerians thus exposing them to structural violence of poverty and ill health. The structural adjustment policies as contained in the National Poverty Reduction Strategy Paper (NPRSP) as part of debt forgiveness conditionality has also undermined human security as such policies have imposed the greatest hardship on many Nigerians. The IMF and World Bank debt relief conditionality included the removal of product subsidy which increases the prices of goods and services in the country beyond the financial capacity of many people thus undermining their financial security. The removal of products subsidy as conditioned by the creditor nations has led to the astronomical rise in the price of goods and services thus imposing the greatest hardship on the people. Such unmitigated sufferings have on many occasions led to public outcry, protest, riot, lost of lives and property. For instance, some Nigerians lost their lives in January, 2012 as a result of public protest over an increase in the price per litre of petrol from #65 to #140 before the cost was eventually reduced to #97.The SAP initiative for debt relief equally included a privatization and

Corresponding Author: 08034425308
Email Address adraj2010@yahoo.com

commercialization policies which led to the retrenchment of many Nigerians from their places of work. This negative trend has largely denied them of job security. The job cut has also cut-off much of the financial lifeline and financial security for the families of many Nigerians thus denying them the opportunity to live a life of meaningful and worthwhile existence. Due to financial insecurity and other considerable hardship from the SAP induced conditionality for debt relief, many happy homes have disintegrated as a result of frequent quarrel and physical combat leading eventually to divorce, and by extension, broken home in many instances. Some other Nigerian families who are still together as one big family are feebly patched together while their family lives are characterized by structural violence which is demonstrated more by overwhelming poverty, frustration, stressful existence and social vices due to financial hardship.

The removal of subsidy on agricultural input, especially fertilizer as demanded by the creditor nations before granting debt relief to Nigeria has also undermined the security of many Nigerians. Many peasant farmers cannot buy fertilizer at the unsubsidized rate leading to poor farm yield and poor harvest, poor financial returns and dwindling income to secure many Nigerians from hunger and other basic necessity of life. What has been deduced from Nigeria's adoption of the SAP for debt relief is that such programme has led more to poverty aggravation rather than poverty reduction thus leading to serious threat to human security in Nigeria. The debt relief induced threat to human security also affect future generation as the current parents are too poor to give their children sound training and the much needed financial lifelines to face future challenges without much problem. Many of such neglected children have become "street" children who find pleasure in terrorizing innocent Nigerians and by extension undermining their personal security. Many Nigerian public officials have corruptly diverted much of the loans that are meant for the development of social infrastructure like the construction of roads and dams into private use. Such corrupt diversion of loans from the needs of the generality has led to the poor state of social infrastructure in Nigeria. Many Nigerians have died on poorly constructed roads while many public buildings have collapsed on the people thus undermining their personal security. Huge debt is owed to many private Nigerian contractors for many years by the government leading to personal fiscal crises, frustration, and eventual death due to such contractor's inability to service the loans with which they executed government projects.

5.0 Conclusion

The study concluded that Nigeria's debt burden was linked to four major factors which included unfavourable historical past that was largely rooted in colonial exploitation. Nigeria's adoption of inappropriate theoretical development framework, the exploitative role of transnational institutions in Nigeria and internal loan mismanagement. Nigeria's high rising debt stock has direct and indirect negative implications on human security in the country. One Such worrisome implication revolves around the fact that the country dedicates greater percentage of her resources that should otherwise be used on human development programmes to service debt. Such resource diversion denies Nigeria the financial capacity to provide mega employment, financial empowerment, sound health and credible education to most Nigerians thus exposing them to structural violence of poverty and ill health. The structural adjustment policies as contained in the National Poverty Reduction Strategy Paper (NPRSP) as part of debt forgiveness conditionality for Nigeria has also undermined human security as such policies have imposed the greatest hardship on many Nigerians.

Corresponding Author: 08034425308
Email Address:adraj2010@yahoo.com

5.1 Recommendations

There are many options for Nigeria to escape from debt burden. First, the country could diversify her economy from oil to other areas of income generating sectors, especially agriculture to have new sources of income to reduce her reliance on borrowing. The country should also diversify from the primary to secondary products to add sufficient value to her exports in order to attract high income. For instance, the country can add value to her crude oil by exporting refined crude instead of the current crude export to generate higher income. There is need for Nigeria to repair her dilapidated infrastructure in order to be able to compete favourably in the globalization process so as to have more internally generated income instead of the country's current reliance on external borrowing. Nigeria need to improve her good governance rating by blocking areas of corruption and considerable financial leakages to conserve more funds for development instead of relying on borrowing. The enrolment of the above suggestions into Nigeria's development progammes could save the country from persistent debt burden.

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Corresponding Author: 08034425308
Email Address:adraj2010@yahoo.com