ISSN 115 - 960X

Ilorin Journal of Business and Social Sciences

Volume 15, No 2 August, 2013

Published by the Faculty of Business and Social Sciences
University of Ilorin, P.M.B. 1515, Ilorin, Nigeria.

An evaluation version of novaPDF was used to create this PDF file.
Purchase a license to generate PDF files without this notice.

BAKARE, A.R

ISSN 1115 – 960X

Ilorin Journal of Business and Social Sciences (IJBSS)

VOLUME 15, Number 2, August, 2013

PUBLISHED BY

THE FACULTY OF BUSINESS AND SOCIAL SCIENCES,
UNIVERSITY OF ILORIN,
P.M.B. 1515, ILORIN, NIGERIA.
E-mail: fbssjournal@gmail.com

EDITORIAL BOARD MEMBERS

Editor-in-Chief	
Prof. Noah Yusuf	Department of Sociology, Faculty of Business and Social Sciences, University of Ilorin, Ilorin, Nigeria.
Associate Editors	
Yahaya, K. A. Mrs. (Ph.D.)	Department of Accounting, University of Ilorin, Ilorin, Nigeria.
Gbadeyan, R. A. (Ph.D.)	Department of Business Administration, University of Ilorin, Ilorin, Nigeria.
Bello, R. A. (Ph.D.)	Department of Economics, University of Ilorin, Ilorin, Nigeria.
Ajibade, L. T. (Ph.D.)	Department of Geography and Environmental Management, University of Ilorin, Ilorin, Nigeria.
Saka, Luqman (Ph.D.)	Department of Political Science, University of Ilorin, Ilorin, Nigeria.
Adekeye, D. S. Mrs (Ph.D.)	Department of Sociology, Faculty of Business and Social Sciences, University of Ilorin, Ilorin, Nigeria.

An evaluation version of novaPDF was used to create this PDF file.
Purchase a license to generate PDF files without this notice.

Editorial Advisory Board

Prof. Steven, M. Jubwe,	Dean, Liberia College, University of Liberia, Moronvia.
Prof. A. S. Jegede,	Department of Sociology, University of Ibadan, Nigeria.
Prof. Nancy Lundgren,	Department of Sociology, University of Cape Coast, Ghana.
Prof. Graham, P.C.,	Department of Geography, Lancaster University, United Kingdom.
Prof. Adeniyi Gbadegesin,	Department of Geography, University of Ibadan, Nigeria.
Prof. Albert, M. Abane,	Department of Geography and Tourism, University of Cape Coast, Ghana.
Ayuba, H.K. (Ass. Prof.),	Department of Geography, University of Maiduguri, Nigeria.
Prof. Stephen, B. Kendle,	Centre for Development Studies, University of Cape Coast, Ghana.
Prof. Oyinloye Olaniyi,	Department of Economics, University of Abuja, Nigeria.
Dr. Vijay Bashin,	Department of Economics, University of Cape Coast, Ghana.
Prof. A.U. Inegbenebor,	Department of Business Administration, University of Benin, Nigeria.
Prof. Okon Eminuie,	Department of Political Science, University of Uyo, Nigeria.
Ogunbodede, E.F. (Ph.D.)	Department of Geography and Planning Sciences, Adekunle Ajasin University, Akungba, Ondo State, Nigeria.

An evaluation version of novaPDF was used to create this PDF file.
Purchase a license to generate PDF files without this notice.

CONTENTS

1. Meeting Needs through Beggary: An Empirical Study of the Use of Begging Proceeds in Ibadan North L.G.A. Oyo State, Nigeria
Omololu O. O. and Adebayo Q. 1-18

2. Debt crisis and Management in Developing Countries: The Nigerian Experience
Lawal, E. E. and Bakare, R. A..... 19-38

3. Schistosomiasis, Land Use Change and their Health Impact on Adjoining Communities of Erinle/Owala Reservoir, Osun State, Nigeria
Oladejo, S.O., Awoniran, D. R. and Morenikeji, O.A. 39-47

4. Spatio-Temporal Modeling of Urban Sprawl for Sustainable Environment in Egbeda Local Government Area, Oyo State, Nigeria
Orimoogunje, O.O.I., Adegboyega, S.A. and Olawole, M.O..... 49-62

5. Consequences of Early Parenting among Adolescent Mothers in Metropolitan Lagos.
Adeyemi, E. O. and Ayodele, J. O...... 63-80

6. Challenges and Prospects of Anti-corruption Crusade in Nigeria's Fourth Republic
Osumah, O. and Aghedo I. 81-96

7. The Roles of Traditional Rulers in Nigeria's Development: The Case of Fourth Republic
Idonije, A. D. and Umar, M. B...... 97-107

8. Husband's Role during Wife's Pregnancy and Afterbirth as Expressed by Mothers in Ilorin Metropolis
Ogwokhademhe, M. C., Adekeye, D.S. and Agboola, D. T...... 109-120

9. Developing Spatial Support System for Monitoring of Water Quality of River Isunwin Catchment in Oyo Town of Oyo State, Nigeria
Adediji, A. and Lasisi, I. 121-126

An evaluation version of novaPDF was used to create this PDF file.
Purchase a license to generate PDF files without this notice.

Ilorin Journal of Business and Social Sciences *15(2):19-38 August 2013*

DEBT CRISIS AND MANAGEMENT IN DEVELOPING COUNTRIES: THE NIGERIAN EXPERIENCE

Lawal, E. E.
Department of Political Science,
University of Ilorin, Ilorin, Nigeria.

and

Bakare, A. R.
Department of Political Science,
University of Ilorin, Ilorin, Nigeria.

Abstract

This paper traced the historical evolution, composition and magnitude of developing countries' debt profile and the instruments adopted for its management with emphasis on Nigerian experience. It discovered that most developing countries resort to loan acquisition with the aim of fostering economic development but end up being worse-off as a result of the adverse effects of systemic corruption which consequently leads to wider technological and socio-economic gap as well as asymmetric relationship between the creditor and debtor nations. The paper analysed the arguments 'for' and 'against' the justification for external borrowing with its corresponding effect on the country's investment. It analysed the politics behind the debt cancellation between President Obasanjo's administration and the Paris Club; and the re-emergence of another debt burden under President Jonathan's administration facilitated by the same Finance Minister. It discovered that Nigeria's external debt keeps increasing in fold in comparison to the internal debt and projected that the country's debt profile will rise to US$25,206.86billion by 2015 from the current US$9,021.53billion as a result of the astronomical growth in the borrowing trend of the federal, states and local governments. The paper argued that obtaining loan is not really the problem but its embezzlement and misappropriction in the Nigerian context is of greater concern. It recommended that Nigeria should adopt "growth oriented strategies" to strengthen the economic conditions of the country which will allow for reduction of the real debt burden to a sustainable level. This should be premised on transparent government with uncompromised political will on the part of the decision-makers.

Keywords: Debt Crisis; Economic Development; External Borrowing; Policy Makers.

Introduction

The profile of developing countries outstanding debt seems to have reached a stage of serious concern to the International Community, Policy Makers and various scholars since early 1980s. The adverse effects of the debt crisis on the economy made the various governments and groups to take necessary steps to avert or reduce the undesirable trend, especially by introducing some Debt Conversion Programmes (DCP).

An evaluation version of novaPDF was used to create this PDF file.
Purchase a license to generate PDF files without this notice.

The objectives of the debt conversion programme are to reduce the country's external debt stock in order to alleviate the debt service burden, serve as additional incentives for the repatriation of capital flight and improve economic environment by enhancing its attractiveness to foreign investors, as an alternative to external borrowing. Akan (2012) observed that the DCP introduced as an option for the public debt management in Nigeria and by extension, Sub-Sahara Africa faced stiff constraints such as macro-economic instability, weak governance and institutions; and these factors immensely affected its success. Based on the result of the survey he conducted, he submitted that between 1988 and 2003 when Nigeria implemented the program, political instability did not play a decisive factor in the number of debt converted.

Despite these efforts, there has been a consistent failed attempt in the desire to eliminate the problems of external debt burden. In Nigeria, for instance, the rise in the level of external debts in the 1970s led to the promulgation of Decree No. 30 of 1978, limiting the external loans the Federal Government could raise to $5 billion. However the rapid increase in short-term trade arrears after 1982 and the amortization of many debts brought debt crisis to prominence in 1983. It could be noted that external debt did not become an issue of major economic importance in Nigeria until 1983, following what can be considered as the imprudent and massive external borrowing by both state and federal government in the second republic, from the International Capital Market. It was observed that during this period, the maximum external loans, which the country could borrow, was violated. In the late 1970s, there was the need to finance the widening deficit gap created by profligate spending which came about as a result of the oil boom era which was characterised by falling exchange earnings and rising fiscal deficits and external borrowing.

Yusuf, et. al. (2010), argued that during this period, Nigeria's external debt quadrupled from US$9billion in 1980 to US$36billion in 1990. It was these debts obligations that accumulated and crystallized into what is known as the Paris Club debts, promissory notes and par bonds. It should be noted that the said Paris Club debt which was a mere US$5.39billion in 1983 catapulted to US$21.6billion in 1999. In view of the various unsuccessful efforts on the part of the government to reduce the level of external debt stock and coupled with the negative impact of the debt burden on the national development, there arose the need for the development of a new approach towards identifying the causes of external debt burden and its effects on macro-economic performance in Nigeria. Ways and means of resolving the debt problems have therefore become the preoccupation of debtor countries and the creditor nations, agents, scholars and the larger International community. Many strategies have been and are still being adopted to resolve the debt crisis problems.

This paper attempts basically to examine the evolution, composition and magnitude of the country's internal and external debt as well as attempted instruments for managing it. Furthermore, it attempts to situate the impact of the debt crisis on the Nigerian economy, and the various ways of resolving the developing countries debt burden. The negative effects of both the external and internal debt are quite feasible and these are threatening the continuous existence of the country and its economy. Debt servicing reduces the financial resources available for investment in the country and paves ways for capital flight resulting in economic retardation.

An evaluation version of novaPDF was used to create this PDF file.
Purchase a license to generate PDF files without this notice.

Debt Management: Some Conceptual Clarifications

Scholarly efforts at conceptualising debt management (especially external debt) in Africa have been found to be theory-based. Scholars have propounded one theory or the other to illustrate the need for African countries to acquire external debt or reject it. Some scholars used these theories to explain the factors that led to the actions or inactions of African leaders on external debt management and its resultant effect on the economy. Under different epistemological standpoints, other scholars tend to give little attention to the peculiarity of individual countries and a host of others dwell on country groupings based on certain characteristics (e.g. Oil exporting countries) or inter-country comparison (Yusuf, et. al., 2010). Missale (1999) espoused the principles of the traditional practice of debt management focused on either minimizing the interest cost of borrowing, supporting short term interest rates set by monetary policy makers or assisting capital markets through providing appropriate amounts of risk free assets and liquidity at key maturities.

The growth theories posited that for any growth to take place in a country there has to be some significant level of investment. However, investment could only take place when the national economy is able to adequately mobilize and allocate enough investable capital, but where this role (that of mobilizing) cannot be effectively performed, alternative means of financing economic programmes are sought outside the national economy. Most developing countries have often resulted to foreign borrowing option and this unfortunately is perhaps the basis of the economic crisis facing all development countries, because the debt are never repaid and thus become debts overhang and accumulated to unmanageable 'toga'.

Dike (1989 and 1991) considered borrowing as the second best options to the creation of money during period of economic recession. It is also perceived as an instrument for managing an economy. Anyanwu (1994) asserts that borrowing enables a country to invest and consume beyond the limit of current domestic production and again to be able to finance capital formation via:

i. mobilization of domestic saving and;
ii. tapping, saving from capital surplus economics.

Borrowing could also lead to rapid growth if it is used judiciously as it will affect the macroeconomic stability of the domestic economy. Klein (1994) posits that "...with borrowing, economic growth and development could be accelerated by permitting investment plus government spending to exceed export." Studies in the last thirty five years have shown that for a more rapid economic development and growth to take place in an economy, where both saving and foreign investment gap exists, substantial amount of external borrowing is required (Chenery and Bruno, 1962; Cheney, 1963; McKinnon, 1964 and Adelma, 1973). The experiences of Countries like Israel, Greece, Taiwan and the Philippines have shown the possibilities of achieving rapid and sustainable development through the effective and efficient use of foreign borrowings.

These scholars argued that these Countries have received substantial amount of foreign borrowing and thus have had accelerated growth of national income and have reduced steadily their dependence on external assistance for continued growth. These studies had established a positive relationship between external borrowing and domestic savings and also affirm that such resources are capable of stimulating growth if annexed

An evaluation version of novaPDF was used to create this PDF file.
Purchase a license to generate PDF files without this notice.

holistically and positively. The argument is based on the contention that in an open economy where there is limited domestic savings, it can be supplemented by the inflow of external resources. Ubok-Udom (1978) submitted that an import surplus financed by foreign borrowing can supplement domestically produced goods.

Justification for External Borrowing

One of the major justifications for external borrowing by developing Countries is the existence of domestic savings, investment gap and foreign exchange gap and the need to finance these gaps. The assumption is that these external borrowings will help to bridge the gap between domestic savings and investment. This will result in higher rate of capital formation or domestic investment and higher domestic income, which would subsequently lead to improved economic welfare in the country.

However, for a Country to enjoy a higher standard of living, acquired debts would have been channelled into productive ventures to boost productive capacity of the economy, which should enable the debtor country generate adequate returns for debt repayment as well as for promoting economic growth and development. Foreign finance could also be embarked upon even if a domestic saving problem does not exist. As argued by Ihimodu (1985), foreign finance is required when a trade gap exists. This is because a developing country cannot readily transform its domestic saving into foreign exchange. This reason underscores the need for foreign exchange. Apart from bridging the saving and foreign exchange gaps, external borrowing enhances possible full utilization of domestic resources, thereby accelerating economic growth (Chenery and Strout, 1966). The argument here is that, though developing countries have sizeable amount of natural resources, their utilization and exploitation are difficult since most of these countries depend on developed economies both interms of their technical and capital needs for the exploitation of such resources.

Again in the developing countries, the internal source of capital is constrained by the nature of their financial system. In view of this, resort to external borrowing or credit or investment is seen as a normal element of economic policy for economic growth and development (Raheem, 1990). It is within this context that emphasis has been placed on external source of finance for investments in their domestic economies. Despite the population growth rate of these Countries which are estimated to be between three to four percent per annum their saving capacity is less than 20% of GMP, thus the chance of increasing their per capital income using only domestic resources available are very low (Raheem, 1990). Thus the demand for available foreign borrowings to supplement domestic savings and increases available foreign exchange has been a feature of most developing Countries at a particular point in their historical development (Bahram, 1980). Due to persistent gap between domestic savings and borrowing, the developing Countries have no option than to borrow.

Debt Service and its Effect on Investment

Debt service burden means the weight of debt service "payments relative to the proportion of national income". It is the proportion of export of goods and services devoted to debt service payment viz-a-viz the servicing of the economy as a whole. The more the proportion of the earnings from exports of goods and services that it devoted to

An evaluation version of novaPDF was used to create this PDF file.
Purchase a license to generate PDF files without this notice.

debt service payments, the less proportion left for consumption and investment purposes. External debt would not constitute a burden if loans are optimally deployed so that returns on investment are sufficient to service maturing obligations while the servicing of the domestic economy is not undermined (Mogbo et. al., 1999:16). Debt service problems often arise when maturing obligations cannot be redeemed either owing to liquidity or insolvency problems. Countries experience temporary liquidity problem when receipts from exports decline below the minimum debt servicing requirements. Insolvency is experienced when a country finds it difficult to meet its debt service obligations on a permanent basis and its credit worthiness is eroded (Obaseki and Bello, 1995).

Debt service capacity refers to the ability of a debtor country to service its debts. When a country is able to service its debts on schedule and its finance of domestic investment is unhindered then debt service capacity is normal but if such country finds it difficult to service its debt by resulting to debt default and rescheduling, then debt service capacity is being undermined. Thus the critical factors are returns on investment, the cost of borrowing and the rate of savings (Edelman, 1983).

Origin and Nature of Nigeria's Internal and External Debt

Afolabi (2002) explains that Nigeria is experiencing acute and insufficient domestic capital and has been drawn into the circle of indebtedness nations. This is because since attaining independence in 1960, the Country has been borrowing foreign capital to fill the existing domestic savings gap in the economy. Borrowing is recognized as one of the key strategies for acquiring external surplus to finance capital accumulation and attempt to put their economy along the path of growth and development (Dike, 1989 and 1991). The origin of Nigeria's external debt dates back to 1958, when a sum of US$28million was borrowed for railway construction. The inability to finance this project made the authority to resort to foreign debt though at a minimal level of concessional debts from bilateral and multilateral sources with longer repayment periods and lower interest rates (Yusuf et. al., 2010:33). The Promissory Notes Ordinance was enacted in 1960 and the External Loans Act in 1962. "A banking fund for loan redemption was established under the Promissory Notes Ordinance, while External Loans Act required that external loans be used for development programmes and for lending to regional governments" (Anyanwu: 1993). The 1962 Act was amended in 1965 to widen the use of external loans.

These Acts and their amendments provided the various policies guidelines for the size, direction and end-use of external loans to enhance Nigerian economic developmental efforts. However, the magnitude and timing of such external loans have, in recent years, been made contingent on the exigencies of domestic resource situation. Nigeria and other developing Countries embarked upon external borrowing to bridge the gap between domestic savings and investment in order to accelerate economic growth and development and to finance the excess of government expenditure over its revenue. Up till the late 1970s, Nigeria was "under-borrowed" (her external debt stock amounted to a mere US $985 million in 1977). However, by 1978, Nigeria obtained a "jumbo loans" of US $ 1 billion from the International Capital Market due to a fall in government revenue necessitated by oil glut.

By 1980, the government had embarked upon indiscriminate and massive

An evaluation version of novaPDF was used to create this PDF file.
Purchase a license to generate PDF files without this notice.

borrowing to sustain government expenditure profile (Mogbo et. al., 1999: 16) and consequently Nigeria external debt rose sharply from US $3.9 billion in 1981 to US$30.78 billion in 1988. By 1991, Nigeria's external debts have risen to US $33.5 billion and this made the World Bank to classify Nigeria among the severely indebted low income countries in 1992. (Yekini, 2002: 6-8). Efforts were made by the government to service Nigeria external debt. Despite the fact that US $ 2.0 billion were annually spent on servicing Nigeria's external debts, between 1991 and 1997 the accumulation of debt service arrears which is being compounded with penalty interest has not permitted reduction in debt stock.

The 1996 debt crisis made the Minister of Finance to assert that it is not possible for the country to meet her debt obligations without recourse to concession at debt relief (Essien and Onwioduokit, 1998). Nigeria's external debt stock as at 31st December, 2000 stood at US $28.4959 billion, made up of US $ 21. 480 billion owed to the Multilateral Institutions (World Bank and African Development Bank), US $2.0432 billion owed to London Club; US $1.4467 billion of Promissory Notes and US $ 0.066 billion of others (Ministry of Finance: 2001).

Nigeria's experience reveals the fact that debt crisis derives mainly from inefficient debt management and control. Likewise, external reserve management policies in Nigeria have not been well articulated. These problems manifest in series of economic and monetary instability, high inflation, unfavourable terms of trade changes, huge fiscal deficit and persistent depreciation of exchange rates. The final impact of whatever debt and reserve management strategies reflects directly on the exchange rate movements, which in turn reflects on prices and international terms of trade (Yekini, 2002:7).

The greatest obstacles to economic development in less developed nations are shortage of domestic capital, resulting from the prevailing low income- low savings cycle. The capital shortage forces many developing nations, to seek foreign loans with attendant debt servicing and all attendant problems. Nigeria relies heavily on foreign capital to finance her development plans. For example, Nigeria in her Six Years Development Plan (1962-1968) obtained about half of the overall cost of its development programme from foreign sources. Most of these foreign capitals come in different ways. This heavy reliance on foreign debt can be seen in the table below:

Table 1.1: Nigerian Debt profile (₦ million)

Year	External Debt	Internal Debt	Total Debt
1986	41,452.4	28,440.0	69,892.4
1987	100,789.1	36,790.6	137,579.7
1988	133,956.3	47,031.1	180,937.4
1989	240,393.7	47,051.1	287,414.8
1990	298,614.4	84.124.6	382,739.0
1991	328,054.3	116,900.2	444,254.5
1992	544,264.1	161,900.2	706,164.3
1993	633,144.4	261,093.6	894,238.0
1994	648,813.0	259,360.9	908,173.9
1995	716,865.6	248,774.6	965,640.2
1996	617,320.0	343,674.1	960,994.1

An evaluation version of novaPDF was used to create this PDF file.
Purchase a license to generate PDF files without this notice.

1997	595,931.9	359,029.1	954,961.0
1998	633,017.0	537,409.9	1,170,426.9
1999	2,577,383.4	794,806.3	3,372,189.7
2000	3,097,383.8	898,253.9	3,995,637.7
2001	3,176,291.0	1,016,974.0	4,193,265.0
2002	3,780,208.9	1,166,000.7	4,946,209.6
2003	4,478,329.3	1,329,680.0	5,808,009.3
2004	4,890,269.6	1,370,325.1	6,260,594.7
2005	2,695,072.2	1,525,906.6	4,220,978.8
2006	451,461.7	1,753,259.0	2,204,720.7

Source: Central Bank of Nigeria Statistical Bulletin (2007)

From the above table, it can be inferred that the nature of Nigeria's external debt keeps increasing in fold in comparison to the internal debt. In the year 1999, (the year of democratic transition) can be said to be the year of watershed in the history of Nigeria's external debt. It increased from ₦6million to a whopping sum of ₦2.5billion. However, there was a reduction in the value of external debt by 2005 and 2006; though internal debt consistently increased in an astronomical trend. The 2005-2006 relief was as a result of the effort of the then President Obasanjo's Minister of Finance, Dr. Ngozi Okonjo-Iweala (who is also the current Minister of Finance under President Jonathan). Under her negotiation in November 2005, Nigeria secured a Paris Club debt relief deal under which US$18billion of the country's debt was written off in exchange for the payment of US$12billion. By this deal, US$30billion of the country's total external debt of US$37billion at the time was discharged (Obia, 2013). The sharp reduction was because 86% of Nigeria's external debt was from the Paris Club, 4% from London Club, 8% from Multilateral and the remaining 2% from promissory note (Ogunlana, nd:9).

Ironically, the same Finance Minister who headed the negotiation that eases Nigeria out of foreign debt burden is today dragging the country into another deep mud of external debt. Between 2006 and 2013, Nigeria is said to have taken a total of US$4.4billion in external loans (Obia, 2013). As at September 2011, Nigeria's total debt (both external and internal) was put at US$40billion (Nwankwo, 2011). Out of this figure, external debt stood at US$5.6billion while domestic debt was ₦5.3trillion (US$34.4billion). At a meeting with the Federal House of representatives Joint Committee on Finance, Legislative Budget and Research, National Planning and Aid, Loans and Debt Management; the Director-General of the Debt Management Office (DMO), Dr. Abraham Nwankwo disclosed that the Nation's external debt as at 2012 is US$9,021.53billion while the projected and expected borrowing for 2013-2015 are as follows:

An evaluation version of novaPDF was used to create this PDF file.
Purchase a license to generate PDF files without this notice.

Table 1.2: Projected Borrowing for 2013-2015 (US$billion)

Year	External Debt	Internal Debt	Total
2013	12,165.10	7,125.93	19,291.03
2014	14,585	7,792.41	22,377.41
2015	16,765	8,441.86	25,206.86

Source: Tabulated and calculated by the Authors from the raw data extracted from The Vanguard, October 3, 2012.

Be that as it may, it is worrisome to point that beside the debt situation at the federal level, the rising debt profile at the state level is of greater concern. Governors borrow money without evidence that the money borrowed are being invested in visible developmental projects, except in few cases. The Debt Management Office put the debt portfolio of the thirty-six (36) states and the FCT to have risen from ₦1.42trillion in December 2011 to 1.86trillion by the end of June 2012 (Nigerian Tribune, 2013).

The position of Nigeria's debt has not gone uncontested. There are two opposing school of thought in respect to the debt issue viz. 'The Pro-debt school' and the 'Anti-debt school'. The former is led by the Minister of Finance, Dr. Ngozi Okonjo-Iweala and the Director-General, Debt Management Office, Dr. Abraham Nwankwo with the backing of international financial organizations. This school relies on two major arguments: first, that Nigeria is under-borrowed in relation to other countries and her endowments. They argued that Nigeria's debt-GDP ratio is put at less than 20%, which is within the country's long term debt sustainability ratio. Second, the composition of the debt is skewed in favour of multilateral debts rather than private/commercial debts. On the other side, the opposing school of thought tagged 'the Cautionary Group' led by the Central Bank of Nigeria (CBN) has been expressing concerns over the rising debt in the country (Nigerian Tribune, 2013). The CBN Governor, Lamido Sanusi Lamido warned that Nigeria was borrowing too much and accumulating debts that could create unmitigated hardship for its future generation. At another point in time, he argued that "we are borrowing more money at a higher interest rate while leaving the heavy burden for our children and grandchildren" (cited in Obia, 2013). Another expert who belongs to this latter school, Dr. Henry Boyo submitted that external debt has the tendency to make the country lose sight of IGR that had grown by about 100% (from ₦2.5trillion to about ₦5trillion).

Factors responsible for Debt Crisis in Nigeria

Many reasons are responsible for Nigerian's finding herself in this debt crisis. These include:

i. Some Loans that were obtained for short term with high interest payment were used to finance long term project which were never completed or completed but not functional like Ajaokuta and Iwopin Paper Mill. In addition, a greater number of state governments resorted to imprudent borrowing from external sources to finance all sorts of project of doubtful viability e.g. like Ajaokuta and Osogbo Steel Rolling Mills (Yekini, 2002:7). In fact, the rapid increase in short term trade arrears after 1982 and the amortization of conventional loans from the

An evaluation version of novaPDF was used to create this PDF file.
Purchase a license to generate PDF files without this notice.

International Capital Market, the World Bank and the bilateral sources brought the debt crisis to prominence. The value of Nigeria's external debt stood at N 100.789. 1 million in 1987 and increased to 298.614.4 million in 1990 and 2, 574, 949.9 million in 1999 representing an absolute increase of about 762 percent from the level in 1998. (Yekini: 2002:7)

ii. Inadequate policy framework for debt management, which subsequently resulted into debt accumulation.

iii. Uncontrolled and rapid growth in public expenditure. The creation of new states that resulted in to further huge addition burden on the economy, as every new one required a new bureaucracy, building universities, and even radio and television stations etc.

iv. Misalignment of exchange rate. The Nigerian economy was dominated by unequal exchange of manufactured goods from Europe on the one hand and the production of primary goods, which served as raw materials for firms of these Europeans.

v. Factors beyond Nigeria's control such as:
   a. Unfavourable terms of trade,
   b. Capitalization of debt service interest arrears as penalty for default, thereby augmenting the debt stock;
   c. Uncontrolled fluctuation in export earnings especially crude oil.
   d. Much of the current levels of debt were amassed following the 1973 oil crisis. Increases in oil prices forces Nigeria and many other developing nations to borrow heavily to purchase essential supplies. At the same time OPEC funds deposited in Western banks, which provided a ready source of funds for loans. While a proportion of borrowed funds went towards infrastructure and economic development, a large proportion was lost to corruption (Wikipedia, 2008: 3).

Implications of Debt Crisis for the Nigerian Economy

It is believed that the growing national debt against the background of a decline and/or unstable foreign exchange earning has serious consequences on the Nigerian economy. The crucial questions to ask are how do we determine the extent of Nigeria's indebtedness or debt burden... And how is this going to affect the capacity of the economy to achieve substantial economic growth and development?

Answers to the above questions will be based on some principal indices. These are standard indicators for measuring the burden of external debt. These indictors, among others, include the ratio of debt to exports and to government revenue. (Yekini, 2002:6) The debt/export, debt GDP, for example, is scaled measures of the stock position. They are used as part of the measure of the openness of the economy, because external debt outstanding represents past reliance on contractual foreign capital inflow (Omoruyi, 1994) A high ratio shows very high inflows into the economy in the past, and this may signal a high service ratio. These debts burden indicators enable one to identify moderately and severely indebted countries and the basis on which the prospect for growth and development could be based (Klein, 1994). That is, they are scaled measure of debt stock, debt service and international reserve positions.

An evaluation version of novaPDF was used to create this PDF file.
Purchase a license to generate PDF files without this notice.

A controversial issue in the development literature is the role that foreign capital plays in the development process of developing countries, Nigeria inclusive. Early development Economists like Singer (1949) Nurkse (1953) Lewis (1954) Kaldor (1955) Domar (1957), Higgins (1959) and Pearson (1969) believed that foreign capital will help to bridge the savings, foreign exchange and technology gap between the developing countries and developed countries. They opined that the transfer of foreign resources to less developed countries will help to transform their economies characterized by low or zero growth rates into economies capable of adequate and sustainable growth. Thus foreign resources to these countries are necessary and serve to supplement domestic resources gaps with positive effects on growth (Essien and Onwioduokit, 1998).

Haggine (1959) observed that domestic investment in developing countries have been too low to promote economic growth. He opined that since these countries cannot raise enough capital locally, for economic growth and development, they therefore, require foreign assistance in one form or the other. Pearson (1969) noted that to properly ascertain the effect of foreign resources on development i.e. on economy, such economy should be segmented into sectors and each sector evaluated. He observed that the Industrial and Agricultural Sector would benefit most and that foreign credit would make the industrial sector to have access to capital stock and helps in the provision of intermediate inputs. It would also make possible the provision of infrastructural facilities like roads, railways, irrigation system and dams.

The study by the World Bank/IMF Development Committee on foreign credit to developing counties led credence to the positive role of external borrowing. The study observed that external finance has been productive and helpful to development and that without it, some of these countries would not have been able to graduate from the ranks of poor nations to middle income nations and that countries that remain poor would have been poorer (World Bank, 1986). Consequently, the committee suggested more external resources for the developing countries.

However, some economists like Singer (1949) Griflins and Enos (1970) hold contrary views on the effect of foreign capital to developing countries. They believed that foreign assistance is anti-developmental because it displaced the domestic developmental resources of the recipient countries and thereby causes disequilibrium in the foreign sector, debt crisis, over dependency and undesirable high degree of openness and general entanglement of developing countries' economies. (Yekini, 2002)

Other scholars like Ake (1989) Moloba (1991) and Ndekwu (1997) are of the view that foreign assistance would make the proletarian countries (LDCS) poorer and widens the technological gap between them and the developed countries. The mechanism through which external debt affects national economy especially as it affect economic growth is investment High debt burden depresses investment and hence retards economic growth through liquidity and incentive effects. Iyoha (1997) work titled: an "econometric study of debt overhang, debt reduction, investment and economic grow in Nigeria" confirms that debt burden adversely affects the rate of private investment in two ways. The empirical result reveals that Nigeria's heavy external debt stock and debt service payment act to reduce investment through both the "debt overhang" effect and the "crowding out" effect. To him, the debt crisis in Nigeria delivered a double hammer blow to the Nigerian economy.

An evaluation version of novaPDF was used to create this PDF file.
Purchase a license to generate PDF files without this notice.

Firstly, high debt service in the face of deciding of foreign exchange earnings reduced the resources that could be devoted to the importation of essential imports for promoting rapid economic development and also competed for investment needs of the country. The dampening effect of high debt service payments on investment is often referred to as the "Crowding out" effect. Secondly, the high debt burden may have assessed to discourage investment by the private sector (especially foreign investors) since they viewed the accumulated debt stock as a tax on future income and production. This incentive effect on investment of a country's external debt burden is known as the "debt overhang" effect.

Iyoha (1997) concluded that these two-effect accounts to a large extent the reason for low investment in Nigeria especially in the mid1980s. Be that as it may, the impact of foreign debt on Nigeria's economy is said to be grave. The recent study by Ajayi and Oke (2012) attest to this. The study shows that external debt does have negative effect on economic growth and development in Nigeria. They adopted regression analysis of OLS on the secondary data sourced from CBN, Economic and Financial Review, Business Times, Financial Standard and other relevant publications in Nigeria on variables like national income, debt service repayment, external reserves, and interest rates. Their findings indicate that external debt burden had an adverse effect on the Nation's income and per capital income. They submitted that high level of external debt led to the devaluation of the Nation's currency, increase in retrenchment of workers, continuous industrial strikes and poor educational system; thereby putting Nigerian economy in great depression.

Nigeria's Debt Management Strategies

Debt management could be defined as a conscious and carefully planned schedule of the acquisition and retirement of external loans contracted either for development purpose or to support balance of payment. The schedule includes an assessment of the country's capacity to service existing debt and a judgment as to the desirability or other wise of contracting further loans (Shittu, 2005, Garba, 2003 and Afolabi, 2002).

According to Philips (1991), debt management is referred to as the condition of issues of administering national debt, providing for the repayment of the principal, payment of interest and arranging the refinancing of maturing debt. The structure of external debt over the years showed that the various policies put in place have not been able to reduce the magnitude of public debt, ameliorate the debt service burden and thus stimulate sustainable growth in the economy (Yekini, 2002: 2). Specifically, the various policies have not been able to restrain the growth of both the multilateral and the Paris Club external debt holdings. In the early 1980s, the Nigerian debt crisis became pronounced and ever since, Nigeria's external debt management strategies have been changing from time to time to suite the prevailing situation. In February 1988, the Nigeria government introduced comprehensive guidelines with the aim of evolving strategies for increasing foreign exchange earnings and consequently reducing the need for external borrowing. Other cardinal objectives of the guidelines introduced include the following:

i. Stipulation of criteria for borrowing from external sources and, determination of

An evaluation version of novaPDF was used to create this PDF file.
Purchase a license to generate PDF files without this notice.

the types of projects for which external loan may be obtained;

ii. Outlining the mechanism for servicing external debt of the public and private sectors; and

iii. The definition of the roles and responsibilities of the various organs of the Federal and State governments as well as the private sector, in the management of external debt (Yekini, 2002: 3).

According to CBN (1999), the following guidelines were also issued as regards government borrowing for the control of external debt:

i. Economic sector projects should have positive internal rate of return not lower than the cost of borrowing.

ii. Social services or infrastructure should be ranked on the basis of their cost/benefit ratios:

iii. Projects to be financed with external loans should be supported with feasibility studies (which includes loan acquisition, deployment and retirement schedule).

iv. External loans for private and public sector projects with quick returns should be sourced from the international capital markets, while loans for social services could be sourced from concessional financial institutions.

v. State governments and their agencies as well as federal parastatals should service their debts through the Foreign Exchange Market (FEM) and inform the Federal Ministry of Finance for record purposes; failure to service their debts would attract the deduction of the naira equivalent at source before the balance of their statutory allocation is released to them.

As the crucial nature of Nigeria's debt problems becomes widely recognized, advocates of innovative solutions put forward a number of debt management strategies. Basically, conscious and discernible efforts were made to adopt relief measures following the accumulation of trade debt arrears in the 1980s during which time the available lines of credit to Nigeria had been blocked for lack of necessary foreign exchange resources to pay the imports bills as and when due.

The external debt management strategies that have been adopted are those within the framework of the global debt relief measures. Various policy measures were adopted to reinforce the above guidelines. These include: embargo on new loans, limit on debt service payments, debt restructuring (e.g. refinancing debt, debt rescheduling and debt buyback, collaterisation and new money options) and debt conversion programmes.

i. **Embargo on New Loans:** The embargo on new loans policy was applied in 1984 to state governments borrowing from external sources. The cardinal objective of this policy is to check the escalation of total debt stock and minimize the problems of additional debt burden. Prior to the 1984 policy, the Nigerian Federal government fixed the maximum level of debt commitment for both the federal and state governments. For instance, an upper limit of $5 billion was fixed for the Federal Government in 1978, and in 1982, it was fixed for US$200 billion for the state government (Yekini, 2002: 5). However, the embargo was

An evaluation version of novaPDF was used to create this PDF file.
Purchase a license to generate PDF files without this notice.

lifted in 1999.

ii. **Debt Refinancing:** These strategies involve a new medium term loan in the amount of the debt that is owned which is now repaid with the proceeds of the new loans. A refinancing arrangement involves the procurement of a new loan by a debtor to pay off an existing debt, particularly short-term trade debt, so as to ease the debt burden. It should be noted that the first refinancing arrangement by Nigeria was made in July, 1983, followed by the second arrangement in September of the same year. In both agreements, US$2.1billion worth of trade arrears was refinanced. By 1986, Nigeria had repaid the total amount involved in the two agreements.

iii. **Debt Rescheduling:** The rescheduling of debt involves changing the maturity, tenor and terms of debt structure. It involves arrangement of the payment terms of an original loan. It postpones the date of debt payment and spreads the debt over a number of years with an initial grace period. This gives debtors a breathing space during which the temporary balance of payments problem could be eliminated especially when a country faces temporary foreign exchange constraints. It is also advantageous to the debtors' debt burden and gives room for proper adjustment to be undertaken to reduce the basic balance of payments disequilibria.

iv. **Debt Restructuring:** The policy of debt restructuring involves the reduction in the bidding of an existing debt through refinancing, rescheduling, buy-back, issuance of collateralized bonds and the provision of new money.

v. **Limit on Debt Service Payment:** Limit on debt service payments requires setting aside a proportion of export earnings to meet debt service obligations to allow for internal development consequent upon this policy the Federal Government was required to allocate a maximum of 30 percent of exports earnings for debt servicing, while the state governments were required to spend not more than 10 percent of their total revenue on debt service payment.

vi. **Buy-back Arrangement:** The buy-back arrangement implies the offer of a substantial discount to pay off an existing debt was concluded on 21st January, 1992 when Nigeria bought 62 percent or $3 .395 billion commercial debts owed to the London Club at 60 percent discount. In other words, Nigeria paid $ 1.352 billion to liquidate or buy-back part of its commercial debts, while 38 percent or $2.054 billion was collateralized with 30-year par bond with the London Club. Under this arrangement, the yield of the bond with a 30-year period would offset or pay off the collaterised amount, which is referred to as the Zero coupon option (Yekini, 2002:5-6).

vii. **Debt Conversion:** Debt conversion policy was introduced to complement other debt management strategies. In Nigeria, the debt conversion exercise involves the sale of an external debt instrument for a domestic debt or equity participation in domestic enterprises. Debt conversion or debt equity swap involves the exchanging of a debtor's external debt for a domestic debt in local currency or equity participation in a local development project. The Debt Conversion Committee was established in July 1988 to implement Nigeria's debt conversion programme.

An evaluation version of novaPDF was used to create this PDF file.
Purchase a license to generate PDF files without this notice.

Combating the Scourge of Debt Burden in Developing Countries

The primary cause of the external debt of the under developed countries can be found in the very foundation of their deformed structure, which is generally incapable of internally generating the financial resources essential for overcoming underdevelopment and, at the same time, guaranteeing sustainable economic growth.

i. **Debt Forgiveness:** Some economists argue against forgiving debt on the basis that it would motivate countries to default on their debts, or to deliberately borrow more than they can afford, and that it would not prevent a recurrence of the problem. Economists often refer to this as a "Moral Hazard". But some critics and debt relief actionists say the problem is not immoral borrowing but immoral lending. (See htt://www.actsa.org I Debt/ Paying.).

ii. **G8 Summit 2005: Aid and Debt Cancellation:** The traditional meeting of G8 finance minister before the summit took place in London on 10th and 11th June, 2005, hosted by fanner Chancellor Gordon Brown. On 11th June, agreement was reached to write off the entire US $ 40 billion debt owed by 18 Highly Indebted Poor Countries to the World Bank, The International Monetary Fund (IMF) and the African Development Fund. The annual saving in debt payments was noted to be just amounts to just over US $ I billion. War on want estimates that US$45.7 billion would be required for 62 countries to meet the Millennium Development Goals (MDGs). The Minister stated that twenty more countries, with an additional US$15billion debt would be eligible for debt relief if they met targets on fighting corruption and continue to fulfil structural adjustment conditionality that eliminate impediments to private investment and calls for counties to privatize industries, liberalize their economies, eliminate subsides, and reduce budgetary expenditures. The agreement required weeks of intense negotiation led by Gordon Brown, which must first be approved by the lending financial institutions to take effect. While negotiations were taken place between the G8 member states, some of which are reluctant to endorse debt cancellation and aid increases, African government, advocacy organizations and their allies criticized the Blair-Brown Plan as inadequate and argued that the continuation of structural adjustment (SAPs) policies overweighs the benefits of debt cancellation. They also pointed it out that only a small proportion of the developing countries debt will be affected by the proposal (http://www.jubileeusa.ord/resources/g8debtmythrealit.pdf). While applauding the deal as an important first step, jubilee USA called for a much broader initiative that would include all countries that need cancellation to achieve the MDGS and all creditors. Jubilee USA reported that only 1 in 10 people in the developing world would will benefit from the G8 deal because so many nations (both low and middle-income) are left out of the deal (http:/www.jubileeuSa.0rg2008 :5).

iii. **Debt relief:** A number of developing countries have recently received partial or full cancellation of loans from foreign governments and international financial institution such as the IMF and World Bank. Under the jubilee 2000 banner,

An evaluation version of novaPDF was used to create this PDF file.
Purchase a license to generate PDF files without this notice.

coalition of groups joined together to seek debt cancellation at the G7 meeting in Cologne, Germany. As a result, finance ministers of the World's wealthiest nations agreed to debt relief on loans owed by qualifying countries (http://www.jubileeresearch.org/jubilee_2000). A 2004 World Bank/IMF study found that in countries receiving debt relief, poverty reduction initiatives doubled between 1999 and 2004. In 2005, live 8 concerts paralleling the G8 summit in Scotland brought the issue of debt to the attention of the media and world leaders. Debt cancellation for the 18 countries qualifying under the new initiative has also brought impressive results. For example, Tanzania, Burkina Faso, Uganda and Zambia have used savings to drastically increase its investment in health, education and rural infrastructure (http://news.yahoo.com/s/nm! The debt campaigners continue to advocate for the extension of the benefits of debt cancellation to all countries that require cancellation to meet basic human needs and as a matter of justice (Wikipedia: 2005.6). To assist in the reinvestment of released capital, most International Financial Institutions provide guidelines and programme to reduce a country's vulnerability through export diversification, food buffer stocks, enhanced climate prediction methods, more flexible and reliable and disbursement mechanism by donors and much higher and more repaid contingency financing.

iv. **Debt Arbitration:-** Debt Arbitration is a promising way to go in order to alter the global financial system, address the inefficiencies of the market, and ensure morality and humanity for the good of the majority. Perhaps, one of the expectations to be ruled by an arbitration mechanism is that should there be Debt Relief Mechanism, it should be designed by both the Creditors and the Debtors and not dominated by the creditors, or better still, the debtors should be given a platform to propose mechanism on the debt crisis based on their realities.

Conclusion and Recommendations

This paper explored the evolution, composition and magnitude of Nigeria's internal and external debts. It identified the instruments adopted for managing the debt and established its negative effect on the country's economy. The paper established that obtaining loan is not really the problem but its misapplication and misappropriation in the Nigerian context has left indelible burden which consequently led to the debt crisis. The crisis was as a result of the 1978 'jumbo loans' of US$1billion that the country obtained from the international capital market due to the fall in government revenue necessitated by oil glut. It traced the origin and nature of Nigeria's debt and is able to highlight the fact that the country relied more on foreign debt than domestic debt and that the country's debt profile keep increasing at an alarming astronomical rate.

The paper did a critical analysis of the politics behind the debt cancellation between the then President Obasanjo's Finance Minister, Dr. Ngozi Okonjo-Iweala and the Paris club; and the re-emergence of another debt burden facilitated by the same Minister under President Jonathan's administration. The present debt resurface was hinged on the argument that Nigeria is under-borrowed in relation to other countries and her endowment; and that the debt-GDP ratio is less than 20% which the country's long term sustainability ratio. These arguments enjoyed the support of the Nation's Debt

An evaluation version of novaPDF was used to create this PDF file.
Purchase a license to generate PDF files without this notice.

Management Office as well as international financial organisations. The study identified the second and opposing school of thought led by the CBN that debt accumulation is not good for the economy and could create unmitigated hardship for the future generation.

To worsen the debt crisis in most developing countries, the Structural Adjustment Programmes imposed by lending institution have only worsened poverty in the developing countries. Creditors thus bear great responsibility for the deteriorating economic condition of the developing countries. The Heavily Indebted Poor Country Initiative (HIPC), a World Bank and IMF project launched in 1996 that was meant to alleviate the debt burden carried by the World's poorest countries has fallen far short of expectations. Only five African countries- Uganda, Mozambique, Tanzania, Burkina Faso and Mauritania-have reached 'completion point" under the HIPC initiative (The World Bank; 2006). Of Africa's $300 billion debt, creditors have agreed to cancel only about 15 percent (i.e. US$50-60 billion).

As earlier argued, it is pertinent to re-apprise ourselves that the high external indebtedness of Nigeria has been observed to result from both internal and external factors, which includes over-reliance on petroleum as the main source of export earnings coupled with dwindling foreign exchange earnings against the backdrop of rising cost of imports, worsening terms of borrowing, expansionary monetary and fiscal policies, pricing and exchange rate policies and poor economic management and misuse of resources.

It has been observed too that the mounting external debt has had a depressive impact on the economy, resulting in low levels of savings, investment and decline economic growth rate. In some countries, debt places such a burden on the economy that it cannot correctly function. The various policies respond and measures espoused and adopted have been highlighted. It was also noted that though these measures have actually provided some relief, they have not proved adequately capable of resolving the debt crisis problem. From all the evidences at our disposal, the prospects of some of these measures are not bright. For example, the adoption of tight budgetary measures introduced has not changed the situation. The implementation of the SAPs proposal introduced by the external financial institution had changed little of the situation as it has failed to address the question of what really constitutes the structures of the Nigerian economy and has only succeeded in extending the debt burden.

The pursuit of debt refinancing and or rescheduling measures by the government has certainly not taken us out of the debt crisis problem. Neither has debt equity Swap measures been able to substantially reduce both our debt stock and the debt burden, as the amount involved is negligible. Above all, from experience, these measures have negative effect especially in frustrating the long-term growth of the Nigerian economy. What is needed in Nigeria is a concerted approach within the framework of "Strengthened growth oriented strategies" that takes into cognizance, the underdeveloped nature of the Nigerian economy. A lasting solution out of the Nigerian debt crisis is the improvement in the growth and other economic conditions of Nigeria that would allow for reduction of the real burden of the debt to a sustainable level.

Faster rate of economic growth and development requires sound domestic economic policies (transparent government and political will too) and a substantial financial resource, which may not necessarily be generated from within the domestic

An evaluation version of novaPDF was used to create this PDF file.
Purchase a license to generate PDF files without this notice.

economy. In this way, there is the need for a sound economic management and also improvement in the international economic conditions to improve the balance of payment situation of Nigeria. It should therefore be noted that debt is the result of transactions in real goods and services, and usually the basis of trade between the developing countries and the developed countries is inequitable, the disadvantage partner in relation will always be in debt crisis. Thus, improved and equitable trading conditions for the Primary Commodities of Nigeria are very central to the resolution of debt crisis in Nigeria and other developing countries.

An evaluation version of novaPDF was used to create this PDF file.
Purchase a license to generate PDF files without this notice.

References

Adams, R.A. 2002. Public Sector Accounting Finance Made Simple. *Public Debt* 24, Pp. 299-302

Afolabi, T.A. 2002. Acquisition and effects of debt on third world countries: Nigeria as a case study. An unpublished manuscript submitted for the award MPA. Department of Political Science, University of Ilorin.

Ajayi, L.B. and Oke, M.O. 2012. Effect of external debt on economic growth and development of Nigeria. *International Journal of Business and Social science.* Vol. 3. No 12 (Special Issue- June 2012).

Akan, C. 2012. Public debt management and its implications for economic development: an analysis of the Nigerian debt conversion programme (1998-2003). *Social Science Research Network Working Papers Series.* Available online at: http://ssrn.com/abstract=2028200

Ann, Pettifog. 2004. Resolving International Debt Crisis. *Ethics & International Affairs,* Volume 17 No 2

Anyanwu, J.C. 1993. *Monetary Economics: Theory Policy and Institutions,* Hybrid Publishers Ltd.

Anyawu J.C. 1994. An Analysis of the Extent Burden of Sub-Saharan Africa. *In African Debt Burden and Economic Development,* NES

Anyawu, J. C. et al (17) *The Structure of the Nigeria Economy 1960-1997.* Joanee Educational Publishers. Ltd Onitsha.

Babram, H. 1980. Managing External Debt in Developing Countries" Finance and Development, 17(4)

Central Bank of Nigeria. 1996. *Annual Report and Statement of Accounts.* CBN.

Central Bank of Nigeria. 1999. "CBN Briefs Special Editions" Research Department. Central Bank of Nigeria June

Central Bank of Nigeria. 1995. *Economic and Financial Review* Vol.3 3 June 1995 Number.2 "Trends in Nigeria Balance of Payments"(1980-1994) E.U. Olisadebe.

Central Bank of Nigeria. 1995. *Economic and Financial Review* Vol.33 September, 1995 Number3 "A Framework for Resolving Africa's Debt Crisis" Obaseki, P.J & Bello, B.G.

Central Bank of Nigeria. 2007. *CBN Statistical Bulletin.* Abuja: CBN

Cheney, H.B and Bruno, M. 1962. Development Alternatives in an Open Economy: The case of Israel. *The Economic Journal* (March).

Dike, E. 1989. The Debt Equity Swap: Option in "External Debt Crisis Management. *Paper Presented at the NESA Annual Symposium,* ABU Zaria.

Dike, V. E. 2004. *The Global Economy and Poverty in Nigeria.* Available online at: http://www.gamji.com/new.1809. html. (accessed 29/7/2005).

Essen, E.A and Onwioduokit, E.A. 1998. Nigeria's Economic Growth and Foreign Debt: An Analytical Re-examination. CBN Economic and *Financial Review.* Vol.3 No.1 March.

http://www.actsa.org/DebtiPayingtwice.htm.

http://www.jubileeusa.org/re

Garba, U.K. 2003. Debt crisis and economic management in Africa: An overview of the impact of World Bank/IMF programmes on Nigerian economy. An unpublished

An evaluation version of novaPDF was used to create this PDF file.
Purchase a license to generate PDF files without this notice.

manuscript submitted for the award MPA. Department of Political Science, University of Ilorin.

Ihimodu, I. I. 1985. External Debt and Debt Servicing Problems in the Nigerian Economy. *The Nigerian Journal of Economic* and Social Studies (March).

Joshi, W. 1970. Saving and Foreign Exchange Constraint in Paul, P.S (ed) *Unfashionable Economics* London

Klein, T. M. 1994. External Debt Management an Interdiction. *World Bank Technical Paper No.24*

Iyoha M.A. 1997. An Econometric Study of Debt Overhang, Debt Reduction, Investment and Economic Growth in Nigeria" NCEMA *Monograph* No.8. Ibadan.

Iyoha, M.A. 1999. External Debt and Economic Growth in Sub-Saharan African Countries: An Economic Study "*AERC Research Paper* 90

Missale, A. 1999. *Public debt management*. Oxford: Oxford University Press.

Mogbo, G.A et al. 1999. *Analysis of External Debts and Economic Growth in Nigerian.*

Ndekwu E.C (1983) *"Government Borrowing, Money, Supply and Monetary Policy in Nigeria"* NISER Ibadan.

Ndekwu, E.C. 1996. Domestic and External Debt in Nigeria. in *Macroeconomic Policy Analysis* (eds), M.I O Ibadan, and M.A. Iyoha. NCEMA.

Nigerian Tribune, March 8, 2013.

Nurske, R. 1953. *Problems of Capital Formation in Underdeveloped Countries.* Oxford University Press.

Nwankwo, A. 2011. An interactive session between the DG, Debt Management Office and Journalists in Lagos. *Thisday online*, Available online at: http://world.myjoyonline.com/pages/nigeria/201112/78587.php (accessed on March 18, 2013).

Obia, V. 2013. Nigeria: debts on the rise again. *Thisdaylive*, January 6, 2013. Retrieved on March 18,2013 from http://www.thisdaylive.com/articles/nigeria-debts-on-the-rise-again/135492

Oduebo, M.A. 1990. Debt Crisis in the West African Sub-region: Which way out? *CBN Bullion* 14 (4).

Ogunlana, O.A. nd. Nigeria and the burden of external debt: the need for debt relief. Available on line at http://www.g24.org/TGM/ongu0905.pdf (accessed on March 26, 2013).

Ojo, M.O. 1989. Nigeria's External Debt Problem: A Review of Management efforts and the Prospects, *CBN Economic and Financial Review* 27 (2).

Ojo, M.O. 1994. The African Debt Burden in Historical Perspective *in African Debt Burden and Economic Development,* NES

Pearson, L.B. 1969 Partners in Development: *Report of the International Development.* New York, Praeger.

Philips. 1991. Debt-Equity: Privatization and the Prospects for debt burden Reduction *Nigeria Financial Review* 1 (2) June.

Shittu, M.A. 2005. Debt crisis management in Nigeria. An unpublished manuscript submitted for the award MPA. Department of Political Science, University of Ilorin.

Singer: H.W. 1949. Economic Development in Underdeveloped Countries. *Social*

An evaluation version of novaPDF was used to create this PDF file.
Purchase a license to generate PDF files without this notice.

Research. 16(1)
The Vanguard, October 3, 2012.
The World Bank. 1989. *Sub-Saharan Africa: From Crisis to Sustainable Development.* World Bank.
Uduebo, M.A. 1990. Debt Crisis in the West African Sub-Region Which Way Out? *CBN Bullion* 14(4).
Yekini, T.K. 2001. Structural Determinants of Government Budget Deficits (Fiscal Deficits) in Nigeria" NISER *Monograph Series* No.2
Yekini, T.K. 1999. Determinants Of Export Supply And The Demand For Import in a Liberalized Economy " NISER *Monograph Series*, No.28.
Yusuf, B.R.; Idowu, K.A.; Okunnu, M.A. and Adeyemi, O.T. 2010. Debt management growth in Nigeria: performance, challenges and responsibilities. *Manager.* No. 12. Available online at: http://manager.faa.ro/download/547_1204pdf (accessed on March 26, 2013).

An evaluation version of novaPDF was used to create this PDF file.
Purchase a license to generate PDF files without this notice.