**Economics And Social Sciences Academic Journal**
Vol.2, No.3; March- 2020
ISSN (5282 -0053);
p –ISSN (4011 – 230X)

# NIGERIA'S DOMESTIC AND EXTERNAL DEBT: AN ASSESSMENT OF BORROWINGS ON THE POLITICAL ECONOMY OF NIGERIA

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***Abstract:*** *The rationale for this paper is to establish the relationship between economic growth, external debt and domestic debt in Nigeria. Debt has become inevitable phenomenon in Nigeria, despite its oil wealth. This paper therefore is set to investigate the impact of external debt, and domestic debt on economic growth in Nigeria. A good performance of an economy in terms of per capita growth may therefore be attributed to the level of domestic debt and not on the level of external debt in the country; therefore external debt is seen as inimical to the economic progress of a country. The paper found that domestic debts if properly manage can lead to high growth level. A major policy implication of this result is that concerted effort be made by policy makers to manage the debt effectively by channeling them to productive activities (real sector) so as to increase the level of output in Nigeria, hence achieving the desire level of growth. The paper found that domestic debts if properly manage can lead to high growth level. A major policy implication of this result is that concerted effort be made by policy makers to manage the debt effectively by channeling them to productive activities (real sector) son as to increase the level of output in Nigeria, hence achieving the desire level of growth. Another policy implication of the study is that most developing countries contract debt for selfish reasons rather than for the promotion of economic growth through investment in capital formation and other social overhead capital. Thus, the paper also recommends that government should rely more on domestic debt in stimulating growth rather than external debt. The methods of data collection were done through documentary source, and the data were analyzed through the use tables and graphs for further illustrations. The study recommended the following The policy implication of this result is that domestic debt rather than external debt will stimulate economic growth in Nigeria. This is because the repayment of the principal and interest on such internal debt is a reinvestment into the domestic which would usually have a chain investment effect on the domestic economy. But with respect to external debt, more resources will be needed to repay and service the debt and this would impair the positive effect of this debt on economic growth. Thus, the paper recommends that government should rely more on domestic debt in stimulating growth rather than external debt. Government should formulate policies aimed at encouraging domestic savings vis-à-vis domestic investment. The need for borrowing is due to gap between domestic savings and investment; therefore, bridging the gap can be a likely solution to Nigeria's debt accumulation.*

**Keywords:** External Debt, Internal Debt, Borrowing, World Bank, Nigeria.

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**Introduction**

Every economy requires an amount of capital to generate production and sustain development: capital, being a factor of production is particularly important but relatively scarce, and the dearth of capital is much more prevalent in developing countries which Nigeria happen to be among. A developing country wishing to mobilize capital resources to foster economic development may at one time or the other resort to borrowing. Foreign borrowing is needed to supplement domestic savings. Countries borrow to promote economic growth and development, ensuring that there exists enabling environment for people to invest their money in other sectors of the economy. Borrowing is necessary to meet the financial requirement of the government. Where government has budget deficit, then the best alternative is to seek other sources (borrow) where such deficit can be eliminated. Government borrows in order to close the resource gap between savings and investment. In the last few years there had been alarming signals on the rising level of Nigerian domestic debt, which in the absence of appropriate measures might result to a looming catastrophe. Since the Obasanjo administration succeeded in looping $30 billion dollars debt off the Nigerian external debt, the country has become quite hopeful and relaxed about external borrowing. This has however, been the motivation that has led to the present Yar'dua's and Jonathan's administration to embark on a new external borrowing extravaganza, which seems to be a determined effort to take our external debt to its previous heights. Among the series of recent external debts are; twenty three billion dollar ($23b) sourced from Chinese banks to build three refineries and a petrol chemical complex, $2.2b loan from African Development Bank in 2009 to execute 46 projects and $915 m credit from the World Bank was just obtained as opined by Ogidan (2010). In the light of the recurring high debt, the World Bank Managing Director in a communiqué warned Nigeria to check its rising domestic debt because it could be harmful to the growth of the domestic economy. This was further buttressed by Ogidan (2010) that aside from relating to whether foreign debt affects economic growth more than the domestic debt", or that both domestic debt and external debt influences a country's economic growth. Some studies like Audu and Abula (2001) are of the view that it is only domestic debt that influences growth and not foreign debt and vice-versa. Thus, there is therefore the need to examine the individual and combined effect of internal and external debt in Nigeria, to enhance proper policy recommendation to the government. the needed checks on foreign debt it is important to focus on issues relating to debt servicing and debts accumulation within the boundaries of the country. Also, Nwankwo (2011) opined in an interactive session that Nigerian domestic debt as attained 86.71% of the total debt as at 2011.He further emphasized that most of the internal debt was incurred through federal government bonds with maturity ranging from 3-20 years issued by DMO on a monthly basis. In the light of this escalating and disturbing domestic debt growth rate and given the priority of current government at making Nigeria one of the largest 20 economies in the world by the year 2020 in line with the vision 2020 objectives, it is important to investigate the effect of public debt on economic growth in Nigeria. Apart from the above, there exist contrasting views in the literatures relating to whether foreign debt affects economic growth more than the domestic debt", or that both domestic debt and external debt influences a country's economic growth. Some studies like Audu and Abula (2001) are of the view that it is only domestic debt that influences growth and not foreign debt and vice-versa. Thus, there is therefore the need to examine the individual and combined effect of internal and external debt in Nigeria, to enhance proper policy recommendation to the government. It is at this point that the paper seeks to establish the link between the Domestic and External Debt and Its Economic Impact on the Nigeria Economy.

**Conceptualization of the Term Public Debt**

Likita (2000) defined debt as a contractual obligation of owing or accumulated borrowing with a promise to payback at a future date. Every economy requires an amount of capital to generate production and sustain development: capital, being a factor of production is particularly important but relatively scarce, and the dearth of capital is much more prevalent in developing countries which Nigeria happen to be among. A developing country wishing to mobilize capital resources to foster economic development may at one time or the other resort to borrowing. Foreign borrowing is needed to supplement domestic savings. In recent times there seems to be a consensus among public opinion leaders that huge external debt was adversely affecting economic growth and development in developing countries (Mojekwu and Ogege (2012)). This was affirmed by Reinhart and Rogoff (2010) who observed that 'the relationship between government debt and real GDP growth is weak for debt/GDP ratios below a threshold of 90 percent of GDP. According to Ajayi and Khan (2000), public debt is measured by several ratios, such as debt to export, debt service to export, debt to GDP (or GNP), and external debt to Gross National Income among others. However, the determination of the sustainable level of these ratios is indeterminable and their usefulness is reduced to a warning of potential explosive growth in the stock of foreign debt. For instance, if the acquisition of additional foreign debt increases the debt servicing burden more than it increases the country's capacity to bear the burden, such an acquisition becomes undesirable and the situation must be reversed through export expansion. If export is not expanded, more borrowing will be necessitated for servicing debt and external debt will pile up above the country's capacity to bear. Public debt is also defined by Adegbite (2012) as the ability of a country to meet its external debt obligations in full without future recourse to debt rescheduling, debt relief, accumulation of trade arrears over a medium or long term and without compromising macroeconomic objectives. These two above positions by Ajayi and Khan (2000) and Adegbite (2012) scored the point of this study because after the celebrated debt relief of Nigeria, the debt profile has suddenly rise in an astronomical rate with no major capacity to expand the revenue base of government to cushion debt servicing nor has the export expansion improve upon.

**Literature Review**

External debt may be used to stimulate the economy but whenever a nation accumulates substantial debt, a reasonable proportion of public expenditure and foreign exchange earnings will be absorbed by debt servicing and repayment with heavy opportunity costs". However, Mba, Umunna and Agu (2016) observed that despite the increased volume of external debt sourced by Nigeria over the years in response to desired economic growth, the effort has translated to low economic performance as evidenced in the high unemployment and poverty rate and low standard of living. Consistently, the government of Nigeria over the years has been engaging in external borrowing as a means of financing its deficit budget meant to pursue growth and the volume of these off-shore finance(s) in Nigeria continue to mount as much as the sources run into multiples. Equally, Ijirshar, Joseph and Godon (2016) posited that the Nigeria external debt profile has been on the increase and has constituted a source of concern about the future in which case the Nigerian government recently embarked on borrowing externally for the main purpose of financing increased proportion of economic activities for economic growth. Olasode and Babatunde (2016) equally complained that the rise in loans from multinational sources posed a great threat to economic independence of Nigeria as incidence of economic imperialism are usually observed when a country relies on loans from these institutions. Specifically, Onwuamaeze (2017) pointed out that statistical evidence indicates that Nigeria is gradually rolling back into another debt trap a little over a decade after Paris and London Club of creditors wrote off its multi-billion-naira debt. Ekperiware and Oladeji (2012) indicated that the debt relief for Nigeria in 2005 caused a structural break in the relationship between external debt and economic growth in the country. This was induced by the freeing of resources for economic growth projects in health and education sectors. Boboye and Ojo (2012) showed that external debt burden had an adverse effect on Nigeria's national income and it's per capital income, as high level of external debts led to devaluation of the Naira, retrenchment of workers, continuous industrial strike and poor educational system, depressing the country's economy. Ezezbalisi et al (2011) found a negative relationship between external debt and economic growth in Nigeria. The study indicated that a 1 per cent increase in external debt stock resulted in a decline of 0.027 per cent in Gross Domestic Product, while a 1 per cent increase in total debt service resulted to 0.034 per cent decrease in GDP. It added that considerations about low debt to GDP and low debt service to GDP ratios should guide future debt negotiations. Suleiman and Azeez (2012 )

**Gap in the Literature:**

There are obvious discrepancies in the existing studies on the effect of foreign borrowing on economic growth. Kasidi and Said (2013) found that foreign debt impacted positively and significantly on economic growth of Tanzania while debt servicing had a negative influence on Tanzania's economy. The findings of Elwasila (2018) revealed that external debt to export ratio impacted positively on Sudan's economy while Matuka and Asafo (2018) findings indicated that external debt impacted positively on the economic growth of Ghana, both in the long and short terms. The other foreign studies (Akram, 2016; AL-Tamimi & Jaradat, 2019; Mukui, 2013; Rifaqat & Usman, 2012; Saxena & Shaner, 2015; Shkolnyk & Koilo, 2018; Siddique et al., 2015) reviewed in this study provided evidence that foreign debt and its servicing impacted negatively on economic growth. There is a common finding here that among the literatures empirically reviewed in line with so many not reviewed, there exists a discordance on the nature of the relationship that exists between external borrowing and economic growth in Nigeria. As also observed by Egungwu (2018), "Extant studies have revealed conflicting results on the interaction between economic development dynamics and external debt fundamentals". Fewer studies like Adesola (2009) and Egungwu (2018) examined this impact using the sources of external borrowing. Adesola (2009) carried out this study using Ordinary Least Square (OLS) method for the period of 1981 to 2004, while Egungwu using the same tool covered 1986 to 2015. The external debt stock, which was about \$9 billion in 1980, grew to nearly \$19 billion by 1985 which corresponds to the debt stock at level of 15% and 24% respectively. By 2001, the debt stock as percentages of total export and GNP was 14% and 83% respectively. The country's total external debt stood at N10.6 trillion as at December, 2016. According to Ighommenghian (2013), Data from the Nigeria's debt management office shows the nation's total debt profile stood at \$10.43 billion at the end of 2012. That it was uplifting to know that Nigeria was almost free from debt reprieve that could not be managed adequately to foster economic development. Instead of the debt management office, the Central Bank and federal government to carefully manage the debts, it appears that they are interested in contracting more debt for the country. However, in consideration of the foreign challenges, Nigerian government established debt management office in October 2000. Omoniyi (2011) maintained that debt management is the gamut of institutional and technical arrangements in organizing the liabilities of a country so that the debt service burden is kept within sustainable level. The technical aspect is concerned with the determination of the amount (level) of debt the economy can sustain and that the conditions of borrowing are on favorable terms and are consistent with the future debt serving capacity. In both aspects, more attention is given to reducing the debt service burden or keeping it stable.

According to Amaefule (2014), "Nigeria's debt profile had jumped from $48.36 billion to $65.25 billion between March 31, 2013 and March 31, 2014". On February 17, 2017, the Debt Management Office maintained that the nation's total debt profile currently stood at $57.39 billion. It comprised external and domestic debts of the federal government, those of the 36 states of the federation and Federal Capital Territory, as at December 31, 2016. The country's debt profile has risen from about N794 billion in 1999 to N10.6 trillion in 2016. In the opinion of Dr. Abraham Nwankwo, the Director-General of the debt management office, Nigeria's debt profile is estimated to cross the N11 trillion mark at the end of 2016 and could rise to as high as N14 trillion at the end of 2017, when it is expected that foreign debt management strategies adopted by Nigerian government will reduce the external debt and bring economic development.

Nigeria's debt profile changed immediately after her exit from the Paris Club debt in 2006 and

2007, though Nigeria still maintains foreign debt stock with the London Club at $1.4 billion,

Multilateral debt at $2.7 billion, Promissory notes at $0.6 billion, other Non-Paris Club stood at $9.1 billion. Thus, as at end of 2006, Nigeria's total foreign stock stood at $4.8 billion. By 2007 the total foreign debt changed and stood at 3.6 billion down from about $3.5 billion in 2005. In 2008 it stood at 3.67 billion. According to Central Bank of Nigeria (2010) reports, Nigeria has since 2006 been accumulating other debts. Chinweizu (2005), lamented on how one could reconcile the fact that Nigeria could not pay $6 billion required to service its debt annually but was forced to pay $5 billion immediately and buy back the remaining balance. That was why it was difficult to translate immediate gains of the debt relief to socio-economic development and the welfare of its citizens. The government was busy paying $12.5 billion of the debt at trench in order to receive $18 billion debt relief, while there was N875 billion in pension arrears and the increasing domestic debt, an amount which no country in history have ever paid at once, all have lead to the majority of Nigerians becoming poorer economically than they were at the inception of the regime in 1999 (Aluloko, 2007). This study shall therefore join in this debate in investigating the relationship between external and internal borrowing and economic growth in Nigeria adopting the same variable for a period (2000 to 2019).

**Table 1: Nigeria's Domestic Debt Table from 2011 to 2018**

| Year | Federal Go vt (Amount in Billion Naira) | State Government (Amount in Billion Naira) | Local Government (Amount in Billion Naira ) | Total Domestic Debt(in Billion ) | % Ch ange in Total Domestic Debt |
|---|---|---|---|---|---|
| 2011 | 5.6bn | 1.5bn | 52.2bn | - | 17.92 |
| 2012 | 6.53bn | 1.53bn | 57.4 | 6.9bn | 17.92 |
| 2013 | 7.1bn | 1.65bn | 39.7bn | 8.6bn | 10.78 |

| | | | | | |
|---|---|---|---|---|---|
| **2014** | **7.9** | **2.5** | **12.0** | **9.5** | **18.27** |
| **2015** | **8.8** | **2.9** | **39.7** | **11** | **23.64** |
| **2016** | **11.5** | **3.3** | **19.1** | **14.3** | **15.05** |
| **2017** | **12.5** | **3.3** | **22** | **16.4** | **2.9** |
| **2018** | **12.7** | **3.85** | **NA** | **16.2** | **-** |

**Source : CBN Statistical Bulletin 2017, Budget Research**

Total domestic debt, at national and sub-national levels, grew from 2011 level of N6.91 trillion to N16.15 trillion in the fiscal year 2017. Domestic debt profile had grown at an annual average rate of 15.34 per cent between 2012 and 2017. Growth in domestic debt at 17.92 per cent, 18.27 per cent and 23.64 per cent was more aggressive in the fiscal year 2012,2015 and 2016
respectively.

**Table 2: Composition Analysis of Public Domestic Debt in Nigeria from 2011 to 2017**

| **Year** | **Federal Government As Percentage A Total of Domestic Debt** | **State Government A s A Percentage Total of Domestic Debt** | **Local Government As A Percentage Total of Domestic Debt** |
|---|---|---|---|
| **2011** | **81.39** | **17.85** | **0.76** |
| **2012** | **80.25** | **19.05** | **0.70** |
| **2013** | **82.16** | **17.74** | **0.10** |
| **2014** | **82.34** | **17.25** | **0.41** |
| **2015** | **77.8** | **22.08** | **0.11** |
| **2016** | **78.79** | **21.08** | **0.14** |
| **2017** | **77.97** | **20.74** | **1.30** |

**Source: CBN IT Research**

From the table above in the fiscal year 2011, the Federal Government's domestic debt accounted for approximately 1.39 per cent of public domestic debt obligation while state's domestic debt and local government domestic debt came to 17.85 per cent and 0.76 per cent of the public domestic debt. Over the last seven years, the composition seems to have changed slightly. In the fiscal year 2011, the Federal Government's domestic debt accounted for approximately 81.39 per cent of public domestic debt obligation. While the federal government domestic debt continues to dominate, at 77.90 per cent of the total domestic debt, FG's percentage contribution to the weight of domestic debts seems to have been weaned despite FG growing its domestic debt at an average of 14.48 per cent. State's domestic debt grew faster than the federal government's, averaging 19.2 per cent between 2011 and 2017.That is reflective on the general increase in states' proportion of domestic debt in Nigeria jumping from 17.85 per cent in 2011 to 20.74 per cent in the fiscal year 2017. Local government domestic debts, as a percentage of public domestic debt, stood at 1.36 per cent in the latter part of 2017 fiscal year, growing from 2011 level of 0.76 per cent.

**Nigeria External Debt Profile**

Nigeria, like other developing countries, has benefitted from both external and domestic borrowing to finance its developmental goals over the years. For instance, the country's external debt was US$35.94 billion in 2004, having doubled from US$18.9 billion recorded in 1985. At that time, Nigeria's total debt as percentage of its GDP stood at 34.1 per cent, higher than the international threshold of 30.0 per cent . Consequently, a move for external debt relief commenced and it was obtained from the Paris Club in 2005, leading to the cancellation of about 60 per cent of the US$30.85 billion being owed by the country. The debt relief negotiation was largely motivated by the need to free up resources for investment and faster economic growth in the country.In the fiscal year 2011, the federal government's external debt accounted for approximately 62.44 per cent of public external debt obligation. Over the last seven years, the composition seems to have changed slightly as the federal government tapped into the external debt market faster. As at the end of the fiscal year 2017, about 78.41 per cent of Nigeria's total external debt was under the federal government account.

**Table 3 : Nigeria Composition Analysis of Public External Debt in Billion Dollars**

| Year | Federal Government | State Government | Total External Debt | Growth in External Debt |
|---|---|---|---|---|
| **2011** | **3.5bn** | **2.1bn** | **5.6bn** | **13.1%** |
| **2012** | **4.1bn** | **4.1bn** | **8,2bn** | **15.19%** |
| **2013** | **6.6bn** | **6.4bn** | **12.4bn** | **35.16%** |
| **2014** | **6.4bn** | **6.4bn** | **12.8bn** | **40.2%** |

| | | | | |
|---|---|---|---|---|
| **2015** | **7.3bn** | **7.8bn** | **15,2bn** | **50.3%** |
| **2016** | **7.8** | **7.8** | **15.3bn** | **50.3%** |
| **2017** | **14.8bn** | **14.8** | **28,2bn** | **55.3%** |

**Source : CBN 2017**

Total external debt, at national and sub-national levels, grew from 2011 level of $5.67 billion to $18.91 billion in the fiscal year 2017. External debt stands at $22.08 billion as at the end of June 2018. External debt stock had grown at an annual average rate of 23.84 per cent between 2012 and 2017, faster than domestic debt stock. Growth in external debt at 35.16 per cent an 65.82 per cent was more aggressive in the fiscal year 2013 and 2017 respectively. In the fiscal year 2011, the federal government's external debt accounted for approximately 62.44 per cent of public external debt obligation. Over the last seven years, the composition seems to have changed slightly as the federal government tapped into the external debt market faster. As at the end of the fiscal year 2017, about 78.41 per cent of Nigeria's total external debt was under the federal government account.

**Table 4: Nigeria's External Debt Lenders in Millions of Dollars**

| **Lenders** | **Amount in Million Dollars** |
|---|---|
| World Bank | 8,473,101 |
| Africa Development Bank | 2,410,600 |
| Multi Lateral Bank | 10,883,700 |
| China (Exim Bank ) | 1,913,070 |
| France (AFD) | 2,740,989 |
| Japan (JICA) | 7,411,691 |
| India (Exim Bank of India) | 4,721,120 |
| Germany (KFW) | 1,320,242 |
| Bilateral | 2,399,974 |
| Eurobonds | 8,500,000 |
| Diaspora Bond | 3,000,000 |
| Commercial | 8,803,000 |
| Total | 22,083,440 |

**Source : Debt Management Office 2018**

The external debt burden on Nigeria has been on a gradual and continuous rise, even after liquidation of almost 80 per cent of the nation's external debt in 2006 via the Paris Club agreement. According to the Debt Management Office, multilateral loans, bilateral Loans and commercial debts account for 49.28 per cent, 10.87 per cent and 39.85 per cent of Nigeria's public debt. In terms of geopolitical zones, China's multilateral debt stood at $1.9 billion or 8.66 percent of Nigeria's external debts.

**Table 5: Nigeria Domestic and External Debt 2102 to 2018**

| Year | Domestic Debt (billions of Naira ) | External Debt (USD)Millions |
|---|---|---|
| 2012 | 6.5bn | 6.5milliion USD |
| 2013 | 7.1bn | 8.8million USD |
| 2014 | 7.9bn | 9.7million USD |
| 2015 | 8.8bn | 10.7million USD |
| 2016 | 11.5bn | 11.4million USD |
| 2017 | 12.5bn | 18.9million USD |
| 2018 | 12.7bn | 25million USD |

**Table 6: Nigeria's Foreign Public Debt From 2000-2019 in Dollars**

| Year | Amount in Billion USD |
|---|---|
| 2000 | 3.13bnUSD |
| 2001 | 3.17bnUSD |
| 2002 | 3.93bnUSD |
| 2003 | 4.47bnUSD |
| 2004 | 4.89bnUSD |
| 2005 | 2.97bnUSD |
| 2006 | 4.8bnUDS |
| 2007 | 3.65bnUSD |
| 2008 | 3.73bnUSD |
| 2009 | 5bnUSD |

| | |
|---|---|
| **2010** | **4.56bnUSD** |
| **2011** | **5.67bnUSD** |
| **2012** | **6.03bnUSD** |
| **2013** | **6.92bnUSD** |
| **2014** | **10.3bnUSD** |
| **2015** | **13.3bnUSD** |
| **2016** | **20.9bnUSD** |
| **2017** | **20.1bnUSD** |
| **2018** | **39.1bnUSD** |
| **2019** | **40.9bnUSD** |

**Source: DMO 2019**

As at December 31 2012, under the President Goodluck Jonathan administration, Nigeria's total debt stock had increased to N7.55 trillion, an increment of about N1.03 trillion from the 2011 figure of N6.52 trillion. By the end of the administration in 2015, total debt had leapfrogged to N10.95 trillion. However, recent external debt accumulation has seen FG external debt risen from $10.7bn in 2015 to $21bn in 2018, a 135% growth. Domestic debt has also moved from N8.83tn, as at December 2015, to N12.77tn in December 2018, a whooping 44% growth in three years. The federal government's domestic debt burden climbed to about N12.51 trillion naira as at the end of June 2018. The domestic debt of the federal government composed of FG bonds (N8.93 trillion), Nigerian treasury bills (N2.95 trillion), Nigerian treasury bonds (N150.99 billion), FGN saving bonds (N8.52 billion), FGN Sukuk (100 billion) and FGN green bond (10.69 billion). In terms of structure, 73.47 per cent of FG's domestic debt in the fiscal year 2018 is locked in FGN bond, mostly long-term securities.

## Summary, Conclusion and Recommendations

### Summary and Conclusion

A good performance of an economy in terms of per capita growth may therefore be attributed to the level of domestic debt and not on the level of external debt in the country; therefore external debt is seen as inimical to the economic progress of a country. The paper found that domestic debts if properly manage can lead to high growth level. A major policy implication of this result is that concerted effort be made by policy makers to manage the debt effectively by channeling them to productive activities (real sector) so as to increase the level of output in Nigeria, hence achieving the desire level of growth. Another policy implication of the study is that most developing countries contract debt for selfish reasons rather than for the promotion of economic growth through investment in capital formation and other social overhead capital. For debt to promote growth in Nigeria and other highly indebted countries fiscal discipline and high sense of responsibility in handling public funds should be the Watchword of these countries' leaders.

External debt can only be reduced to the barest minimum by increasing output level (GDP).

**Recommendations**

The policy implication of this result is that domestic debt rather than external debt will stimulate economic growth in Nigeria. This is because the repayment of the principal and interest on such internal debt is a reinvestment into the domestic which would usually have a chain investment effect on the domestic economy. But with respect to external debt, more resources will be needed to repay and service the debt and this would impair the positive effect of this debt on economic growth. Thus, the paper recommends that government should rely more on domestic debt in stimulating growth rather than external debt. Government should formulate policies aimed at encouraging domestic savings vis-à-vis domestic investment. The need for borrowing is due to gap between domestic savings and investment; therefore, bridging the gap can be a likely solution to Nigeria's debt accumulation.

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