IJAAR PUBLISHING® DOI: 10.46654

Research Journal of Management Practice | ISSN: **2782-7674**
Vol. 1, Issue 9 (September, 2021) | www.ijaar.org

DEBT-GROWTH DYNAMICS IN NIGERIA: AN EMPIRICAL ANALYSIS

Uzoma Chidoka Nnamaka, Ph.D
Rivers State Universal Basic Education Board, Port Harcourt, Nigeria
chidoka1@yahoo.com

Chukwuma - Ogbonna Joyce Adaku, Ph.D
Department of Economics, College of Management Sciences, Michael Okpara University of Agriculture, Umudike, Abia State, Nigeria.

ABSTRACT

This study focused onpublic debt and economic growth dynamics in Nigeria for the period 1981 to 2020using Co-integration/Error Correction Mechanism to analyze data sourced from the CBN statistical bulletin.Public debt was disaggregated into external debt and domestic debt while adding debt service payment. The ADF stationary test showed that all the variables were stationarity after first difference. The Co-integration test revealed that there is a long-run relationship among the variables. The result of the parsimonious ECM showed that the overall model is satisfactory given the coefficient of determination of 54 percent and f-statistic of 27.8.The goodness of fit was robust and reasonable in explaining changes in economic growth and the coefficient of the error correction term confirms that in the event of shock or disequilibrium, the situation would go back to normal at the speed of 28 percent per annum.Findings from thestudyshowed that external debt had an insignificant positive impact on economic growth while domestic debt significantly stimulated growth in Nigeria for the period under review. In addition, debt service payment was found to have negatively and insignificantly affected economic growth in Nigeria. The post-estimation test result shows that the estimated parameters are normally distributed. Based on these results, the study recommends that since the need to source for external loans stems from the savings-investment gap, appropriate macroeconomic policies should be pursued to bridge the gap by generating revenue within. However, if borrowing is inevitable, the borrowed funds should be utilized prudently by channeling it to developmental projects to improve economic growth.

Keywords: *External Debt, Domestic Debt, Debt Service Payment, Economic Growth, Nigeria*

1. INTRODUCTION

The quest for development requires nations to make investments with the resources at their disposal. In reality however, especially for most developing economies, the available resources are not sufficient to achieve sustainable growth and development. To augment the domestic sources of funds, nations incur debt. This is to say that debts emanate from the paucity of funds and the quest for improvement in social and economic infrastructures in order to achieve sustainable economic growth and development. This lack of funds arises from the vicious circle of low productivity, low income, low domestic savings and depleting foreign exchange earnings all of which has led to adecrease in internal capital formation (Chenery & Strout, 1966; Gbosi, 1998). The available option therefore is to resort to international communities for additional funds to augment domestic resources for investment. Over the years, there has been varying views on the impact of external debt on an economy regarding if it is pro- growth or otherwise. Kenon (1990) & Cohen (1993) argued that external debt can be beneficial to a nation if the borrowed money is channeled to the productive segments of the economy. This is because borrowed funds should be used to finance investments that are expected to yield returns that are higher than the cost of debt servicing (Clements & Nguyen, 2008; Ndekwe, 2008). In contrast, other scholars have argued that external debt could be detrimental to economic growth because it diverts government expenditure and foreign exchange earnings thereby reducing the available resources for investment as a result of debt servicing and higher rate of interest which may lead to lower investments. Udeh et al (2016) however noted that the contraction of debt for unproductive uses leads to intergenerational and intragenerational inequity as it places a burden on the future generation of a country due to unprofitable borrowing.

In Nigeria, external borrowing was birthed in 1958 when theWorld Bank lentthe sum of $28 million for rail way construction. This debt had lower interest rate with longer repayment period so it remained relatively low from that decade to the next. The oil boom of 1970s made servicing the debt a walk in the park and more loans were acquired with hope of repayment from the proceeds gotten from the oil windfall. After the crash in oil prices, there was pressure on the nation's external debt stock because of the inability to promote export of finished goods as well as government's failure to embark on necessary adjustment, particularly at the time of declining revenue that resulted to growing fiscal deficits and further external debt accumulation which caused financial burden on the economy and crowded out investment (DMO, 2005).The increase in external debt in Nigeria has been attributed to several factors and they include; increase in government capital expenditure, non-concessional interest rates on loans from international community, decline in oil earnings from late 1970s and trade arrears resulting from high dependence on imports, upward review of interest rate, all of which compounded the debt situation (CBN, 2020).

Paris club, initiated a write-off for highly indebted countries in 2005 including Nigeria having US$28 billion (85.8%) of its total debt owed to Paris club (Okonjo-Iwela, 2005). Sequel to the Paris club debt relief and the paying of US$6 billion arrears on debt upfront, a debt in the sum of US$16.6 billion was written off debt. The balance of US$8.2 billion had to be bought back, saving the nation the sum of US$2 billion which reduced the external debt stock to US$3.7 billion, representing 2.1percent of GDP in 2006 (DMO, 2007). A study conducted by the World Bank showed that a debt to GDP ratio that exceeds 77 percent for an extended period of time may have an adverse effect on the nation's GDP.

Public debt can be classified as external and domestic debts. External debts are loans raised through foreign sources. Practically in Nigeria, external debt is sourced basically from; Paris

club of creditors, London club of creditors, multilateral creditors, bilateral and private sector creditors and promissory note creditors (CBN, 2020). Domestic debts on the other hand are those debts incurred within the country. Debt service payment is the total amount required to pay interest and principal on outstanding loans and bonds. The payment is made with foreign exchange earnings and is usually met through export earnings and/or further external borrowing Uzoma & Odungweru (2021). Debt service payment as an increasing net transfer of resources from Nigeria serves as a leakage of thenation's economy because it reduces the resources that would have been channeled to productive sectors thereby clogging the wheels of the achievement of other macroeconomic goals of the nation.

Nigeria has remained an indebted nation despite the reliefs it has received keeping her on the wrong side of the debt-laffer-curve, with debt crowding out investment and growth. Several studies have been carried out on debts and its implications on economic growth. This study therefore seeks to contribute its quota to the existing body of literature on debt and economic growth in Nigeria.

The paper is broadly divided into five sections. Following this introduction is section two which is the review of literature, section three which contains the methodology, section four which presents results and discussion and finally section five which gives the summary, conclusion and recommendations.

2. THEORETICAL LITERATURE

Borensztein, (1990) posited that if there is some likelihood that in future, debt will exceed the country's repayment ability, expected debt-service cost will discourage further domestic and foreign investments which will in turn hamper growth. The expected debt service will therefore be an aggregate function of the output of economy (Claessens, 1996). This is the major tenet of Debt overhang hypothesis. It is a major cause of slow economic growth in indebted countries because the debtor countries get little benefits from the returns on additional investments because of debt service obligation (Clements, Bhattacharya & Nguyen, 2003). The reason is that potential investors will fear that more production will attract more taxes by creditors to service the external debt, making them less willing to incur costs today because of increased output in the future (Elbadawi, Ndulu & Ndungu, 1997; Iyoha & Iyare, 2008). This situation prompted the concept of the "Laffer Curve" which explains the relationship between the amount of debt repayment and the size of debt. Given the debt Laffer curve, Lensink and White (1999) posited that there is a threshold at which incurring more debt is detrimental to growth. Soludo (2003) noted that external debt can serve as an economic stimulant to a nation, however, once an initial stock of debt grows to a certain level, servicing the debt becomes burdensomeparticularly when it reaches to a certain threshold which eventually places the nation on the wrong side of the debt-laffer curve, with debt crowding out investment and growth.

Stylized Facts on External Debt Stock and Debt Servicing in Nigeria

By the early 1980s, external debt stock in Nigeria was US$14.8 billion with about $6.3billion belonging to Paris club alone. 1990 witnessed external debt figure rising to $33.1billion (CBN, 2006). Prior to that time, the nation had experienced economic boom in oil revenue which didn't last but declined shortly after (Frankal & Dude, 1989; Iyoha & Iyare, 2008). This incidence made government expenditure to skyrocket which eventually led to the accumulation of more external debt to finance its projects. At the beginning of 2001, the external debt stock in Nigeria was $28.5 billion. Within the same period, domestic debt was

about N1.52 trillion. The figurers kept increasing till it got to N 4.8 trillion by 2011. By the end of 2004, Nigeria's debt stock rose to $36 billion with $31 billion of it being owed to the Paris Club of Creditors while the rest was owed to multilateral, commercial and other creditors (CBN, 2008; DMO, 2008). Nigeria's external debt profile rose from $9.7 billion in 2015 to $27 billion in 2019 and further to $31.99 billion exceeding the amount owed before the debt cancellation in 2005. The total debt stock by 2019 was $83.8 billion and increased to $84.574 billion of which 37.82 percent were external debts while the remaining 62.18 percent were domestic debt (CBN, 2020). By the end of September 2020, the external debt stock was $31.99 billion, representing 7.7 percent of total GDP of which $16.74 billion were multilaterally sourced, $4.08 billion were from bilateral sources (mainly the China EXIM bank) and the remaining $11.17 billion were from commercial sources. External debt alone increased from $9.7 billion in 2015 to $27 billion in 2020. In that same period, total debt stock was $84.574 billion of which 37.82 percent was external and the remaining 62.18 percent was domestic.

Most recently, the increase in the debt stock was attributed to COVID-19 pandemic response, meeting revenue shortfalls and the issuance of promissory notes to settle inherited liabilities (DMO, 2020).

In 2001, domestic debt stock was about N1.52 trillion. The figures kept increasing till it got to N 6.91 trillion by 2011 and further to N16.15 trillion by 2017. On the average, domestic debt profile grew to an annual rate of 15.34 percent between 2012 and 2017.

Between 1985 and 2001, Debt Management Office unveiled that about $32 billion was used to service debt in Nigeria (DMO, 2006). In 2015, $378.9 million was spent on debt servicing alone in Nigeria. The figures increased to $1.47 billion in 2018 and further to $1.31 billion in 2019 (CBN, 2020). Debt service payment rose by 245.9 percent from 2015 to 2019 representing $3.95 billion accumulation of debt service payment for those periods.

Debt Management Strategies in Nigeria

Debt management refers to a deliberate official action of the government, the central bank or the treasury to alter the quantity and kinds of national government's debt obligations involving a consciously planned schedule of acquisition, deployment and retirement of loans contracted either for development purpose or to support the balance of payments (Ajie *et al*, 2014). An efficient debt management strategy should result in debt service ratio stabilizing at between 20 – 24 percent of GDP (Omoruyi, 1996 as cited in Ajie *et al*, 2014).

Since the early 1980s, Nigeria has adopted various strategies to bring the country's debt stock to a sustainable level.

Debt restructuring has been the strategy prevalent in Nigeria. It involves the conversion of existing debt to another debt category through refinancing, rescheduling, buyback, and new money option. Refinancing of debt involves the procurement of a new loan by a debtor to pay off an existing short-term debt. The first debt refinancing in Nigeria was in July 1983 (Ajie *et al*, 2014). Debt rescheduling is the altering of the maturity date of a debt in order to facilitate convenience in debt management and repayment. In Nigeria, this strategy was adopted in 1986, 1989, 1991 and 2000. Despite these rescheduling agreements however, Nigeria's debt to Paris Club was still increasing because of the nation's inability to fully pay what was due each year which led to the substantial growth of the debt stock because of the high interest rate, interest recapitalization, etc (Iyoha & Iyare, 2008). Debt buy-back is the offering of a

substantial discount to pay off an existing debt while new money option is the granting of new loans by a creditor to assist a debtor nation. Other debt management strategies include collateralization, embargo on loans, debt repudiation, debt conversion and limit on debt service payment.

Empirical Literature

Various literatures exist on the relationship between public debt and economic growth in Nigeria. For instance, Amassoma (2011) examined the causal relationship between external debt, domestic debt and economic growth in Nigeria from 1970 to 2009 using Vector Autoregressive (VAR) and Vector Error Correction (VEC) models. Findings from the VAR model showed that there exists a bi-directional causality between domestic debt and economic growth while that of the VEC model revealed a unidirectional causality from economic growth to external debt in Nigeria. The study therefore recommended that government rely more on domestic debt in stimulating growth than on external debt.

Kabadayi *et al* (2012) employed a panel autoregressive distributed lag (ARDL) model in studying the contribution of foreign borrowing on economic growth in 19 developing economies. Their findings revealed that foreign debt has direct impact on economic growth. The results further showed that the degree of the economy's openness had positive implication on growth in the long run while the ratio of foreign debt to export impacted negatively on economic growth in developing economies in the short run.

Tajudeen (2012) investigated the causal link between aggregate public debt and the growth of the Nigerian economy for the period 1970 to 2010 using the Vector Autoregressive (VAR) model. The results showed the existence of a bi-directional causality between public debt and economic growth in Nigeria. The study therefore recommended that government be prudent with the loans by investing such funds into project with high propensity to growth and development instead of diverting it to personal used.

Ishola *et al* (2013) carried out a study on the contribution of foreign borrowing on economic growth in Nigeria for the period 1980 to 2010 using the OLS method. Findings from the study show that 12.3% variation in economic growth was attributed to foreign borrowing and prime lending rate in Nigeria. The study therefore recommended a strong political will in addressing the basic causes of foreign debt to ensure efficient use of debts in developing critical sectors of the Nigerian economy for rapid and sustainable growth in the country.

Obiwuru *et al*. (2013) carried out a study on domestic borrowing and its impact on economic growth in Nigeria for the period, 1990 to 2010 using the ordinary least squares method. Findings from their study showed that local debt and credit to the economy had direct and significant impact on economic growth while interest rate had an inverse and insignificant implication on economic growth in Nigeria. Furthermore, the result showed that the causal variables in the model had significant joint effect on economic growth and influenced higher proportion of the systematic change in dynamics of growth in Nigeria during the period of the study.

Uma *et al*, (2013) used the Ordinary Least Squares to analyze the impact of public debt on the economic development of Nigeria over the period, 1970-2010. Their results showed that local and foreign debts impacted negatively on economic growth (proxied by GDP) but were insignificant at 5 percent level. External debt servicing however showed a positive

relationship with economic growth but also insignificant at 5 percent level. The study therefore recommended a prudent debt management and the channeling of internally generated revenue (IGR) to finance development.

Okwu *et al* (2016) employed the cointegration and error correction model (ECM) in examining the impact of domestic debt on economic growth in Nigeria for the period 1980 to 2015. Findings from the study revealed a significant short-run and long-run direct implication for Domestic Debt Stock; inverse relationship between domestic debt stock expenditure and an insignificant negative relationship between lending rate of banks and economic growth. The study therefore concluded that domestic debt had short and long-run capabilities for improving economic growth in Nigeria and thereby recommended prudent allocation of local borrowed funds to the real sectors to enhance sustainable economic growth in the country.

Ewubare, Nteegah and Okpoi (2017) examined the effect of public borrowing on growth of the Nigerian economy from 1980 to 2015 using the ARDL technique. Their result showed that external debt stimulated growth positively and significantly while domestic debt significantly retarded growth in Nigeria both in the long and short run periods. In addition, debt service stock in their result impacted economic growth negatively and insignificantly. Based on the results, their study recommended the reduction in local borrowing to enhance private investment, prudent utilization of borrowed funds to enhance results and better debt management strategies to ensure efficiency.

Didia & Ayokunle, (2020) examined external debt, internal debt and economic growth in Nigeria using the Vector Error Correction Model (VECM) technique for the period 1980 to 2016. Findings from their study showed that domestic debt had statistically significant positive relationship with economic growth in the long run while external debt exerted an insignificant negative relationship with economic growth. They argued that domestic debt improved economic growth in Nigeria more than external debt because the interest paid on domestic loans remains in the country and could be reinvested for further productive economic use. They recommended that the federal government should pay more attention to the mix of domestic debt and external debt in Nigeria's loan portfolio.

Efuntade *et al* (2020) empirically investigated the impact of external debt on economic growth in Nigeria from 1981 to 2018 employing ARDLECM estimation technique. The variables used in the study were tested for stationarity using the Augmented Dickey Fuller. Their result revealed that external debt and foreign direct investment positively affected economic growth while domestic debt hampered economic growth in Nigeria. They therefore recommended that the government should reconsider the spending structure to favour infrastructure development which would motivate both local and foreign investors to invest and in turn enhance economic growth.

3. METHODOLOGY

This study used secondary data from Central Bank of Nigeria (CBN) statistical bulletin for a 40-year time period spanning from 1981to 2020 adopting the econometric analysis of ADF unit root test, Johansen co-integration test and Parsimonious Error Correction Method to determine the impact of external debt on economic growth in Nigeria. Also, post estimation test was carried out tofind out if the residuals have the skewness and kurtosis matching a normal distribution. Specifically, the jarquebera test was applied.

Model Specification

This study specified the model below as:
GDP = f(DEBT)……..……..……(1)
To determine the relationship between public debt and economic growth, the former would be disaggregated into external debt, domestic debt and debt service payment. Simplifying equation 1, we have:
GDP = f(EXD, DMD, DSV)……..……..……(2)
To minimize the scale effect inherent in data measurement, equation 2 is transformed to a log-linear form. This helps to interpret the estimated coefficients in terms of elasticities. The log –linear form of equation 2is therefore stated as follows:
$LnGDP_t=Ln\alpha_0+\alpha_1LnEXDt+\alpha_2LnDMDt+\alpha_3LnDSVt+Ut$……..(3)

Where; GDP = Gross Domestic Product, EXD = External Debt, DMD = Domestic Debt, DSV = Debt Service Payment, Ln = Natural Logarithm, U = Error Term, t= Time Period, α_0= Intercept, α_1 - α_3= Slope of the parameters. It is expected *a priori*, that $\alpha1> 0$, $\alpha2> 0$, and $\alpha3<0$.

4. RESULTS AND DISCUSSION

The section provides empirical tests and analysis of relevant data, and a discussion of the findings.

Unit Root Test

This involves testing for the stationarity properties of each of the variables using the Augmented Dickey Fuller (ADF) test to find the existence (or otherwise) of unit root in each of the time series. The result of the unit root test is presented in the table 1 below.

Table 1: Unit Root Test for Stationarity (Augmented Dickey Fuller)

VARIABLE	ADF Test	1% Critical Value	5% Critical Value	10% Critical Value	Order of Integration
LDP	-3.116427	-3.615588	-2.941145	-2.609066	I(1)
LEXD	-4.791603	-3.514823	-2.813104	-2.562286	I(1)
LDMD	-4.611139	-3.615588	-2.941145	-2.609066	I(1)
LDSP	-7.786296	-3.615588	-2.941145	-2.609066	I(1)

The stationarity test reported in Table 1 showed that the variables did not attain stationarity at levels but at first difference. In absolute terms, the ADF values of gross domestic product, external debt, domestic debt and debt service payment became greater than their critical values at 5 percent significance level. Having established the stability of the variables, we went further to establish the existence (or otherwise) of a long run cointegrating relationship among the variables by using the Johansen procedure.

Co-Integration Test

The results of the co-integration test using the Johansen procedure are presented in the table2 below.

Table 2: Johansen Co-integration Test Results

Hypothesized No. of CE(s)	Trace Statistic	5% critical value	Eigen value	Max-eigen Statistic	5% critical value
None*	147.2869	47.85613	0.905565	89.67390	27.58434
At most 1*	57.61299	29.79707	0.688104	44.27323	21.13162
At most 2	13.33976	15.49471	0.203789	8.659883	14.26460
At most 3*	4.679882	3.841466	0.115873	4.679882	3.841466

The result of the co-integration in Table 2 was based on both the Trace Statistics and Maximum Eigenvalue. The results indicated the existence of two co- integrating equations at 5 percent significance level. This suggests that there is a long run equilibrium relationship amongst the variables, gross domestic product, external debt, domestic debt and debt service payment in the estimated model. Given the existence of co-integrating equations, the requirement for fitting in an error correction model is satisfied.

Parsimonious Error Correction Mechanism

In order to confirm the existence of a co-integrating vector among the variables, the ECM is employed. This is basedon the general-to-specific rule and the results are presented on Table 3 below.

Table 3: Parsimonious ECM Result

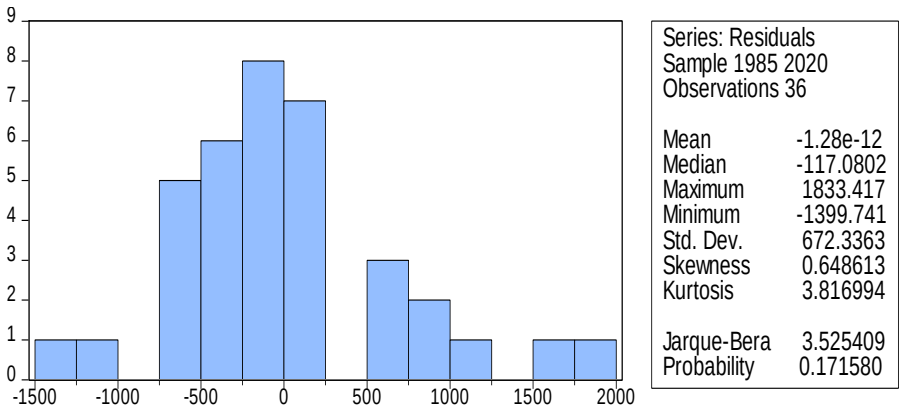
Dependent Variable: D(GDP)				
Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-0.211941	0.102995	-2.057789	0.0506
D(GDP(-1))	0.113308	0.331436	0.341871	0.7384
D(GDP(-2))	0.169947	6.607249	0.025721	0.9799
D(EXD)	0.093077	6.011428	0.015483	0.9879
D(EXD(-1))	0.113308	0.331436	0.341871	0.7384
D(DMD)	0.394521	0.172326	2.289390	0.0282
D(DSV)	-0.642711	0.284411	-2.259792	0.0403
D(DSV(-2))	-0.491714	0.270203	-1.819797	0.0902
ECM(-1)	-0.280952	0.083280	-3.373586	0.0018
R-squared	0.539343	**Mean dependent var**		0.021746
Adjusted R-squared	0.513428	**S.D. dependent var**		29.88489
S.E. of regression	23.08767	**Akaike info criterion**		9.092463
Sum squared resid	18175.43	**Schwarz criterion**		9.176540
Log likelihood	-175.9646	**Hannan-Quinn criter.**		9.121582
F-statistic	27.84170	**Durbin-Watson stat**		1.982654
Prob(F-statistic)	0.000011			

From the results of the Parsimonious Error Correction Model presented in Table 3, the coefficients of the current form and one lagged form of external debt were rightly signed conforming to *apriori* expectations but not statistically significant at 5 percent level implying a positive relationship between external debt and economic growth. Although, the result was not in line with the position of Umah *et al* (2013), it corroborates the findings of Kabadiya (2012). The insignificant impact of external debt on economic growth in Nigeria is reflective

of the fact that externally sourced loans have not been prudently utilized to improve the economy. Also, the coefficient of domestic debt was rightly signed in line with *apriori* expectation implying a positive relationship between domestic debt and economic growth during the period of study. The result is in consonance with the findings of Obiwuru *et al* (2013) which observed a direct link between local debts and economic growth in Nigeria but deviated from the result of Okwu *et al* (2016). The ration behind this is that the payment of the interest on internally sourced loan serves as a re-investment into the domestic economy. Meanwhile, debt service payment impacted negatively on economic growth with a statistically significant coefficient. This obviously implies that debt servicing is like a conduit pipe that leaks the resources that would have been channeled to productive sources in an economy.

Furthermore, the error correction term has the negative sign and was statistically significant at 5 percent level indicating a moderate convergence to long run equilibrium after the short run shocks. Specifically, 28 percent disequilibria in economic growth in the previous year were corrected for in the current year. It therefore, follows that the ECM could rightly correct any deviations from short run to long-run equilibrium relationship of the dependent and the explanatory variables. The R^2 value showed that about 54 percent of the total variation in Nigeria's economic growth is influenced by changes in external debt, domestic debt and debt service payment over the period under investigation. The F-statistic showed that the overall explanatory variables are significant in explaining economic growth in Nigeria. The Durbin Watson value of 1.98 suggests the absence of autocorrelation in the model.

Normality Test



The Jarque-Bera normality test result showed that the model scaled through the diagnostic tests as the probability value of 0.17 was greater than 0.05 implying that the null hypotheses of normal distribution is accepted implying that theestimated parameters are stable over time and can therefore produce a reliable forecast.

CONCLUSION AND RECOMMENDATIONS

This study examined the effect of public debt on economic growth in Nigeria for a 40-year time period spanning from 1981 to 2020.Relevant literatures on the subject matter were reviewed. The unit root test showed that all the variables attained stationarity after first difference. The Johansen cointegration test implied that there exists a stable long run relationship between gross domestic product, external debt, domestic debt and debt service payment in the model. Using the OLS method in analyzing the data sourced, the results

showed that external debt had a positive but insignificant impact on economic growth in Nigeria reflecting the inefficient management of borrowed funds in the nation. Domestic debt on the other hand exerted a significant positive influence on economic growth in Nigeria for the period covered by the study while debt service payment adversely affected the growth of the economy. Based on the findings from the study, the following recommendations were made. First is that since the need to source for external loans stems from the savings-investment gap, appropriate macroeconomic policies should be pursued to bridge the gap by generating revenue within. However, if borrowing is inevitable, the borrowed funds should be utilized prudently by channeling it to developmental projects to improve economic growth. Secondly, government should source loans from organizations with low rates of interest and also endeavor to offset outstanding debt service payments to prevent the nation from getting into debt crises.

REFERENCES

Ajie, H. A., Akekere, J. &Ewubare, D. B. (2014). *Praxis of Public Sector Economics & Finance.* Pearl publishers.

Akinyele, I. O. (2009). Ensuring food and nutrition security in rural Nigeria: an assessment of the challenges, information needs, and analytical capacity.

Amassoma, D. (2011). *External Debt, Internal Debt and Economic Growth Bound in Nigeria using a Causality Approach.* Current Research Journal of Social Sciences Vol.4.

Borensztein, E. (1990). Debt overhang, debt reduction and investment: The case of the Philippines. *International Monetary Fund Working Paper No. WP/90/77*, September 30

Central Bank of Nigeria (CBN) (2006) Nigeria: Major Economic, Financial and Banking Indicators.

Central Bank of Nigeria (CBN) (2008). *Statement of Accounts and Annual Reports*. Abuja: Central Bank of Nigeria.

CBN, 2020. *Statement of Accounts and Annual Reports*. Abuja: Central Bank of Nigeria.

Chenery, H. B., & Strout, A. M. (1966). Foreign assistance and economic development. The American Economic Review, 679-733.

Claessens, S. (1996). The Debt Laffer Curve: Some Empirical Estimates. World Dev. 18(12), 38-45.

Clements, B., Bhattacharya, R., & Nguyen, T.Q. (2003). External Debt, Public Investment, and Growth in Low-

Income Countries, IMF Working Paper WP/03/249, International Monetary Fund, Washington D.C.

Clements, B. & Nguyen, T. Q. (2008) Can *Debt Relief Boost Growth in Poor Countries? International Monetary*

Fund (IMF) Economic Issues No 34.

Cohen, D. (1993). Low Investment and Large LCD Debt in the 1980"s.*The American Economic Review.*18 (3).

Debt Management Office (DMO) 2007 Annual Report and statement of Accounts Blake &Hurpers Printer, Abuja.

Didia, D. &Ayokunle, P. (2020). External Debt, Domestic Debt and Economic Growth: The Case of Nigeria. *Advances in Economics and Business*, 8(2), 85-94.

Debt Management Office, (2005). Nigeria's Debt Relief deal with the Paris club. Available: www.dmo.gov.ng/debtrelief/resources/nigdebtreldeal.pdf.

Debt Management Office of Nigeria (DMO) 2006.*www.dmo.gov.ng*

DMO, (2020). Debt Management Office of Nigeria (DMO). *www.dmo.gov.ng*

Efuntade, A. O., Adegboyo S. O., &Efuntade O. O. (2020). The Impact of External Debt on Economic Growth in Nigeria. *International Journal of Scientific and Research Publications*, 10(4), 156-173.

Elbadawi, I., Ndulu, B. &Ndungu, N. O. (1997) Debt Overhang and Economic Growth in Sub-Saharan African in Zubair, I. and Kanbur, R. eds. External Finance for Low Income Countries, Washington D C (International Monetary Fund).

Ewubare, D. Nteegah, A. &Okpoi, G. (2017). Public Borrowing and the Nigerian Economy: An Autoregressive Distributed Lag Model (ARDL) approach. *The International Journal of Social Sciences and Humanities Invention.* 4(5), 3506-3514.

Frankal, J. A. & Dude, M. P. (1989). Analytical issues in debt. International Monetary Fund (IMF) Washington Publishers, 10-32.

Gbosi, A.N., 1998. The impact of Nigeria's Domestic debt on macroeconomic environment. First Bank Review Journal.

Ishola, S. A., Olaleye, S. O., Ajayi, F. O. and Giwa, A. B. (2013). External Debt and the Nigerian Economy: An Empirical Analysis. International Journal of Humanities and Social Science Invention

Iyoha, M. A. &Iyare, S. O. (2008) African's Debt Problems in Onah, F. E. ed. African Debt Burden and Economic Development, Selected Papers for the Nigerian Economic Society, May.

Kabadiya, B., Uzun, A. and Karakoyi, C. (2012). *The Impact of External Debt on Economic Growth in Transitional Economies.* Chinese Business Review Vol. ll

Kenon, P. B. (1990). Organising Debt Relief: The Need for a New Institution, Journal of Economic Perspectives Vol. 4 No. 1.

Lensink, R, & White, H. (1999). Is there an aid Laffer curve? Credit Research Paper No. 99/6. Nottingham: Centre for Research in Economic Development and International Trade, University of Nottingham.

Ndekwe, E C (2008). Government Borrowing, Monetary Supply and Monetary Policy in Nigeria: Government's

Monetary Impact in Mixed Economy, Nigeria Institute of Social and Economic Research (NISER) Ibadan: 137-155

Ndubuisi, P. Analysis of the Impact of External Debt on Economic Growth in an Emerging Economy: Evidence from Nigeria. Afr. Res. Rev. 2017, 11, 156–173.

Obiwuru, T. C., Okwu, A. T. and Ekezie, J. O. (2013). Effects of domestic debt on economic growth of Nigeria. *Journal of Strategic and International Studies, vol.9 no.1: pp44-60*.

Okonjo-Iweala, N. (2005). Understanding Nigeria's debt situation. Retrieved Auust, 12, 2021: http://resourcedat.com/wp-content/uploads/2011/12/Okonjo-Iweala- Speech.pdf

Okwu, A.T, Obiwuru, T.C, Obiakor, R.T and Oluwalaiye, O.B (2016). Domestic Debt and Economic Growth in Nigeria: Data-Based Evidence. *Greener Journal of Economics and Accountancy, Vol.5(11) pp,001-012.*

Omoruyi, S.E. (1996).Nigeria Debt Management and Control Problems and Prospects. Economics and Finance Review 31(31(4).Central Bank of Nigeria.

Paul, N. (2017). Analysis of the Impact of External Debt on Economic Growth in an Emerging Economy: Evidence from Nigeria. *African Researchers and Reviewers*,11(4), 156-173.

Soludo, C.C. (2003). Debt Poverty and Inequality in OkonjoIweala, Soludo, and Muntar (Eds), The Debt Trap in Nigeria, Africa World Press NJ, pp. 23-74.

Tajudeen, E.(2012). Public debt and economic growth in Nigeria: Evidence from granger causality. American Journal of Economics, Vol. 2(6): pp101- 106.

Uma, K. E., Eboh, F. E., Obidike, P. C. (2013). Debt and debt service: Implications on Nigerian economic development. *Asian Journal of Social Sciences & Humanities*,2(2), 275-284.

Uzoma, C. N. &Odungweru, K. (2021). External Debt and Poverty Nexus in Nigeria. International Journal of Research in Business, Economics and Management. 5(3), 26-38.

Were, M. (2001). The Impact of External Debt on Economic Growth in Kenya: An Empirical Assessment, UNU-WIDER Research Paper, DP2001/116.